

## The interactions of land tenure and agricultural value chain development in Africa: a synthesis from VCA4D studies

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The European Commission has developed a standardised methodological framework for analysis of value chains (The Value Chain Analysis for Development (VCA4D) methodology <https://europa.eu/capacity4dev/valuechain-analysis-fordevelopment-vca4d/documents/methodologicalbrief-eng>), which has been applied to more than 45 value chains since 2016. VCA4D aims to understand to what extent the value chain allows for inclusive economic growth and whether it is both socially and environmentally sustainable.

The high-level conference 'Value Chain Analysis for Development: providing evidence for better policies and operations in agricultural value chains' which took place on 18th and 19th January 2023 took stock of lessons learnt from evidence on how knowledge on value chains can support decision-making. All documents and videos from the Conference are available here: [https://capacity4dev.europa.eu/projects/value-chain-analysis-for-developmentvca4d/info/5-conference-documents-value-chainanalysis-development-providing-evidence-betterpolicies-and-operations-agricultural-value-chains\\_en](https://capacity4dev.europa.eu/projects/value-chain-analysis-for-developmentvca4d/info/5-conference-documents-value-chainanalysis-development-providing-evidence-betterpolicies-and-operations-agricultural-value-chains_en)

The transversal analyses presented at the Conference have analysed a minimum of three different VCA4D studies, providing cross-cutting analyses on thematic issues of interest to policymakers. The analyses and knowledge briefs are produced with the financial support of the European Union (VCA4D CTR 2017/392-416). Their content is the sole responsibility of the authors and do not necessarily reflect the views of the European Union nor of Agrinatura/ the VCA4D project.

### Abstract

This transversal analysis addressing land tenure uses eight VCA4D studies, purposively selected to represent export-oriented and domestic value chains (VCs), to examine relations between VC development and land tenure in Africa. Modified or codified forms of customary tenure are prevalent but do not necessarily act as a barrier to the development of sustainable VCs, either domestic or export-oriented. Other issues related to land tenure include pervasive gender inequality, the development of titling initiatives and rental markets, and large-scale land acquisitions. The studies represent a range of pathways by which VC development is or is not driving changes in land tenure: in four cases with little or no apparent impact. In the four distinct cases, changes are observed through: VC development as one of several drivers of tenurial change; an apparent shift from customary allocation towards informal sales; development of a form of short-term land rental leading to geographical displacement of a staple crop VC; and a range of responses to address land tenure inequality. Based on these findings, key messages are presented for policy-makers on both land policy and VC development.

### Background and issues

Land tenure is an important part of the environment for agricultural VCs and can also be impacted by VC development. The analysis seeks to answer the two questions:

- How are land tenure and land policy constraining or enabling the development of inclusive and sustainable VCs in Africa?
- Is the development of VCs in Africa (autonomously or through project interventions) affecting land access and secure tenure rights?

## Materials and method

The tool “social profile” developed by DG-INTPA gives a picture of a VC, at a given time, by assigning scores to 63 questions in a spreadsheet covering six domains.<sup>1</sup> This transversal analysis considers land tenure in the broadest sense: “the terms under which land and natural resources are held by individuals, households or social groups”, and starts with an overview of the quantified ratings of aspects of land and water rights in the pro-forma social profiles of 37 VCA4D studies (mainly in Africa but including some in Asia and Latin America). The largest part of the analysis is based on a close reading and comparative assessment of the social domains of eight VCA4D studies of crop or livestock VCs in Africa, purposively sampled to cover export-oriented and domestic VCs from different sub-regions of Africa. They were not selected based on the conclusions of the VCA4D reports on their social sustainability, but rather on the lessons, positive or negative, that could be learnt from them.

Mixed-method approaches were adopted, using review of secondary data and existing reports, focus groups or similar forms of qualitative data-gathering, and in some cases social-sector-oriented questions within structured questionnaire surveys.

## Findings

Good land governance is a key theme in EU cooperation. The European Development Consensus “recognises responsible land governance and secure access to land as important drivers of human development, economic growth, better governance of natural resources” and as an aspect of respect for the rights of indigenous people and local communities. The EU has collaborated with other donors and international organisations to prepare and disseminate key documents, such as the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of Food Security (VGGT), and cooperation projects with a land governance objective or component have represented an important part of cooperation spending.

The most important findings from the overview of the 37 VCA4D social profiles relate to potential threat in land acquisition by large-scale agribusiness: **compliance with the VGGT** is generally low, as were indicators of transparency, participation, equity, compensation and justice in land

acquisition. The **possibility of women having equal land rights to men** was considered non-existent in 35% of the social profiles and moderate/low in a further 43%.

The transversal analysis carries out a close reading and comparative assessment of VCA4D studies covering export-oriented and domestic VCs although the distinction between the two is not always clear-cut (Figure 1).

### How are land tenure and land policy constraining or enabling the development of inclusive and sustainable value chains in Africa?

In almost all the countries studied, **the majority of agricultural land is held under some form of modified or codified<sup>2</sup> customary tenure** (ranging from 95% in Sierra Leone to around half in Côte d'Ivoire). Modified customary tenure can be associated with situations where smallholders have limited power in negotiations with private sector actors, and are forced to rely on governments which may fail to represent their interests. Customary or modified customary tenure does not necessarily act as a barrier to the development of sustainable VCs, either domestic or export-oriented. This is shown clearly for export VCs by the coffee VC in Tanzania (where in some regions up to 95% of farms are traditionally held) and for domestic VCs by milk in Burundi and sorghum in Ghana (although informal land tenure was seen as a barrier to accessing credit and expanding the farm). However, VCs drivers do not necessarily consider farmers in their strategies claiming customary tenure (e.g. cotton VC in Cameroon).

**Gender inequality in access to land** is reported in nearly all the studies. In Burundi, under the current modified land tenure regime, women are far less likely to inherit usable parcels of land than are their brothers, have no rights to inherit as widows their deceased husbands' lands, and may be subject to violence and even to expropriation of land they themselves have acquired. Women may be allocated plots by their husbands but have very limited decision-making powers on them. More generally, a titling initiative open in principle to women, is not in practice significantly improving this situation. As with cassava in Côte d'Ivoire, a VC may be highly inclusive of women as producers and processors, while the land tenure system it operates within makes their access to land in their own rights difficult. The representation of women in the VC should not divert attention from the difficulties they face in accessing land.

Sub-Region	Sahel	Coastal West Africa	East and Central Africa	Southern Africa
Export-Oriented VC	• Cameroon Cotton	• Sierra Leone • Palm Oil	• Tanzania Coffee	• Eswatini Beef
Domestic VC		• Ghana Sorghum • Côte d'Ivoire Cassava	• Burundi Milk	• Zambia Maize

Figure 1: Selected VCA4D studies for the transversal analysis on land tenure

<sup>1</sup> Working conditions, land and water rights, gender equality, food and nutrition security, social capital, living conditions.

<sup>2</sup> To partially change the role of customary actors on land tenure (modified), to make customary tenure legalized in law (codified)..

Several of the countries studied are implementing **titling initiatives**, either converting land held under customary rights to full legal title, or as in Burundi to establish an intermediate form of land certification carried out at local level with low transaction costs. However, these initiatives are generally being rolled out extremely slowly, and/or are meeting resistance – the Burundian Municipal Land Certification initiative begun in 2012 (which benefits from some EU support) only covers 7% of national cultivated land, and the use of “Chiefs’ Certificates” in Zambia is highly controversial, bringing accusations of rent-seeking. In Ghana, the process of obtaining formal title is viewed by smallholders as long and difficult, disincentivising them from even starting.

**Rental markets are developing** in several of the VCs but may have negative impacts on agricultural sustainability: it is important to note that land held under modified customary tenure can be rented out for cash, usually one season at a time. In Tanzania, coffee is never grown on rented land as there would be no incentive for investing in a perennial crop, although coffee-producers may use the rental market to expand their fields of other crops. In Cameroon there is a knowledge gap on the extent of use of rented land in the cotton VC but renting of land is associated with low/outsider social status, lower yields and lower investment in soil fertility. In a domestic VC, cassava in Côte d’Ivoire, renting of land on a single-year basis provides an opportunity for mainly female farmers to cultivate fallow areas of larger farms, but is arguably not conducive to long-term development of this VC.

The selected studies, with the partial exception of Sierra Leone where about 20% of oil palm land is held by external actors under leases, do not generally support a narrative of **large-scale land acquisition** by commercial actors, that could be characterised as “land-grabbing” in the way the term is generally used, but this is not to deny the importance of such processes elsewhere in Africa. However, **countries are not well equipped to manage potential large-scale land acquisitions**, for example the VGGT principles are either unknown or widely flouted. In one case (cassava in Côte d’Ivoire) land acquisition for export crops is negatively affecting and geographically displacing production of a domestic staple.

*Is the development of value chains in Africa (autonomously or through project interventions) affecting land access and secure tenure rights?*

In Eswatini, Tanzania and Ghana there are, for different reasons, no apparent impacts of VC development on land tenure. In Zambia there appears to be some shift towards informal sale of land that has been allocated under customary tenure but it is not clear how attributable this is to development of the maize VC specifically. Where VC development is driving changes in land tenure, the studies demonstrate that the processes are highly context-specific as illustrated in the two cases presented below.

Acquisition of land in south and southeast Côte d’Ivoire for commercial production of rubber, oil palm and cocoa has meant a marginalisation of cassava production in those regions and its displacement to central and west-central regions, and the development of a niche form of land access in short-term rental of fallow land on larger farms.

In Cameroon, the VCA4D study notes that Sodecoton is willing to favour larger family holdings (>5 ha) but it is unclear how actively and in what way it is pursuing such a policy. Proportions of rented land are increasing, but rented land is not per se advantageous to Sodecoton’s interests, as it is associated with lower investment. By pointing out the need for i) a new institution for managing medium-term land leasing and ii) better state involvement in managing land conflicts between farmers, herders and protected areas, the study in fact shows that Sodecoton, as the organisation de facto governing this VC, is at present not easily able to adapt land policy to the needs of the VC.

In Burundi, the major shift in land policy, from modified customary tenure towards the roll-out (so far very slow) of municipal titling, has been driven more by political and demographic factors rather than the specific needs of the dairy or any other VC (Burundian land policy discussions are dominated by the fear of conflict following the return of refugees to rural areas in 2005, and by concerns about land fragmentation as a result of population growth). But the 2018 Law on Zero-Grazing, which profoundly affects land use and land access, has been driven by concerns relating more specifically to the livestock economy, of which the milk VC is the most important economic manifestation. These concerns include the need to reduce conflict around livestock movements, the need for better veterinary control and the perceived need to modernise livestock production by encouraging on-farm cultivation of fodder. The Burundi study suggests a generally favourable evaluation of the Law by producers, though less so in the geographical area most associated with extensive cattle production.

In Sierra Leone, the case study VC with the most significant problem of commercial land acquisition that has circumvented requirements for consultation with smallholders, there are now limited signs of change: while implementation of the agreed land reform is drastically under-budgeted and inadequately organised, companies that are involved in land acquisition are working, sometimes in the face of negative publicity, to improve their leasing and community engagement processes, and involving NGOs and international organisations in multi-stakeholder partnerships.

The VCA4D studies (e.g. oil palm in Sierra Leone) suggest that the formula for division of proceeds from land-lease leads to a very small actual compensation to the landowners who part with their lands and livelihoods.

## Conclusions and implications for policymakers

The VCA4D studies synthesised for this transversal analysis are very varied in terms of the sorts of land tenure situations they describe, and in the detail they give on different aspects of land tenure. In addition, only one case directly dealt with large-scale land acquisition. However, some important messages for policy-makers are emerging.

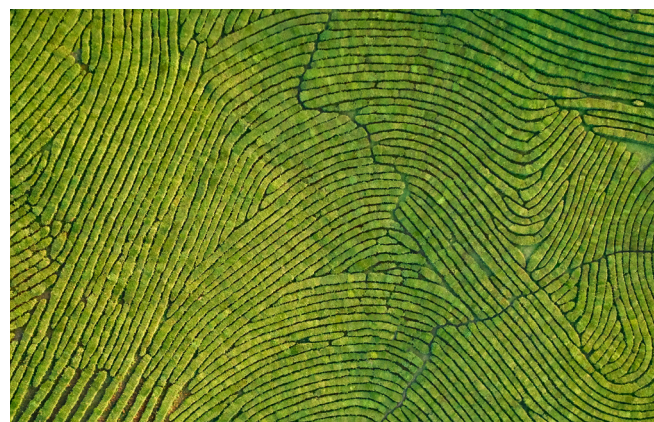
### Message on land policy

- Profitable and inclusive VCs, including export-oriented VCs, can be built on the basis of a wide range of land tenure situations, including systems dominated by modified customary tenure.
- Titling initiatives are under way in several of the countries covered, but they are proceeding very slowly, and in one case have been controversial. There may be important benefits for well-designed titling initiatives in conflict reduction and incentivising investment, but they will not be a magic bullet for development of VCs.
- Specific innovations in land policy (e.g. establishment of multi-year rental contracts for smallholders, support for export crop production on medium-size holdings, block-farming models or outgrower models for contract agriculture), would be helpful in the medium-term, but these solutions need to be tailored to the specific contexts of the VCs.
- Knowledge of and adherence to the VGGT among stakeholders is deficient. While large-scale land acquisition may not be a significant present threat in all African countries covered by this analysis, the VCA4D studies support the need for a general effort to increase knowledge of and practical adherence to the VGGT.
- Land acquisition patterns in high-value VCs can have indirect impacts on staple food VCs, both by reducing tenure security within a production area and by geographically displacing food crop production to other areas (e.g. Côte d'Ivoire cassava VC). These impacts need careful monitoring to avoid disruption to food VCs and negative effects on equity.
- Virtually all the VCA4D studies show high levels

of gender inequality in women's secure access to land and decision-making power over it. The fact that producers and processors (and traders) in some VCs are predominantly women does not mean that gender inequality is not an issue to be addressed.

### Message on value chain governance

- Organisations with an important role in VC governance or coordination (i.e. marketing parastatals, major commercial investors, and apex farmer organisations), can and should concern themselves in strengthening institutions for land access and land governance that contribute to environmental sustainability, inclusivity, and equity.
- Such initiatives may need to include building institutions for the management and resolution of conflicts over land access within or between VCs.
- Efforts to raise awareness of the VGGT should be directed to such VC actors as well as to land policy actors.
- Action on land tenure within VC development is likely to involve multi-stakeholder partnerships and linkages to parts of government responsible for land policy. Partnerships so established may be sources of innovation in institutions for land access and governance, as well as coordinating policy on issues that create linkages and indirect impacts across VCs.



Value Chain Analysis for Development (VCA4D) is a tool funded by the European Commission / INTPA and is implemented in partnership with Agrinatura. Agrinatura (<http://agrinatura-eu.eu>) is the European Alliance of Universities and Research Centers involved in agricultural research and capacity building for development.

The information and knowledge produced through the value chain studies are intended to support the Delegations of the European Union and their partners in improving policy dialogue, investing in value chains and better understanding the changes linked to their actions. VCA4D uses a systematic methodological framework for analysing value chains in agriculture, livestock, fishery, aquaculture and agroforestry. More information including reports and communication material can be found at: <https://europa.eu/capacity4dev/value-chain-analysis-for-development-vca4d->

This document is based on the VCA4D Conference transversal analysis "The interactions of land tenure and agricultural value chain development in Africa: a synthesis from VCA4D studies" prepared by John Morton and Ravinder Kumar. Value Chain Analysis for Development Project (VCA4D CTR 2017/392-416). The document is available at: [https://capacity4dev.europa.eu/library/vca4d-conference-session3-land-tenure-vcs-africa\\_en](https://capacity4dev.europa.eu/library/vca4d-conference-session3-land-tenure-vcs-africa_en)

