



Land governance and investment for agriculture

Perspective from AFD portfolio

June 29th 2017

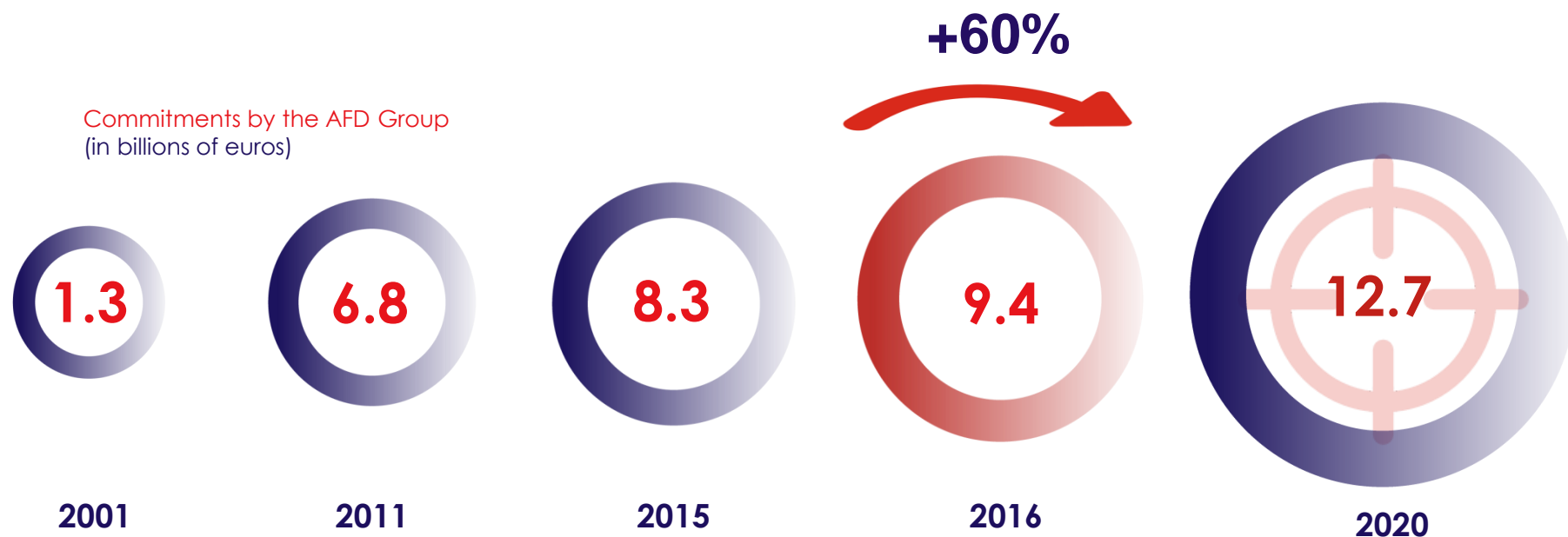
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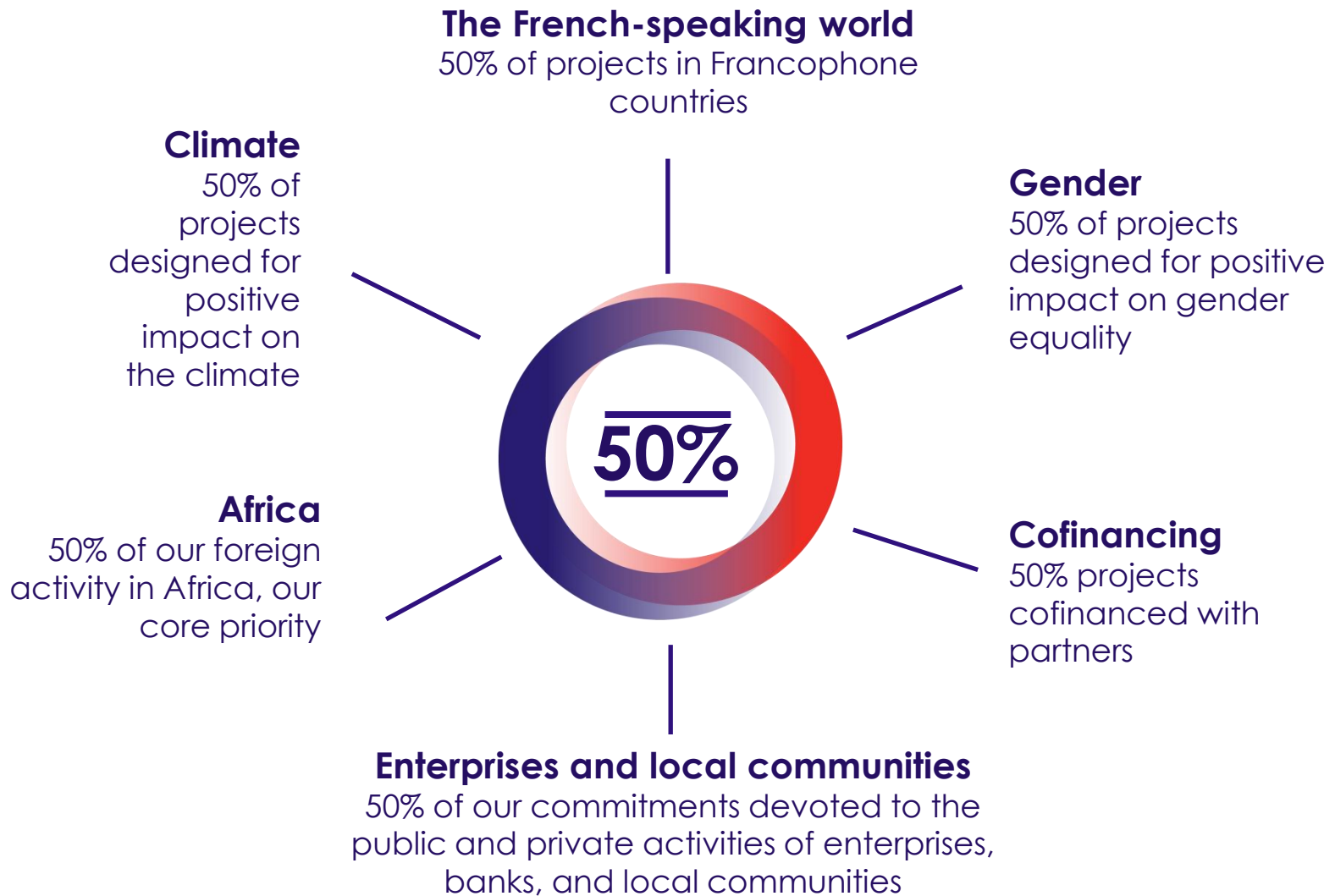
A SHARP RISE IN COMMITMENTS



- ↳ A record volume of commitments for AFD in 2016: +13% compared to 2015
- ↳ 657 new development projects, all sectors combined
- ↳ A successful step towards the ambitious 2020 objective set by the President of the Republic

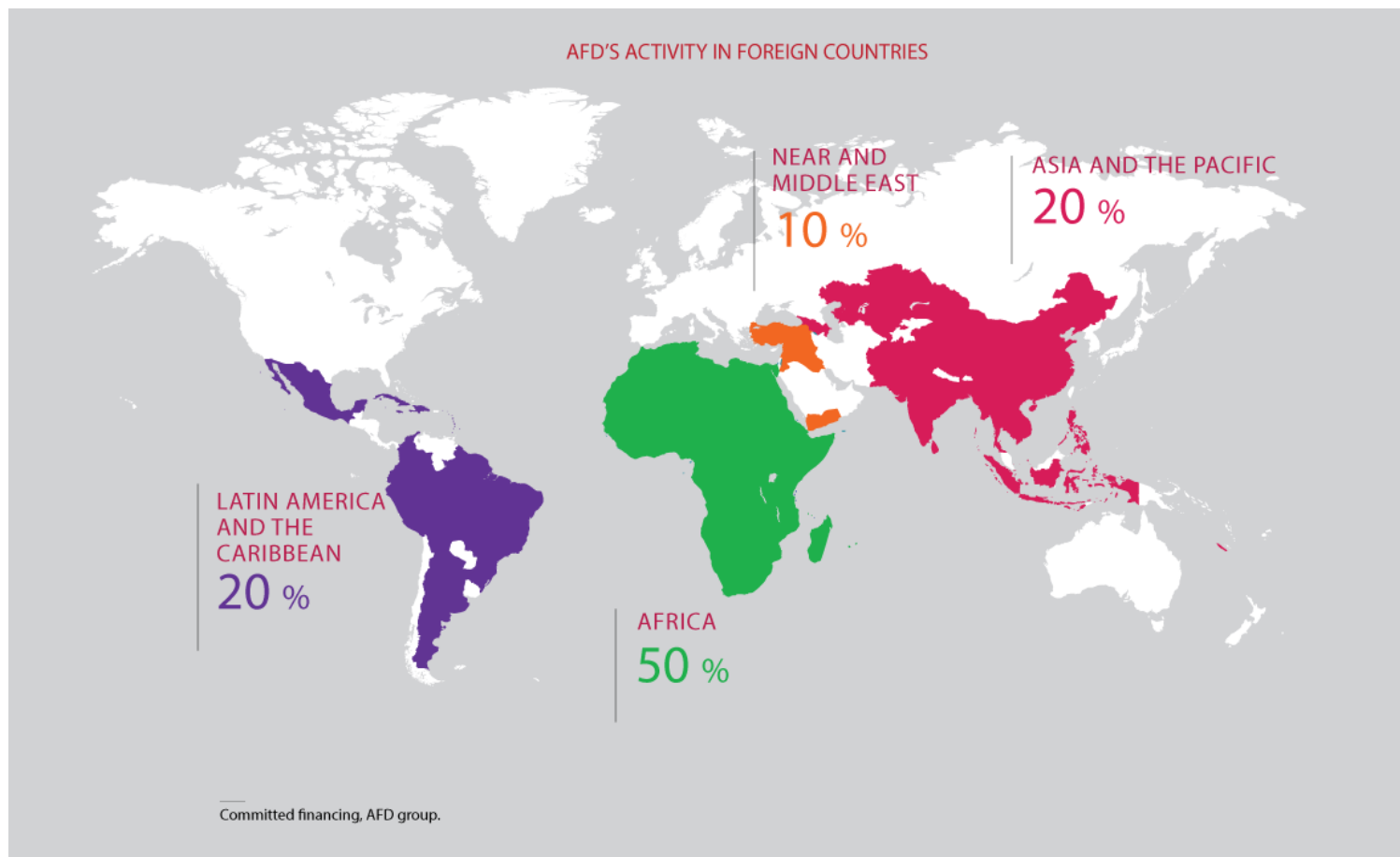


OUR MARKERS





AS CLOSE AS POSSIBLE TO NEEDS





PRIORITY ON AFRICA

€4 billion

in commitments in
2016

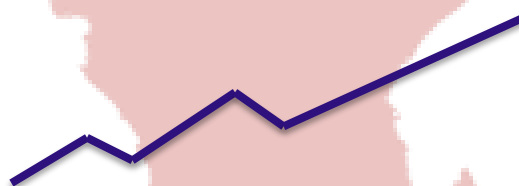


84%

of grants and subsidized
loans granted by AFD
are concentrated on
Africa

€22 billion

in 7 years, since 2010



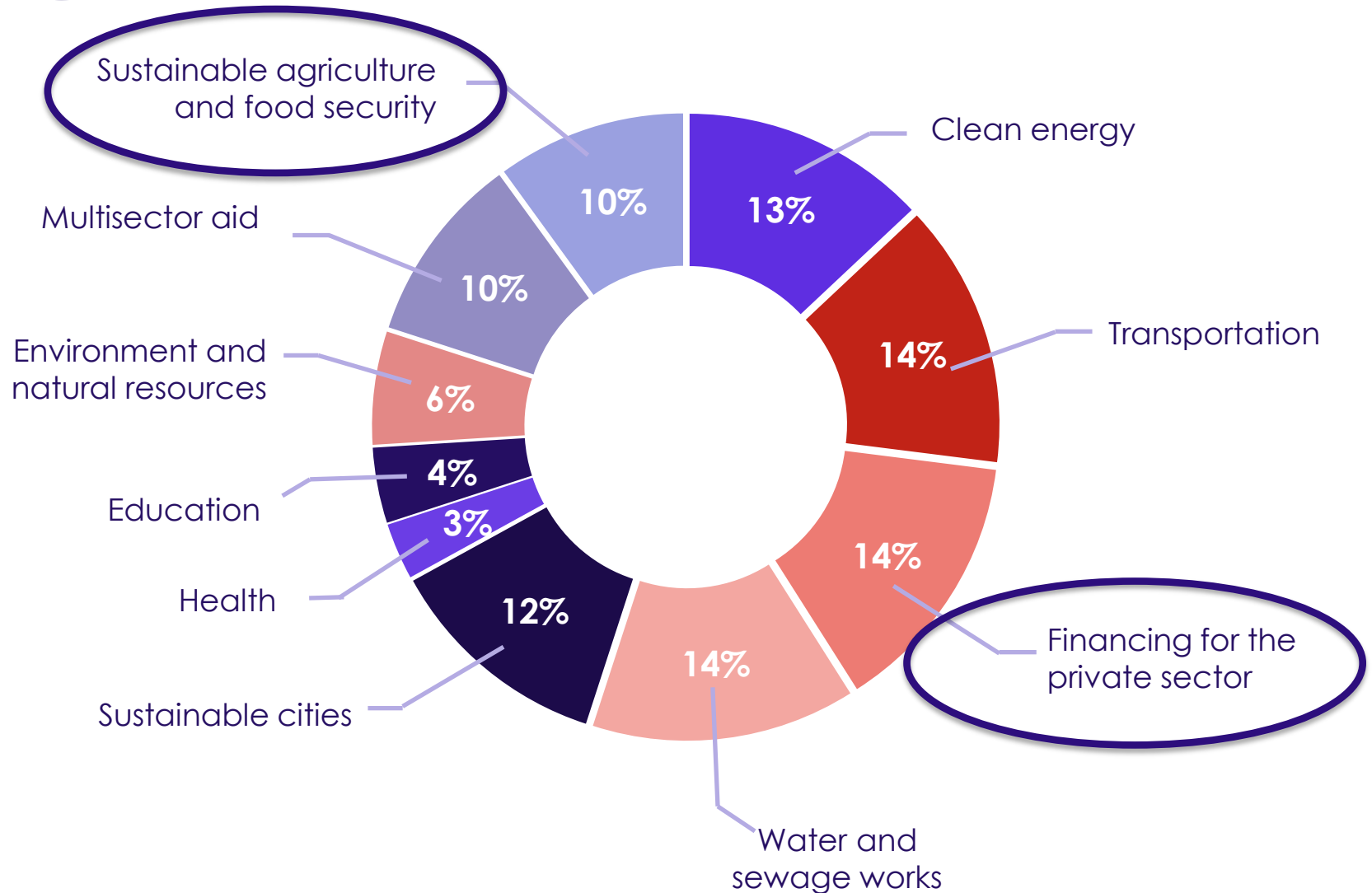
A new objective of
€23 billion in 5
years for 2017-2021

500

employees

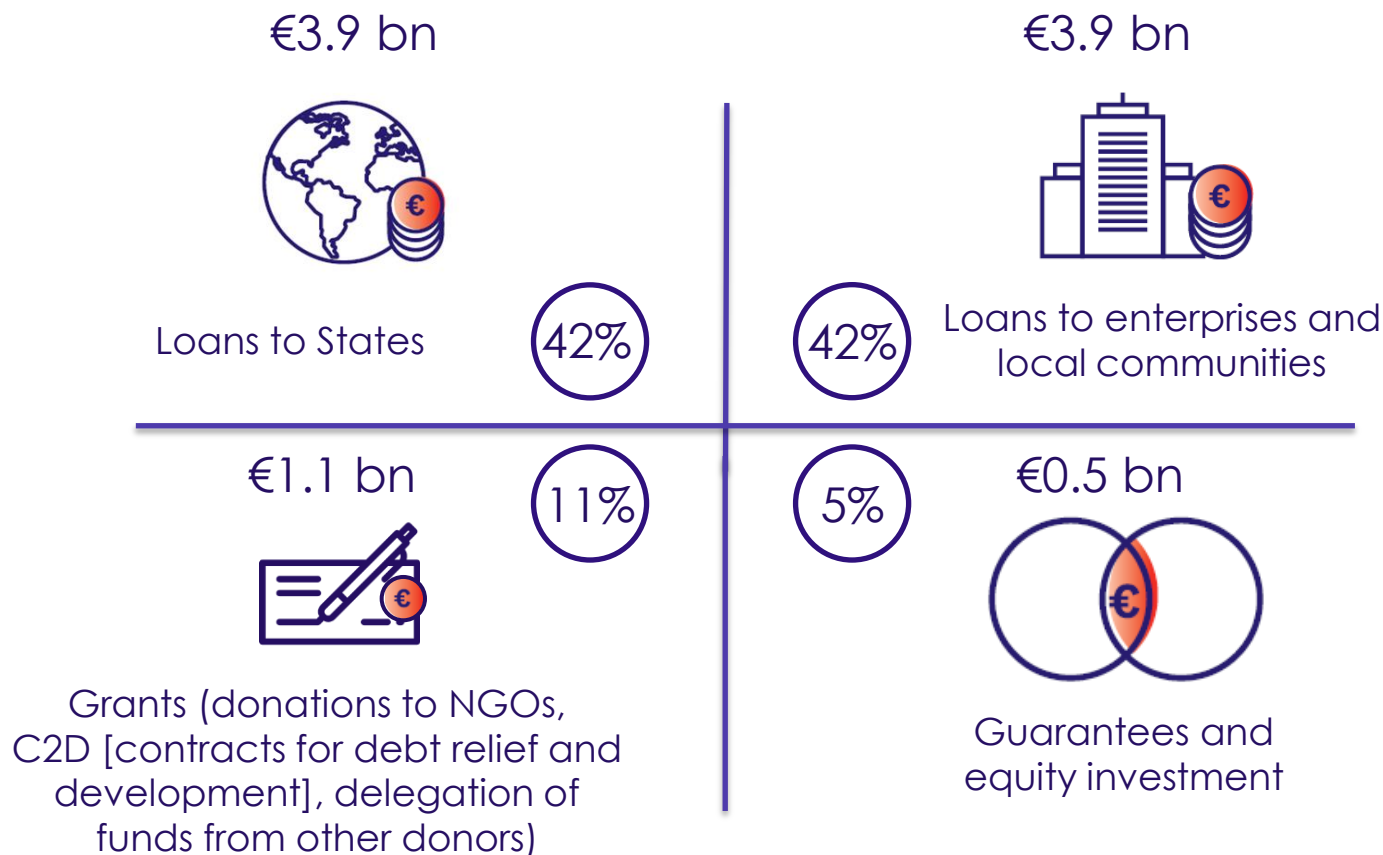


NUMEROUS FIELDS OF ACTION





FINANCIAL TOOLS ADAPTED TO NEEDS



In 2016, more loans for the private sector (+8%) and more grants in delegation of funds, especially from the European Union (+300%)

AFD's strategy for agriculture (1/2)

▪ Challenges

- Massive decent jobs creation for rural youth, in agriculture, upstream, downstream
- Peace, security, conflict prevention, governance, justice
- Sustainable natural resources management and Biodiversity conservation
- Agric Trade Balance
- Triple wins Agro-ecological transition/intensification : Productivity + Adaption + Mitigation – “-ides” (LULUCF, REDD+, Organic Carbon in Soils/ 4 p 1000)

▪ AFD group overarching goal

- #MakeRuralGreatAgain
- Inclusive sustainable Agric value chains

AFD strategy for Agriculture (2/2)

Added **value** and balanced **value sharing** among **agro value-chains'** stakeholders



Capacities of **rural local authorities** to **facilitate/ deliver access to basic services**

On **family farm sustainable productivity** and **landscape sustainable management**

Conducive **public policies** for higher contribution of agriculture to a **sustainable and inclusive growth**

GMO



→ not permitted

Biodiversity



→ no degradation of high value ecosystems,
→ no deforestation, compensation

Land tenure



→ background,
→ land tenure contract
→ transparency in land governance

Contract farming



→ balanced risk and value sharing

Farmers' organizations



→ active/actual partner of the program

01. What does “Private Sector” means for Agriculture ?

From **Family** (farmers) to **Family** (consumers)

- **Who are investors ?**

- **FARMERS: Small, medium or large**
- Domestic LANDOWNERS: more or less from the communities, medium and large... reinvesting in the village..
- TRADERS: Local to global, Company & **cooperatives**
- PROCESSORS: Local or global, SMEs, Firm & **cooperatives**, 1st to 3rd
- RETAILLERS: Local, Very Small E, SMEs & **cooperatives**

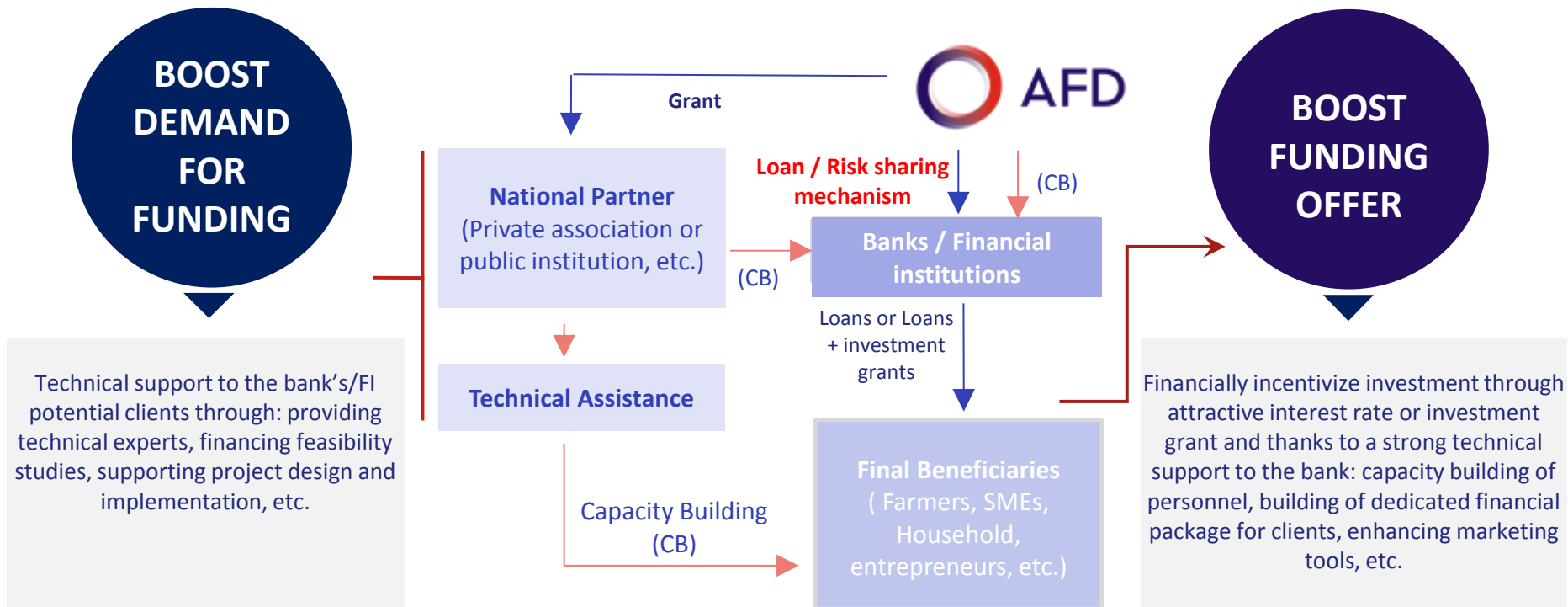
- **What will facilitate their investment ?**

- Infrastructures (road, irrigation, energy, information...)
- Basic Services (health, WatSan, education)
- De-risking (Crop and animal diseases, market, climate, tenure)
- Individual Capacities (Innovation, knowledge sharing)
- Institution capacities (Local Authorities, Farmer Organization, Unions..)
- Financial Services



AFD Financing Financial institutions

An integrated approach - synthesis





Some of our partners



02. Land rights: what do we mean ?

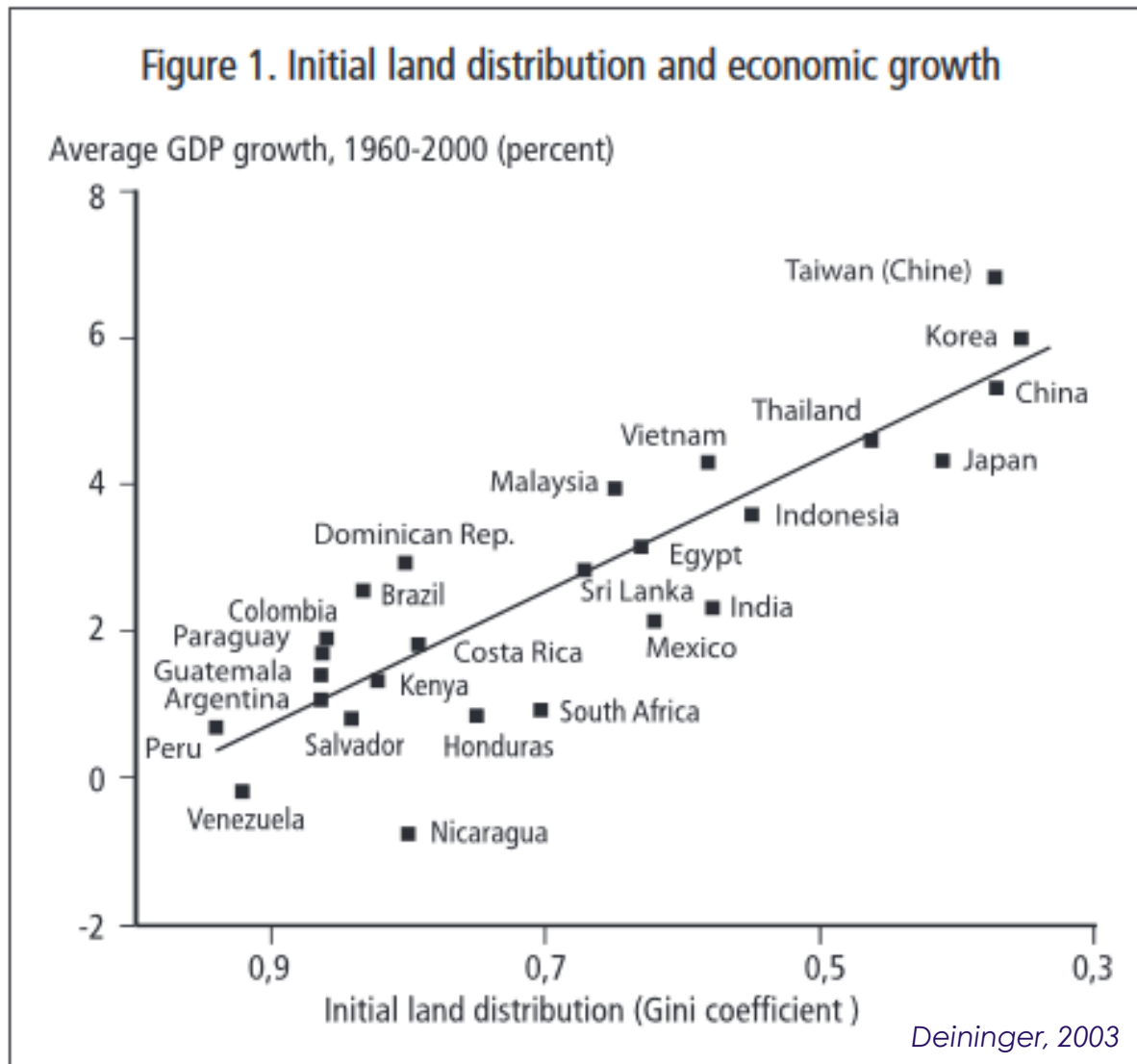
- **What really matters ?**

- Size of the farm: large enough for family living, in a given agro-system ;
- Security of tenure for tenants on the long run: a need for investment
- Equity:
 - **land distribution amongst members of the community**
 - **Land use sharing amongst communities**
- Land market: price should be a barrier to access land
- Intergeneration transmission of tenure rights (inheritance)
- Strengthening Local institution to manage tenure rights, prevent and solve disputes/conflicts

- **What about property rights and individual title deeds ?**

- Not acceptable / feasible in many communities
- Not mandatory : tenure matter
- Not a collateral for financial service
- Costly intergeneration transmission

03. Is Large Scale Land Based Investment the best option ?



OECD countries have implemented policies to limit land concentration

- **UK and USA (1930's)**

- 60% of inheritance tax on land & rural finance policies to support access to land for smallholders

- **Australia (recently)**

- control over foreign investment in land

- **France (1960' to now)**

- 70% of cultivated land under land lease;
- Secured land tenure in the long run for tenant farmers: Legal status for tenants, regulation of rent rates and share-cropping arrangements;
- Facilitation of access to land (property or use) for young farmers
- Pension as incentive to elders to retire
- Regulation of Minimum and Maximum farm size, in a given agrosystem
- Co-management of all issues between MoA, Farmer Organizations, Local Authorities for Agriculture and Environment as Public Goods (SAFER)

04. Land tenure: cornerstone in ADD operations

In the context of demographic growth in rural area...

- **Since 1995, a multi stakeholders advisory Committee “Land for Dev” (CTFD).**
- **Land use and Land tenure is cross cutting** whatever the rationale of the project (irrigation, contract farming, pastoralism, integrated rural development)
- **Support young farmers installation** wherever land is available
- **Modernization/digitalization of Land administration entities as support to reforms based on:**
 - Power, duty and capacity of **local/communal authorities** to address land use, land rights sharing...
 - Legal recognition of historical legitimate tenure and user rights
 - Transparency, access to information
 - Cost effectiveness of registration of rights and maintenance
- **Articulate Finance access to Access to land and Land Tenure**
- **Independent assessment of “large scale” land acquisition (rent or purchase) remains an option to be considered.**

Example 1: Small scale irrigation in Senegal river Valley

- **Local land use plans at communal level ;**
 - Participatory land use planning
 - Land allocation committee and information system
 - Land use charter..
 - Water use charter..
- **Public Investments**
 - Irrigation scheme (I and II channel) and feeder roads
 - Communal development fund
 - Women associations dedicated activities
- **Private (farmer) investment (III)**
 - Credit line to CNCAS
 - Advisory services to Farmers (CGER)
- **Institutional support**
 - Capacity building : Min Agri, regional agency, local governments, communities
 - Institutional support in participatory land use planning and decentralized land management
- **FINANCING: €30M Sovereign soft loan + €1,5M€ grant**



Example 2: Co-benefit territorial development in Tunisia

■ Collective management of natural resources and territorial concertation

- Support to collective management and concertation on land use and natural resources : territorial diagnosis + thematic diagnosis
- Local plans on natural resources management
- Co-management (chartes...)

■ Investments

- Irrigation
- feeder roads,
- Agro-ecology and forestry
- Value chain support through support to FBOs and cooperatives

FINANCING: €50M sovereign loan + €1,5M€ AFD grant + € 2M FFEM

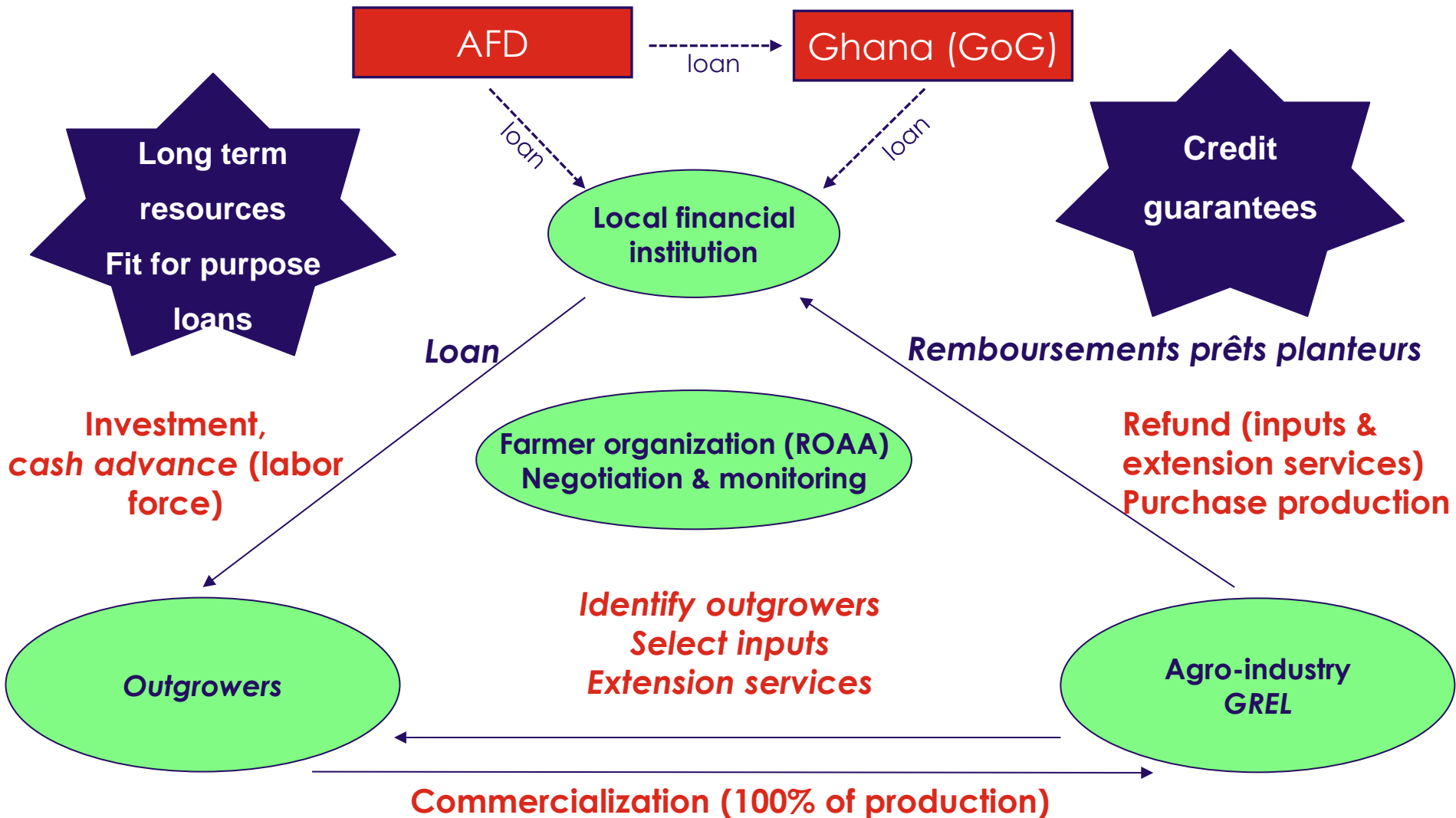


03. Examples 3 and 4 : Local land management based in Madagascar and Burkina-Faso

- **AFD-EU support decentralized land governance in Madagascar**
 - *guichets fonciers in 70 communes*
 - *Local land use diagnostic*
 - *Allocation of certificates*
 - *Register local land transactions*
- **AFD-EU support decentralized land governance in Burkina Faso**
 - *Strengthen land tenure security for family farmers*
 - *Contribute to agricultural investment (sustainable soil management)*
 - *Capacity building for rural municipalities, regional decentralized administration*



Example 5: An innovative contract farming scheme for Rubber production in Ghana



05. What should we do more and better ?

- Donor cooperation to jointly support implementation land reforms by National Government
- Specific attention should be paid to:
 - decentralized management of land use, land access, land rights...
 - Recognition of customary rights
 - Tenure rather than property
 - Transparency of Land information (Observatory)
 - Access to land for young (M&F) farmers
 - Regulation of land rights market, in terms of size, price of land tenure, lease fees level and recovery, , share cropping
 - Cost effectiveness and sustainability of land information system, including maintenance.
- AND ... access to financial services for
 - national farmers... with comfort/security, not on land property but land tenure, farmer capacity and value chain connection
 - Downstream investors that source from Farmers



Thank you

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