



Linking Land Tenure and Use for Shared Prosperity

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RESPONSIBLE PRACTICES: IMPLEMENTATION CHALLENGES FOR AGRI-BUSINESS COMPANIES IN CENTRAL AFRICA

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Short abstract:

International standards of good practices have multiplied in the last decades. They are promoted by Non-Governmental Organizations, required by some financial institutions, demanded by final consumers and the civil society. The socio-political, economic and ecological impacts of responsible standards in the agricultural sector will be assessed and analyzed through case studies in Central Africa, specifically in Democratic Republic of Congo, Republic of Congo, Gabon, and Cameroon. The role of financial backers in promoting and implementing these standards will be examined. From this analysis, the authors draw on lessons learned and suggest measures to influence local, national and international stakeholders when designing, and developing large scale land based investments. International standards participate in ensuring a proper preparation of large-scale land based investments in agriculture. They might be used in a risk-limiting strategy by investors and as requirements by the hosting State to evaluate the investment proposal. Added to these tools, strong business plan and operational plan are necessary to ensure the trustworthiness of the investment project. The commitment of a society to develop in a socially and environmentally sustainable manner and the actual implementation of a corporate social and environmental responsibility policy might also help to overcome historical background of conflicts.

Thematic area: 3. Impacts of large scale land-based investment, implementation challenges, and policy implications

5 keywords: Certification, oil palm plantations, deforestation, land grabbing, industry-smallholders partnerships

Regional classification: Africa

Biography of presenting author:

Laurène Feintrenie (CIRAD), is a social scientist specialized in tropical agronomy. Laurène joined the CIRAD research team on Forests Goods and Ecosystem Services in 2011, to work on interactions between forests, agriculture and other economic sectors. Her research activities have been focused on the Central African region since 2012. She looks at drivers of deforestation and forest degradation outside the forestry sector, specifically the expansion of family agriculture and large-scale investments in forested lands for agro-industrial plantations and mining activities. She has strong expertise in participatory approaches and in engaging stakeholders in the design of national strategies (she participates to the National Committee for the design of the strategy on sustainable oil palm development in Cameroun at the request of the Cameroonian Minister of Agriculture and Rural Development, a work led by WWF with the scientific and technical support of CIRAD and CIFOR).

Long abstract:

International standards of good practices have multiplied in the last decades (Auld et al. 2008; IFC 2010; ISEAL 2010; ISO 2010; OECD 2008; RSPO 2010; FAO 2012). They are promoted by Non-Governmental Organizations, required by some financial institutions, demanded by final consumers and the broad civil society. They often translate into certifications or labels that guarantee the implementation of specific guidelines by the producer, and regular controls by the certification body.

The socio-political, economic and ecological impacts of responsible standards in the agricultural sector will be assessed and analyzed through case studies in Central Africa, specifically in Democratic Republic of Congo, Republic of Congo, Gabon, and Cameroon. The role of financial backers in promoting and implementing these standards will be examined. The authors build a comparative analysis of tools used by financial backers to ensure sustainable practices of financed enterprises.

From this analysis, the authors draw on lessons learned and suggest measures to influence local, national and international stakeholders when designing, and developing large scale land based investments.

International standards participate in ensuring a proper preparation of large-scale land based investments in agriculture. They might be used in a risk-limiting strategy by investors and as requirements by the hosting State to evaluate the investment proposal. These standards usually require compliance with the legislation, conducting social and environmental impact assessments, preparing an impact management plan including compensation mechanisms, negotiating free prior and informed consent with impacted communities. Added to these tools, strong business plan and operational plan are necessary to ensure the trustworthiness of the investment project. Olam in Gabon illustrates how these tools can help in ensuring benefits for all: the company, the hosting State, the local communities.

Without a neutral and critical evaluation of such documents by independent experts, inadequate or unsustainable projects might be accepted, with unpredictable consequences in the short, medium and long terms. Two recent projects illustrate this in the Central African region: SG-SOC Herakles Farms project in Cameroon, and Atama oil palm plantation in the Republic of Congo. In both these cases, a lack of good planning of investment costs conducted to delays in the operational plans, until a complete break of planting activities. In the case of Herakles Farms, social conflicts link to land grabbing issues participated in the rather impossible management of the project on the ground (Feintrenie 2014; Feintrenie et al. 2014).

Some corporate societies carry a heavy burden from history, either related to past behavior of the society, even in different places, or to the inheritance from the society they bought to get access to the production means (land, mills). The commitment of the society to develop in a socially and environmentally sustainable manner and the actual implementation of a corporate social and environmental responsibility policy might help to overcome historical background. Communication, dialogue and transparency are keys to success. A good example is the GBE experience in the Democratic Republic of Congo of using a negotiation protocol similar to a free prior and informed consent negotiation process to solve social conflicts regarding access to land in a concession that used to be a public plantation (Feintrenie 2014).

Whatever standard is implemented, the final result will depend on the actual involvement of all the stakeholders into dialogue and a common project of achieving sustainability on the long term. Results from some participatory prospective exercises (Bourgeois and Jesus 2004) conducted in three palm oil production basins in Cameroon including an agri-business company (either CDC, Pamol or Socapalm) and independent oil palm growers demonstrated that a good organization of farmers ensures a greater negotiation power, and increase positive outcome from partnerships with industries (Djouma 2014). A bilateral direct communication is necessary to create and maintain trust between the partners, and ensure partnership on good relationships on the long term.

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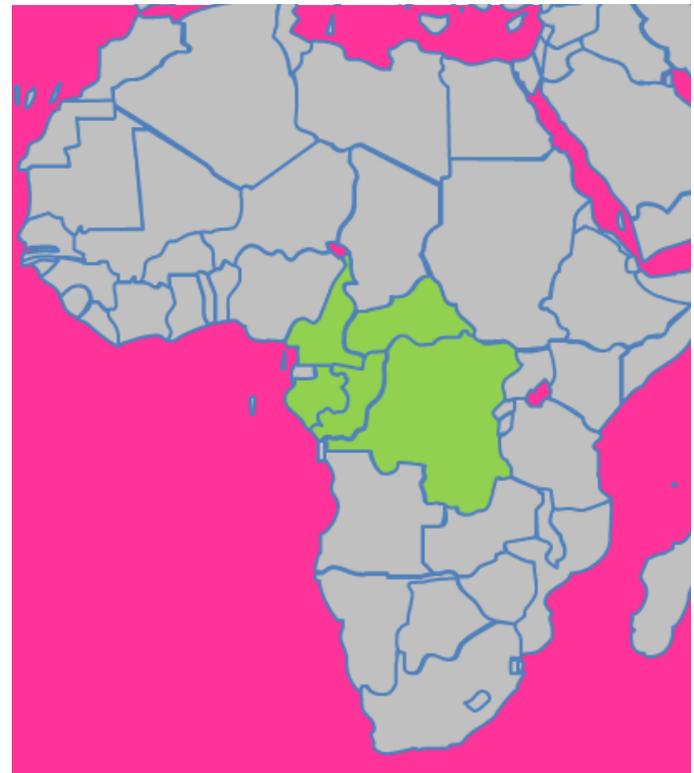
Responsible practices: implementation challenges for agri-business companies in Central Africa

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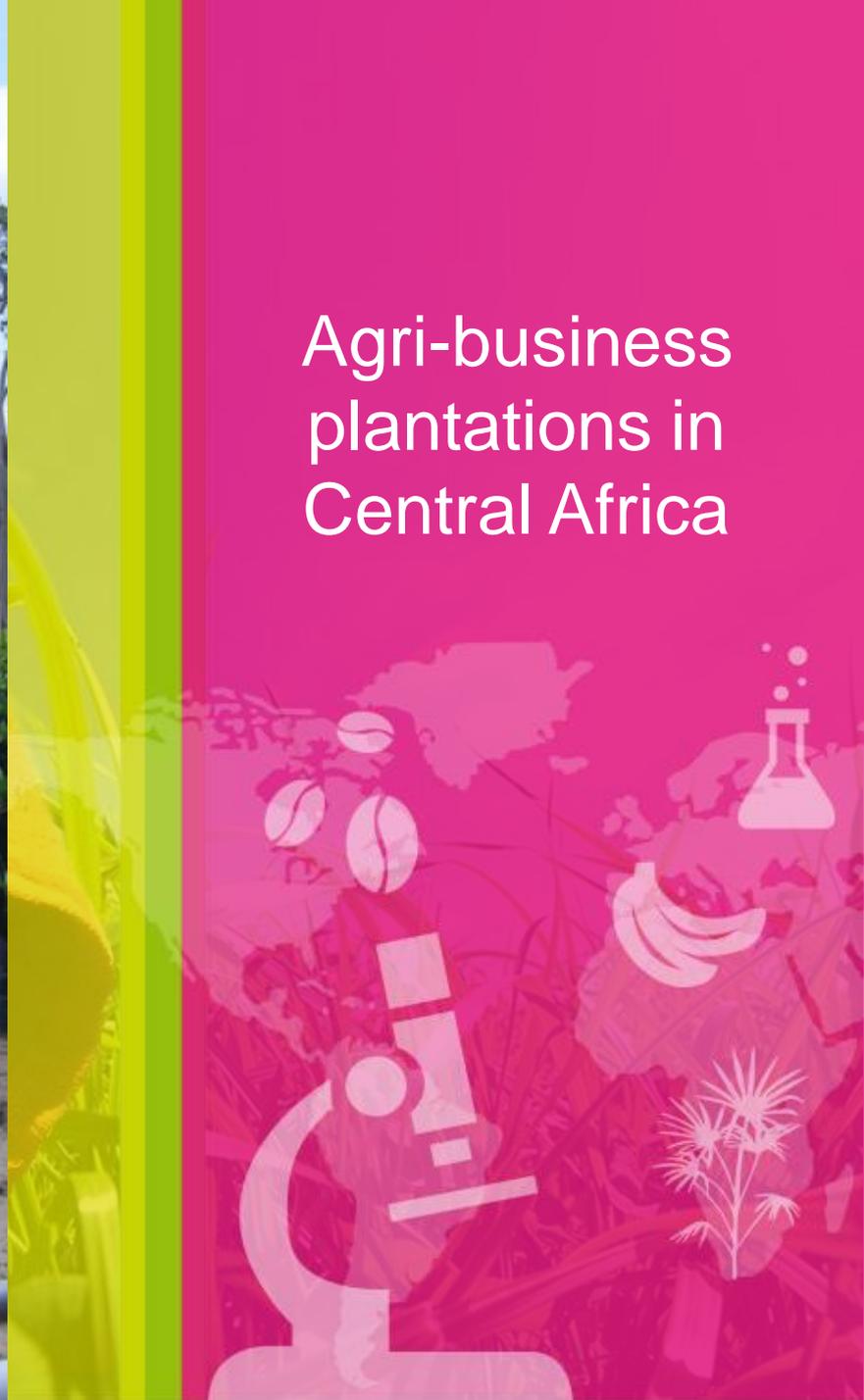
On the menu

- Agri-business companies
- Responsible Practices
- Challenges
- Way forward





Agri-business plantations in Central Africa



Farming categories

■ Family farming

- 0,5 ha < 5 ha < 10 ha
- Permanent labour = family
- Food crops +/- cash crops



■ Small and medium business farming

- 10 ha < 100 ha < 600 ha
- Permanent employees
- Local value chain



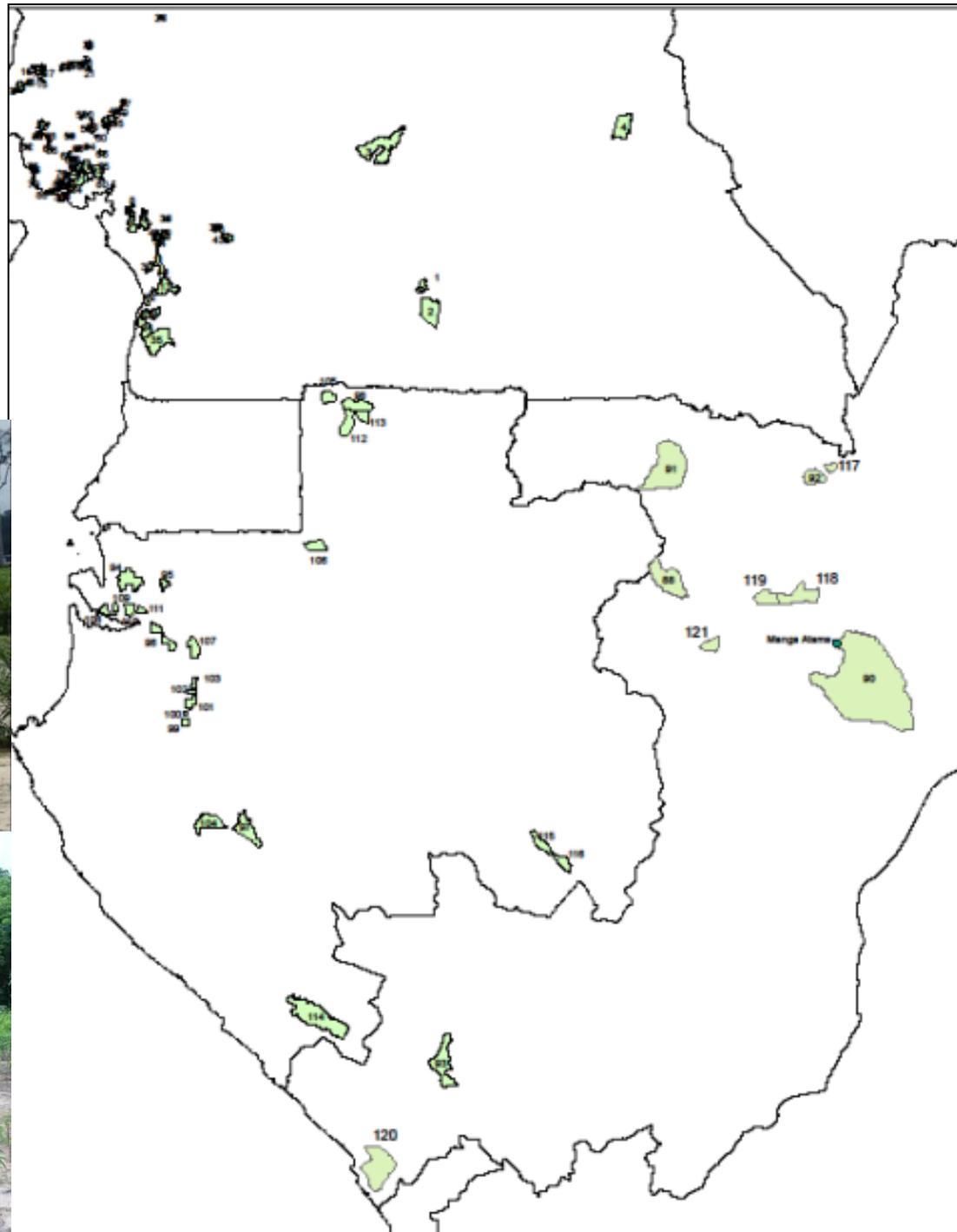
■ Agri-business, industrial farming

- 1 000 ha < 300 000 ha
- Domestic or foreign enterprises, multinationals
- National market and export

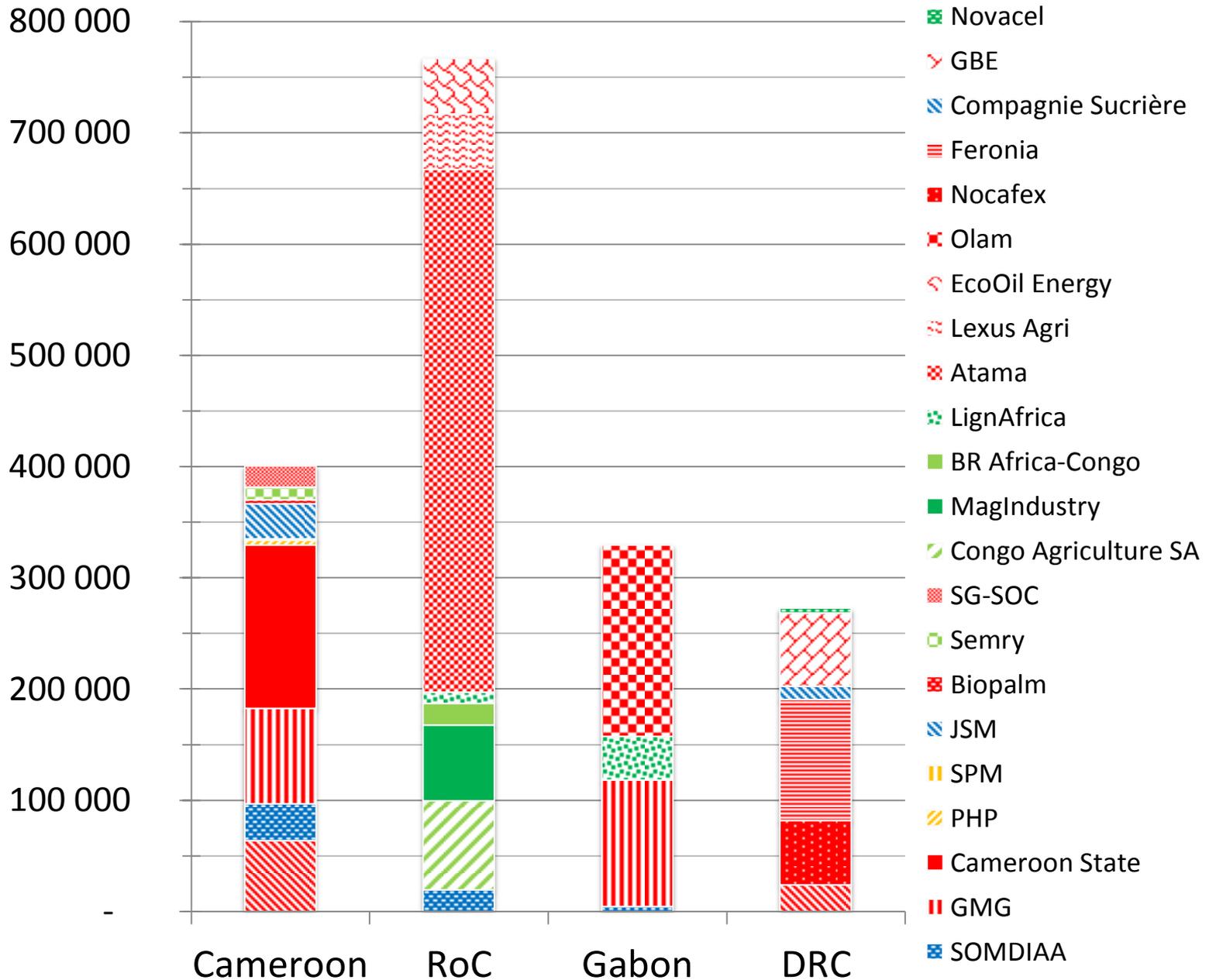


Industrial plantations

1,7 Mha in large agriculture land leases



Land leases (ha)





Responsible Practices



International standards and initiatives

- 1976: OECD Guidelines for Multinational Enterprises
 - Corporate Social Responsibility principles
- 1997: Global reporting initiative
 - Sustainability and transparency
- 2000: Global compact
 - Human rights, corruption, environment
- 2003: Equator principles
 - Environment, Social and Governance criteria in finance
- 2010: ISO 26000
 - Corporate Social Responsibility
- 2012: Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests
 - Land tenure security

Responsible practices

- Objectives:
 - limit financial and reputational risks,
 - ensure sustainability (long term profit)

- ESG commitments, CSR policies

- Certifications
 - Protected Designation of Origin
 - Sustainable farming, Organic farming
 - Rainforest alliance

- Sector specific:
 - FSC, PEFC
 - RSPO, RSB
 - Buyer specific: Starbuck

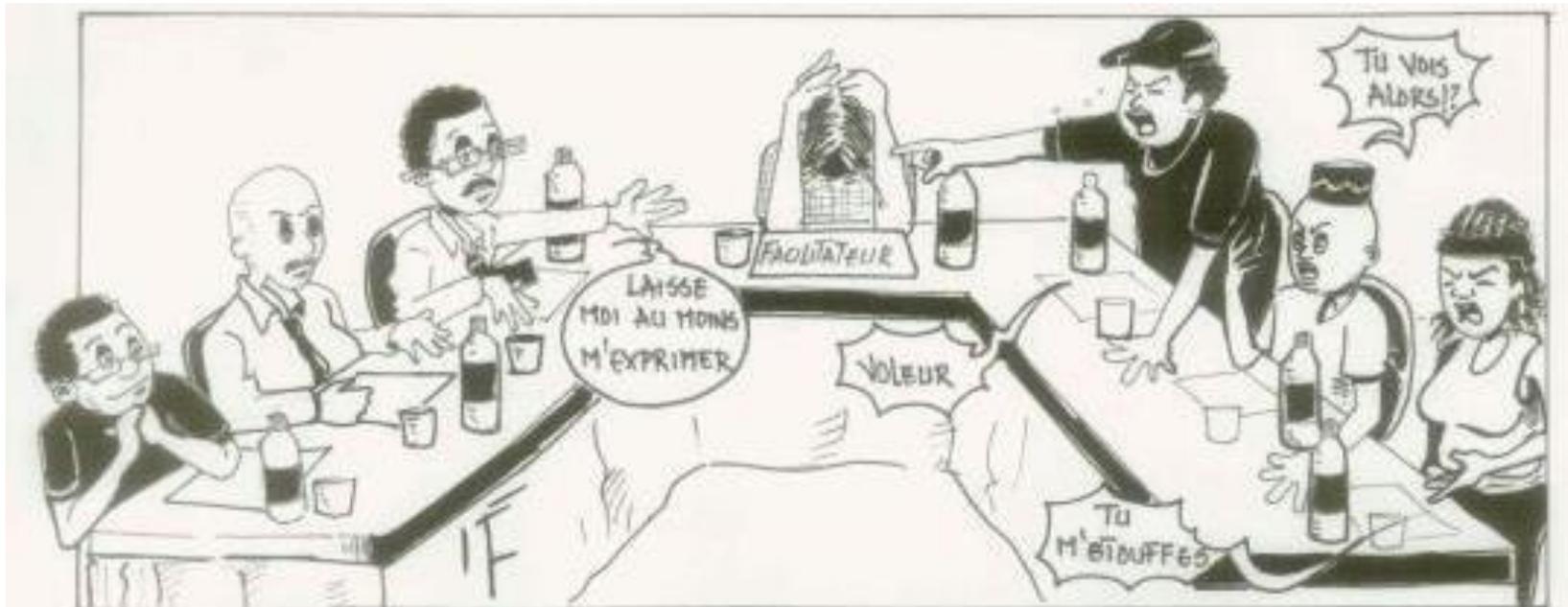


Challenges



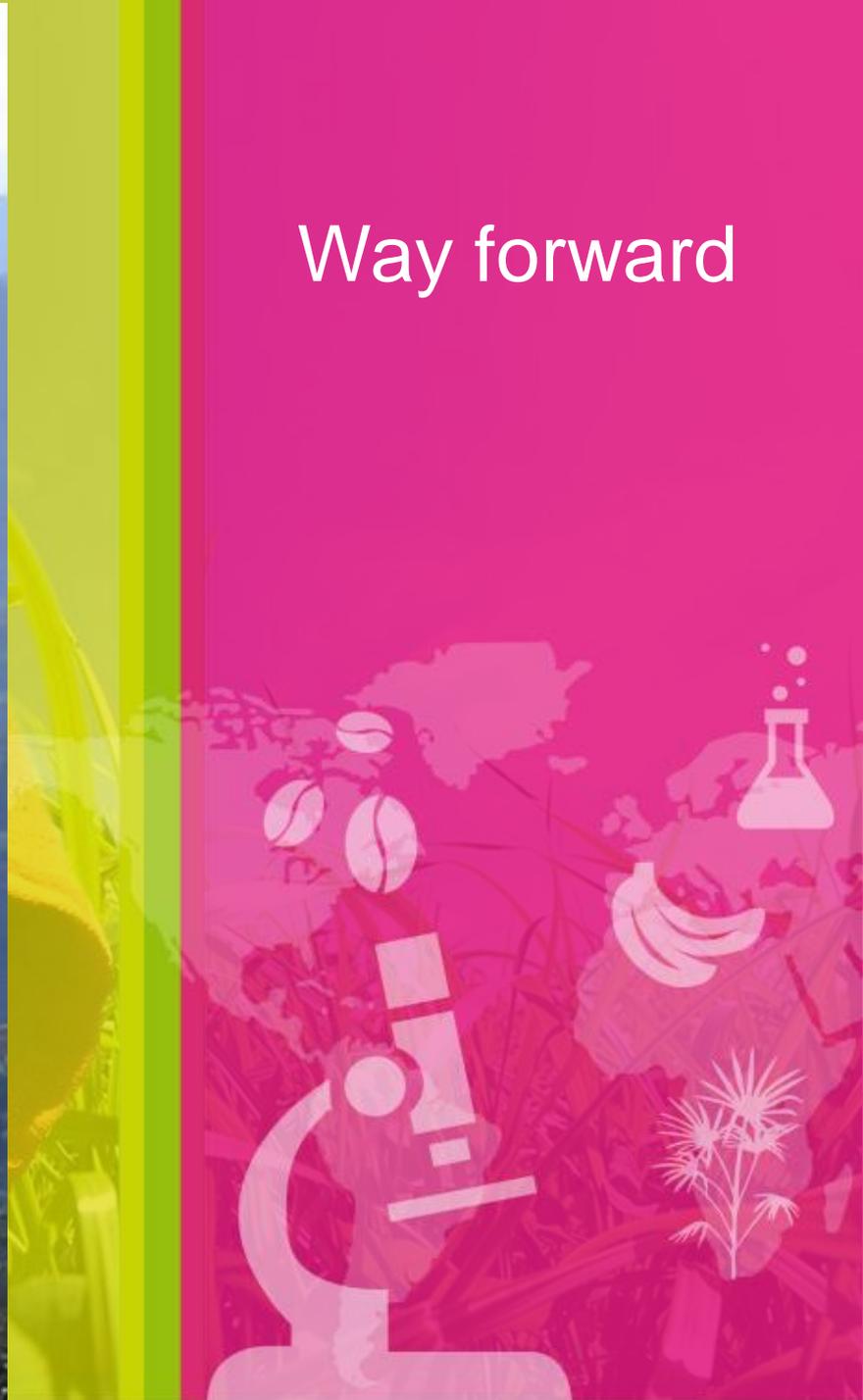
Challenges

- Legal framework: unclear, unprotective, incomplete,
- Lack of enforcement,
- Secrecy, bad habit,
- Historical burden,
- Mistrust





Way forward



Way forward

- Protect from abusive investments and speculation on land:
 - Contract
 - business plan, operational plan,
 - CSR policy
- Adaptation of the legal framework and regulations
 - Secure access to land, enforce laws,
 - Guarantee the expression or refusal of FPIC
 - Enforce ESIA and impact management controls
- Organization of farmers, of value-chains

Way forward

- Common understanding of difficulties and opportunities
- Partnership contract
- Organized communication:
 - Representatives,
 - Meetings,
 - Reporting, publications, medias...
- Transparency, Trust



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