

- The AAF continues to consult with relevant stakeholders throughout portfolio company implementation (construction and operation), as necessary, to address ESA related issues affecting stakeholders. The Bank requires the AAF to report on ongoing consultations as part of the normal reports submitted to the Bank.

### **Code of Conduct for land acquisition and land use In Agricultural and Agribusiness Projects**

*This Code of Conduct was developed by the Private Sector and Microfinance Department of the African Development Bank. If you have any technical questions, please contact Rachel Aron at r.aron@afdb.org.*

This Code of Conduct will guide AAF and its portfolio companies in adhering to the highest standards with respect to land acquisition and land use in proposed investments. AAF and its portfolio companies commit themselves to the following principles and guidelines in undertaking agricultural and agribusiness investments across Africa:

#### ***Environmental and Social Sustainability***

- Support the use of participatory mechanisms when engaging with local stakeholders in decision-making related to land acquisition and land use.
- Recognize levels of availability and/or scarcity of land, water, and other environmental resources and promote the sustainable use of these resources.
- Encourage respect for local customs and traditions by employees of AAF and its portfolio companies.
- Refrain from actions that compromise access to and use of environmental and socio-cultural resources by local communities without providing for alternative schemes (e.g. monetary compensation, replacement land/ asset).
- Implement measures to diminish and/or prevent further land degradation.
- Restore agricultural land to ecological health, when possible.
- Ensure that proposed investments do not jeopardize biodiversity, carbon stocks, and the protection of environmentally sensitive areas.
- Devise relevant solutions to address and mitigate the impacts of climate change in proposed investments.
- Develop community-based initiatives seeking to transfer technology and strengthen the agricultural knowledge base.

#### ***Socioeconomic Context***

- Engage in an analysis of the socioeconomic realities and circumstances linked to land acquisition and land use in the concerned communities.
- Gain a stronger understanding of local sensitivities relative to land.
- Recognize the different uses for land (e.g. agricultural production, pastoralism, biodiversity conservation, protection areas).
- Acknowledge the different land user groups (e.g. pastoralists, farmers) and their varied land use patterns.
- Evaluate the extent to which vulnerable groups utilize the land and the implications, which the proposed investments will have on their land use needs.
- Recognize differing interests in the use of land as manifested by men and women, including members of the same household.
- Consider the implications of land acquisition and land use on women given their socio-cultural roles or economic roles.

#### ***Land Rights***

- Respect existing land rights and land tenure arrangements, both formal and customary in nature.
- Acknowledge the differences that characterize various groups' vis-à-vis land ownership in local communities (e.g. landless workers, family landowners, large landowners).

- Remain conscious of existing land users who possess temporary rights or leaseholder rights to the land.
- Undertake resettlement activities, where necessary, without infringing on land rights.

### ***Stakeholder Engagement***

- Encourage extensive stakeholder engagement and inclusive participation in the assessment of property rights; land tenure arrangements, and land transfer options.
- Promote equity and transparency in discussions, negotiations, and transactions linked to land acquisition, including land leases and land purchase agreements.
- Strive to conduct land valuation and asset valuation exercises and to provide compensation in alignment with stakeholder interests.
- Present accurate information on the intended use of the land and the potential impacts related to such use.
- Avoid the use of manipulation, intimidation, and other forms of exploitation in interactions with stakeholders.
- Create continuous opportunities for stakeholders to participate in and provide their feedback on proposed investments.

### ***Conflict Prevention***

- Seek to minimize the risk of conflicts and social tensions erupting between local communities and AAF and its portfolio companies.
- Seek to minimize the risk of conflicts and social tensions erupting between local communities and employees of AAF and its portfolio companies.
- Design conflict resolution and/or grievance mechanisms to address any issues and/or challenges concerning the proposed investments.

### ***Food Security***

- Resist from engaging in agricultural practices or utilizing technology within the context of the proposed investments that may contribute to food insecurity in local communities.
- Comply with existing national policies and legislation seeking to strengthen food security in local communities. Where such policies and legislation do not exist, collaborate with national governments in identifying problems linked to food security and in developing/ supporting programs to address these problems.
- Prevent the emergence of threats to existing initiatives centered on assuring food security, such as right-to-food measures.
- Increase familiarity with the inter-linkages between domestic food security and local rural development.

### ***Smallholder Farmers***

- Recognize the role and contributions of smallholder farmers to local agriculture.
- Assess the needs of smallholder farmers in complementarity with the proposed investments.
- Seek to include smallholder farmers in economic opportunities linked to the proposed investments, such as contract farming and outgrower schemes.

### ***Livelihoods in Local Communities***

- Strive to achieve an equitable distribution of social and environmental benefits shared among local communities and AAF and its portfolio companies.
- Create sector linkages, where appropriate, with the aim of augmenting economic welfares in communities.
- Seize from diminishing the availability of land used as part of livelihood survival strategies in local communities.