

# SUSTAINABLE INVESTMENT

## Land acquisition and land use

### **A word from Phatisa's Chairman, Valentine Chitalu on land acquisition in Africa.**

*"Land issues are very sensitive from both a social and a political point of view. It is a well debated fact that a foreign owned large-scale land project targeted at exporting food products is at odds with food security in Africa. But being an indigenous African fund manager of a multi national private equity initiative – the Africa Agriculture Fund (AAF), Phatisa believes these two goals: large scale land projects and food security most certainly can be and should be compatible and sustainable.*

*The African Agriculture Fund is a socially responsible investment vehicle whose approach to business is sustainable, environmentally friendly and closely aligned with the interests of the people and communities impacted by its investments. As such the Fund operates according to a Social Environmental Management System that features an environmental and social risk management system, guidelines for optimal use of the technical assistance facility and, for the first time in agri business private equity, a Code of Conduct for Land Acquisition and Land Use in agricultural and agri business projects to prevent unsustainable practices.*

*The severity of the food crisis has led the international community and development agencies to mobilise themselves and form a global partnership to address the crisis affecting both agriculture and food production.*

*Multi national public to private partnerships need to be based on four components:*

- to design an international strategy and maintain political awareness on food issues;*
- to boost agronomic expertise and build a global knowledge network;*
- to re-orient financing from both public aid agencies and states towards agriculture investment; and finally*
- involve local communities and producers in economic activity.*

*In order to ease the pressure on Africa's most dependent economies, the international community will need to support and finance the implementation of public agricultural policies. Key to achieving this is:*

- The promotion of new agricultural models that are more productive, more energy efficient, more respectful of the environment (to combat climate change, preserve biodiversity, mitigate soil degradation and combat desertification);*
- The promotion of agricultural investments involving small farmers and rural entrepreneurs that can contribute to both agricultural production and economic growth in Africa;*
- Improving professionalism and the activities of stakeholders in the rural world (Stakeholders include administrations, territorial authorities, professional and inter-professional organisations);*
- Advancing the agricultural profession and encouraging young farmers;*
- Combining the development of marketed agricultural products and subsistence sectors;*
- Structuring and organising domestic markets;*
- Adopting mechanisms to mitigate price volatility and manage risks;*
- Developing infrastructure (tracks and roads, telecommunications, energy, water and land use planning); and*
- Encourage African governments to adopt best practice in land ownership, consultation processes around large projects and ensuring maximum development impact of investments.*

*The African continent has huge potential in terms of its own food security and exports. This will attract institutional and private players eager to increase food production and exports.*

***The only and most important consideration for businesses buying large scale farming projects should and must be sustainable investment - building long term equity value for all."***

#### **Contact details**

If you require more information on the AAF's Code of Conduct for Land Acquisition and Land Use and/or Anti Money Laundry Policy, please contact us.

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