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## A review of the Enabling Environment for Transformative Land Investment in Ethiopia, Ghana and Mozambique

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### ABSTRACT

#### Context and background:

Sub-Saharan African development strategies emphasize optimizing agricultural and forestry resources through foreign and domestic investments in large-scale farms and plantations. While these land-based initiatives are believed to enhance economic development, concerns arise regarding their impact on marginalized groups and the environment.

#### Goal and Objectives:

This study reviews the legal and policy frameworks to analyze the enabling environment for sustainable and inclusive land-based investment in Ethiopia, Ghana, and Mozambique.

#### Methodology:

We reviewed legal frameworks and incentives for inclusive and green investment. Then, we analyzed peer-reviewed studies on land-based agricultural investments and impacts. Our findings were presented at national Multi-Stakeholders Platform workshops for validation

#### Results:

Legal and policy frameworks concerning land, resources, and property rights, alongside incentive mechanisms to attract investors, reveal contradictions between investment promotion and Constitutional recognition of land as communal property. Customary laws positively influence land and resource management but may restrict women's land rights with varying regional applications. Inconsistent implementation of investment incentives, particularly in the inefficient and non-transparent land acquisition process, was noted. Transformative land investment requires legitimate tenure systems, robust land use plans, inclusivity promotion, improved government coordination, environmental awareness, and fiscal incentives for green and inclusive investment.

#### Keywords

*Agricultural investment, land Investment, land governance, land tenure, land policy, legal system*

## **1. INTRODUCTION**

Land resources support livelihoods and economic development in the sub-Saharan African (SSA) countries (Mbow 2020). Making use of agricultural land and natural resources contributes to a significant share of the countries' GDPs, fulfilling food demands, job creation and hard currency earnings (Toulmin 2008). The increase in population growth and hence the challenges to realize food security, coupled with the resources (finance) required to alleviate rural poverty has intensified the utilization of land resources. Sub-Saharan African development strategies thus emphasize the optimal use of agricultural and forestry resources, through leveraging land-based investment from foreign and domestic investors in large-scale commercial ventures like farms, plantations, and floriculture (Bukari and Kuusaana 2018; African Union Commission 2023).

While land-based investments are generally seen as contributors to economic development through capital, technology, knowledge, and market access (Abeygunawardane et al. 2022), concerns are rising about their impact on marginalized groups—smallholder farmers, rural women, and youth—and the environment (Basupi et al. 2017; Rasmussen et al. 2018; Pereira et al. 2020). Land tenure security issues can lead to grievances from smallholders against large-scale commercial farm expansions (Aha and Ayitey 2017; Basupi et al. 2017) The sustainability of agri-food systems is influenced by the presence or absence of favorable investment conditions (Borsellino et al. 2020; Bilali et al. 2021) Ensuring transparency in land acquisition involves the active inclusion of local communities in decision-making at all levels.

On the other hand, the sustainability of agri-food systems is influenced by the presence or absence of favorable investment conditions (Borsellino et al. 2020). Governments and stakeholders have an important role to play in providing these incentives while also making sure that investments meet set conditions that will strengthen sustainable development (Anna et al. 2020). This includes ensuring transparency in the land acquisition process involving local communities at every decision-making stage.

This study adopts 14 principles spanning governance, social inclusion, environment, and societal aspects, envisioning comprehensive integrated solutions for systemic change (Bukari and Kuusaana 2018). It actively integrates smallholders and advocates for agroecological and circular production practices across the supply chain. The project models are designed to be green, responsible, and inclusive, respecting local tenure rights, expanding opportunities for smallholders, especially women and men, generating new environmental services, and aligning with broader societal objectives.

Against this background, this study synthesizes the current policy and legal frameworks in Ethiopia, Ghana, and Mozambique in relation to the TLI principles. Utilizing insights derived from a literature review, the Transformative Land Investment principles were identified and applied to formulate lessons and implications. These findings are intended to guide multi-stakeholder platform processes (MSPs) in driving transformative changes in land-based investments.

## **2. METHODS**

### **2.1 Case studies**

The three countries (Fig. 1) are selected because of their national policies to attract land-based agricultural investment, and commitments to responsible investment principles in Africa.

## 2.2 Data collection

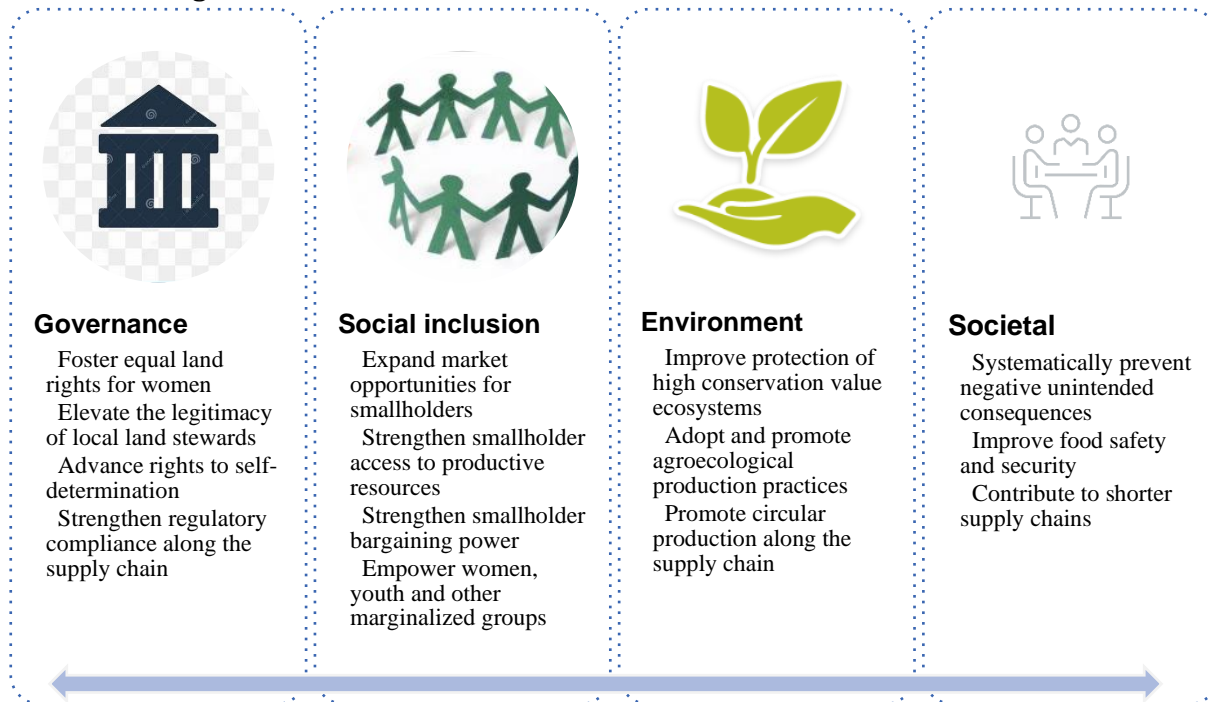
A two-stage literature search and review were employed to identify the enabling environment for Transformative Land Investment (TLI) in Ethiopia, Ghana, and Mozambique (Fig. 1). The second phase involved a literature review of peer-reviewed studies or reports specifically examining the actual practices of land-based agricultural investments and their impacts on tenure, food security, environment, and social well-being. The study exclusively relies on existing literature without incorporating primary data sources. However, the Environmental and Economic (EE) appraisal derived from this literature review was presented at a Multi-Stakeholder Platform (MSP) workshop, engaging participants from diverse backgrounds such as government ministries, civil society organizations (CSOs), private companies, and academia. The findings underwent a comprehensive review through plenary presentations, group work, and discussions, with a focus on regulatory frameworks and incentive mechanisms influencing Land-Based Investment.



**Fig. 1. Location of the study countries**

Interventions are necessary to transform land-based agricultural investments, aiming to (i) enhance countries' ability to leverage private sector investment for food system transformation, (ii) reinforce the positive impact of agricultural and forestry investments on tenure security, environmental resilience, and social inclusion, and (iii) enhance private sector compliance with national and global regulations and best practices. The (Transformative Land Investment (TLI) project 2023), funded by the Swiss Agency for Development and Cooperation (SDC) through their Global Food Security Program, and executed by a consortium of organizations, seeks to drive such transformations in five countries, including Ethiopia, Ghana, and Mozambique. The TLI project has identified 14 principles spanning governance, social

inclusion, environment, and societal aspects (Fig. 2 ). The principles identified by the TLI project are outlined in Fig. 2



**Fig. 2. TLI principles related to governance, social inclusion, environment, and societal factors**

### 2.3 Data analysis

Initially, pertinent legislation concerning land and land-based investments was compiled using a Google search technique to identify existing legal provisions and compliance for each country. The collected documents were then dummy coded against the TLI principles, indicating their presence or absence. Additionally, a content analysis was conducted to compare legal provisions in existing policy frameworks with practical observations derived from peer-reviewed literature. The insights gained from this analysis were utilized to offer key lessons and implications for Multi-Stakeholder Platforms (MSPs).

## 3. RESULTS

### 3.1. Land Resource and Property Rights

#### 3.1.1. Legally legitimate (statutory) land tenure system

The research highlights key insights into land rights in Ethiopia, Ghana, and Mozambique. In Ethiopia, the 1995 Constitution guarantees land rights to peasants and citizens, with supporting proclamations facilitating joint development activities. Ghana's land governance involves legal pluralism, recognizing citizens' property rights in the Constitution while limiting foreign nationals to acquiring leaseholds not exceeding 50 years. In Mozambique, the 2004 Constitution vests land ownership in the state, to protect citizens' rights; the *Direito de Uso e Aproveitamento dos Terras* (DUAT) system ensures customary land

rights, treating community land use rights as legally equivalent to individual rights. Laws from 1997 and 1998 introduce mechanisms like the National Land Registry and Real Estate Cadastre in Mozambique. These findings offer a concise overview of the distinct land rights frameworks in each country.

### 3.1.2. Socially legitimate (customary) land tenure systems

In Ethiopia, customary rules heavily influence land tenure, with men typically holding exclusive land rights. Women access land through their husbands, with practices varying across regions and communities. The constitution allows flexibility in recognizing marriages under religious or customary laws. The Rural Land Administration and Land Use (RLALU) Proclamation grants rural land to individuals and pastoralists without charge, emphasizing local access to agricultural land for development. Ghana's land tenure system, primarily customary, involves over 80% of lands under customary control. Chiefs or designated leaders manage customary lands, including stool, skin, clan, and family lands. Challenges in the system, such as conflicting claims and limited legal protection, complicate acquiring land for agricultural investment. In Mozambique, customary land tenure faces insecurity due to limited government capacity. The Land Law recognizes and protects community, women, and smallholder farmer land rights, but implementation challenges persist. The acquisition of formal rights, known as DUATs, involve customary occupation, "good faith" occupation, and state adjudication, each conferring different tenure rights. Challenges include the complexity of obtaining formal DUATs, leading to reliance on informal systems vulnerable to conflicts with investors. Table 1 summarizes the overview of land tenure systems and property rights in Ethiopia, Ghana, and Mozambique, focusing on both legally legitimate (statutory) and socially legitimate (customary) frameworks.

		Ethiopia	Ghana	Mozambique
Legally Land Tenure System	Strength	The Constitution acknowledges land tenure rights	The Constitution acknowledges land tenure rights	The Constitution acknowledges land tenure rights
	Limitation	Limited recognition of customary practices and women's land rights	limited legal protection complicate land acquisition for agricultural investment	Customary land tenure faces insecurity due to limited government capacity
Socially Legitimate (Customary) Land Tenure System	Strength	Constitutional recognition and dispute adjudication enhance the integration of tradition and legal frameworks.	Extensive (about 80%) customary land control, overseen by chiefs/leaders	Formalizes protection for customary occupation rights
	Limitation	Limited acknowledgment of women's land rights	Limited acknowledgment of women's land rights	Limited acknowledgment of women's land rights



**Table 1. Comparison of the strengths and limitations of both Legally Legitimate (Statutory) and Socially Legitimate (Customary) land tenure systems in Ethiopia, Ghana, and Mozambique**

## **3.2. Conditions enabling green and inclusive investment**

### **3.2.1. Fiscal incentives**

Ethiopia, Ghana, and Mozambique have implemented diverse fiscal policies and incentives to attract both domestic and foreign investments in the agricultural sector. In Ethiopia, policies such as the Sustainable Development and Poverty Reduction Program (SDPRP), Agricultural Sector Policy and Investment Framework (PIF), Growth and Transformation Plan (GTP I & II), and the Ten Years Perspective Development Plan emphasize fiscal incentives, including tax holidays and infrastructure development, to promote agricultural investments. Ghana encourages businesses as Free Zone Enterprises with tax holidays, offering fiscal benefits for domestic and foreign enterprises. Ghana's Investment Promotion Centre (GIPC) actively supports investors, with the Agricultural Sector Working Group (ASWG) and Private Sector Working Group (PSWG) ensuring coordination in agricultural development initiatives. Mozambique's Economic Acceleration Stimulus Package (PAE), complemented by amendments to tax laws and the Private Investment Law, focuses on private sector development in strategic sectors like agriculture, offering fiscal benefits such as reduced corporate tax rates and exemptions within Special Economic Zones (SEZs).

### **3.2.2. Financial incentives**

Financial incentives for agricultural investments in Ethiopia include group collateral by microfinance institutions, supporting small-scale farmers' working capital needs arise with uncertainties like crop failures. Strengthening farmers' cooperatives is emphasized for rural marketing and credit system improvement. Legislation doesn't favor smallholder-inclusive models, and Ghana is yet to develop certification or incentive systems. The 2015 Income Tax Act provides reduced tax rates for priority sectors like farming. Mozambique faces challenges with MSMEs' access to formal debt markets due to high costs, collateral requirements, and weak financial management (International Finance Corporation 2021). The sector grapples with a recent 'grey listing' by the the Financial Action Task Force (FATF), making financial institutions deemed risky. Farmers struggle with limited access to affordable finance, relying on informal savings groups.

### **3.2.3. Civil society and development programming**

Ethiopia's civil society operates under Proclamation No. 1/1995, supporting the right to form associations, participate in economic development, and contribute to democratization. The Agency for Civil Society Organizations (ACSO) oversees registration, certification, and activities, facilitating consultation between government bodies and CSOs. GTP II underscores the importance of various groups' participation in national development. In Ghana, over 10,000 autonomous CSOs engage in policy dialogue and advocacy, but funding constraints limit campaigns against issues like land grabbing. Weak coordination among CSOs in Ghana hampers harmonization and leads to excessive duplication. Mozambique's CSOs actively engage in land and resource governance, advocating for transparency. Despite challenges, CSOs have influenced policy reform and held officials accountable. The proposed

new NGO Law in Mozambique raises concerns about civic independence, prompting active campaigns against it.

### 3.2.4. Competitive environment

Ethiopia aims to enhance domestic competition and improve the business environment through the SDPRP. The Trade Competition and Consumer Protection Proclamation, along with the Merger Directive, establish competition and consumer protection laws, addressing anti-competitive practices and ensuring fair markets. In Ghana, formal and informal markets coexist with efforts to shorten supply chains and improve product quality and price transparency through initiatives like the Warehouse Receipt System and the Ghana Commodity Exchange. Challenges persist, including weak linkages by informal traders and intermediary problems. Mozambique employs a closed concession system in key sectors, addressing issues of contract default and transaction costs. The Cotton and Oil Seed Institute oversees regulation, with expectations of more marketing regulations in the future. The Mozambique Commodity Exchange aims to link sellers and buyers, but challenges, such as farmers' reluctance to sell due to storage conditions, persist. The competition law and regulatory authority address market concentration and anti-competitive practices, but effectiveness in the informal sector remains uncertain. Table2 outlines the agricultural investment landscapes in Ethiopia, Ghana, and Mozambique.

		Ethiopia	Ghana	Mozambique
Fiscal Incentives	Strength	Fiscal incentives to attract - diverse investments	Fiscal incentives to attract diverse investments	Fiscal incentives to attract diverse investments
	Limitation	Inconsistent program implementation; lacks transparency	Lacks standardized implementation process	Lack of smallholder focus, no dedicated certification, and businesses not adopting environmental standards despite fiscal incentives
Financial Incentives	Strength	Provision of financial incentives for agricultural investments recognized	Tax holidays, reduced tax rates for, ongoing initiatives for impact investment	
	Limitation	Challenges in collateral use for farmers, uncertainties in crop failures, and insufficient policy regulations for contract farming do not encourage compliance to adopt improved environmental and responsible business standards	Legislation gaps for smallholders and certification systems  Do not encourage compliance with adopt improved environmental and responsible business standards	Limited loan and financial incentives for agricultural investors



Civil Society Engagement	Strength	Several civil society organizations established which involves women and youth	Over 10,000 CSOs engaged in policy dialogue, influencing advocacy, and policy reform	Active CSO engagement in land and resource governance, influencing policy reform
	Limitation	Ineffective collaboration and coordination among diverse CSO groups Do not involve civil society in early phases of project designs	Funding constraints impacting campaigns against issues like land grabbing Weak coordination among CSOs. Most large CSOs are urban-based	Lacking capacity to effectively monitor and respond to irresponsible corporate conduct in the agricultural sector
Competitive Environment	Strength	Efforts to enhance domestic competition and improve the business environment safeguarding the interests of consumers	Coexistence of formal and informal markets, initiatives like the Warehouse Receipt System and Commodity Exchange. Efforts to shorten supply chains and improve product quality and price transparency	Competition laws and regulatory authority in place. Mozambique Commodity Exchange aims for seller-buyer linkages
	Limitation	Ineffectiveness in addressing market competition challenges.	Unable to address challenges in linkages by informal traders and intermediary issues	Challenges in the informal sector's effectiveness under competition laws.

**Table 2. Cross-country comparison highlights the strengths and limitations in fiscal and financial incentives, civil society engagement, and the competitive environment within the agricultural sectors of Ethiopia, Ghana, and Mozambique**

### 3.3. Conditions to prevent and address irresponsible investment practices

#### 3.3.1. Gendered land rights

In Ethiopia, legal provisions, including the Constitution, aim to empower women and ensure gender equality in land rights. Despite these efforts, challenges persist in granting marginalized groups, including women and indigenous communities, access to productive resources like land, contributing to rural youth migration due to land shortages. In Ghana, the 1992 Constitution grants women equal land rights, but patriarchal systems and cultural norms limit women's land rights, even with supportive legislation. Matriarchal communities provide some control, but challenges remain in securing formal ownership. Mozambique's 2004 Constitution and Family Law support gender equality, but customary laws and traditions limit women's social and economic rights, including land access. Despite legal frameworks, women face exclusion from local governance, vulnerability in land access, and risks of losing homes and agricultural land, particularly widows and divorced women.

### **3.3.2. Land use planning and acquisitions**

In Ethiopia, land use planning aims to enhance resilience and address climate-related challenges. However, limited adoption of agroecological practices leads to challenges like farmland encroachment and conversion of pasture lands. The legal framework supports private and investment land acquisition, managed by the Ethiopian Investment Commission and the Agricultural Investment Land Administration Agency. Ghana has implemented legal reforms to improve land administration, but corruption and lack of transparency persist, impacting fair land distribution. Investors often negotiate directly with customary landowners, and reforms are proposed to enhance transparency and inclusiveness. In Mozambique, institutions governing land and resources face challenges in implementing the legal framework. The Land Law emphasizes transparent land allocation, protection of customary rights, and community engagement. However, weak implementation, corruption concerns, and limited resources hinder effective land administration, favoring investor interests over community participation.

### **3.3.3. Social protection and safeguards**

In Ethiopia, legal provisions protect farmers' rights to land and necessitate Environmental and Social Impact Assessments (ESIA) for development projects. However, negative consequences from large-scale land investments persist, impacting local communities, and monitoring compliance with ESIA standards is limited. In Ghana, democratic structures support civil society organizations (CSOs), yet challenges persist in advocating against irresponsible corporate conduct, particularly in relation to land grabbing. Legal frameworks outline community rights and require social impact assessments (SIAs) for commercial agricultural investments, with dispute resolution processes governed by the judiciary system and relevant laws. Mozambique mandates Social Impact Assessments (SIAs) for large-scale projects and has regulations addressing social impacts and compensation in cases of compulsory land acquisition. While there's no formal Free, Prior, and Informed Consent (FPIC) policy, consultations are required for land grants. However, concerns exist about the weak enforcement of regulations, potentially leading to conflicts between investors and local communities.

### **3.3.4. Environmental protection safeguards**

In Ethiopia, legal frameworks such as RLALU Proclamation No. 456/2005 and the Climate Resilient Green Economy Strategy (CRGE) promote environmental safeguards for land investments, but poor conservation practices persist. In Ghana, the Environmental Protection Agency (EPA) regulates land investments through environmental impact assessments (EIAs) triggered by specific criteria, with legal instruments guiding forest and biodiversity protection. Mozambique has specific laws, including the 1999 Forestry and Wildlife Law, regulating forest and wildlife conservation, and Environmental and Social Impact Assessments (ESIA) are integral for environmental protection, monitored at national and provincial levels. The findings focus on addressing irresponsible investment practices, including gendered land rights, land use planning, social protection, and environmental safeguards in Ethiopia, Ghana, and Mozambique (Table 3).

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<b>Ethiopia</b>	<b>Ghana</b>	<b>Mozambique</b>
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Gendered Land Rights	Strength	Legal provisions for gender equality	Constitutional grants for women's equal land rights	The Constitution and Family Law support gender equality
	Limitations	Challenges in granting women and indigenous communities, access to land	Cultural norms and patriarchal systems limit women's land rights, especially in securing formal ownership	Customary laws and traditions hinder women's social and economic rights, including land access.
Land Use Planning and Acquisitions	Strengths	Legal framework supports private and investment land acquisition following agroecological approaches.	Legal reforms for land administration	Land Law emphasizes transparent land allocation, protection of customary rights, and community engagement
	Limitations	Challenges in the adoption of agroecological practices leading to farmland encroachment and conversion of pasture lands	Challenges due to corruption and lack of transparency affecting fair land administration	Weak implementation and corruption concerns hinder effective land administration, favoring investor interests over community participation
Social Protection and Safeguards	Strengths	Legal provisions protecting farmers' rights and necessitating Environmental and Social Impact Assessments (ESIA).	Democratic structures supporting CSOs, legal frameworks outlining community rights, and requiring SIAs for commercial agricultural investments.	Mandated SIAs for large-scale projects, regulations addressing social impacts and compensation, consultations for land grants.
	Limitations	Challenges in monitoring compliance with ESIA standards for large-scale land investments, resulting in negative consequences for local communities.	Challenges persist in advocating against irresponsible corporate conducts, and concerns about weak enforcement of regulations.	Concerns about weak enforcement of regulations, potentially leading to conflicts between investors and local communities.
Environmental Protection Safeguards	Strengths	Legal frameworks and strategies promoting environmental safeguards.	EPA regulations through EIAs for land investments, legal instruments guiding forest and biodiversity protection.	Specific laws regulating forest and wildlife conservation, integral ESIA for environmental protection, monitored at national and provincial levels.

Limitation	Poor conservation practices persist despite legal frameworks	Challenges in addressing irresponsible investment practices.	Weak enforcement, potentially leading to conflicts with local communities.
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**Table 3. Cross-country comparison of the strengths and limitations of gendered land rights, land use planning, social protection, and environmental safeguards in the agricultural sectors of Ethiopia, Ghana, and Mozambique**

## 4. DISCUSSION

### 4.1. Land Resource and Property Rights

#### 4.1.1. Legally legitimate (statutory) land tenure system

The legal frameworks in Ethiopia, Ghana, and Mozambique underscore the complexities of land tenure, balancing individual and community rights, while acknowledging cultural and historical contexts. Assuring secure land rights, whether individual or collective, alongside state responsibilities, lays the foundation for sustainable land governance.

In Ethiopia, having formally recognized land tenure systems can boost landowners' confidence and motivation for investment, which can foster economic development and long term sustainability. However, the lack of clarity regarding private land ownership has led to uncertainties and potential illegal transactions, particularly in areas undergoing development projects (Center for International Forestry Research and World Agroforestry (CIFOR-ICRAF) and International Fund for Agricultural Development (IFAD) 2021). The constitutional ambiguity, stating that both the state and the people own the land, raises concerns about possible displacements without proper consultations or compensation (Rahmato 2011; Mekonen et al. 2019).

In Ghana, the statutory recognition of customary land rights is noteworthy but comes with challenges related to legal pluralism. The 2020 Land Act aims to address issues in land registration, tenure, and disputes by consolidating legal decisions into a single document (Bugri 2012; Ameyaw and de Vries 2021). However, legal pluralism presents challenges in aligning institutions, ensuring policy coherence, and maintaining legal efficiency and consistency in administering both statutory and customary land systems.

Mozambique's Constitution (2004) vests ownership of all lands and natural resources in the state, protecting rights acquired through inheritance or occupation. The DUAT system ensures perpetual land tenure security, recognizing customary land rights even without formal documentation. The 1998 law facilitates the marketability of private property developed on land, subject to state approval. Decree No. 1/2003 and 2006 regulations establish procedures for the National Land Registry, securing rights to customary rights-of-way, and governing land use plans in urban areas.

#### 4.1.2. Socially legitimate (customary) land tenure systems

In Ethiopia, customary rules dictate land tenure, with exclusive rights traditionally granted to men (Assefa 2012; FAO 2023). Regional and religious variations exist, allowing for diverse practices, such as

women renting land in certain areas. Constitutional recognition and dispute adjudication under customary laws further intertwine tradition and legal frameworks (FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA 1995, 2003, 2010a; Ta 2016). In Ghana, over 80% of lands are under customary control, managed by chiefs and land priests (Ghana Chieftaincy Act 1971 (Act 370) 1993). Stool and skin lands, symbolically overseen by chiefs, hold cultural significance, while clan and family lands are managed by respective heads (Gyapong 2021). Challenges arise in acquiring customary land for agriculture due to tenure system ambiguities and limited legal safeguards. Mozambique grapples with the coexistence of customary norms and statutory laws. While the Land Law aims to safeguard land rights, challenges persist in its implementation, leaving rural communities reliant on informal systems. The acquisition of formal land rights (DUATs) reveals the complexities of land governance. In summary, Ethiopia, Ghana, and Mozambique showcase the intricate connections between tradition, legal frameworks, and land governance, emphasizing the need for nuanced and locally-adapted policies that respect cultural traditions while promoting equitable and secure land access.

## **4.2. Conditions Enabling Green and Inclusive Investment**

### **4.2.1. Fiscal incentives**

In Ethiopia, the government's initiatives to attract Foreign Direct Investment (FDI) include fiscal incentives. However, evolving roles and government changes necessitate effective coordination for program implementation. The establishment of a designated body is crucial for consistency and transparency, especially involving entities promoting investment. Transparent land acquisition processes are essential for maintaining land as an incentive mechanism (FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA 2002a, 2003, 2010b, 2016, 2018, 2021). Ghana's business-friendly policies offer extensive fiscal incentives, aiming to create a conducive environment for investors. To transform the food system, fiscal incentives should be tied to sustainability performance, requiring compliance with good agricultural practices and responsible investment principles. Engaging smallholders and discouraging investments competing with existing producers while encouraging productivity improvements are essential (Republic of Ghana 2013, 2019).

Mozambique responded to economic challenges with the Economic Acceleration Stimulus Package (PAE), emphasizing private sector development, particularly in agriculture. Amendments to the Corporate Income Tax Act reduce tax rates for agricultural companies, and Special Economic Zones (SEZs) offer tax exemptions for agricultural investors. However, the 2023 Private Investment Law lacks provisions for smallholder-inclusive models, and the BIODEV2030 initiative aims to mobilize corporate commitments for environmental and responsible business standards (Assembly of the Republic 2009; The World Bank 2020; IUCN 2022; REPUBLIC OF MOZAMBIQUE 2022).

### **4.2.2. Financial services**

Ethiopia and Ghana prioritize financial stability and private sector investment in agriculture, utilizing group collateral and fiscal incentives, respectively. Conversely, Mozambique faces unique challenges, including high informality rates, limited adoption of sustainable banking principles, and the recent FATF



'grey listing,' impeding financial access and liquidity. Tailoring effective policies to each country's context is crucial for promoting agricultural finance and sustainable development. In Ethiopia, expanding rural finance is hindered by the concentration of financial institutions in urban areas. To address this, financial products accessible to various investor levels and TLI models are recommended. The Growth and Transformation Plan supports tax incentives and large-scale investor participation in agriculture (FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA 2010b, 2016, 2021).

In Ghana, the Free Zone Act provides fiscal benefits to businesses, with challenges in prioritizing smallholder-inclusive models. The absence of dedicated certification systems poses hurdles, but reduced income tax rates and green investment initiatives favor the agricultural sector (Republic of Ghana 1995). Mozambique, dominated by informal and MSME businesses, faces challenges accessing formal debt markets, adopting sustainable banking principles, and complying with FATF standards. The 'grey listing' complicates financial attractiveness, impacting farmers' access to affordable finance. Addressing these challenges requires concerted efforts to promote sustainable banking practices.

#### **4.2.3. Civil society and development programming**

In all three countries, enhancing Civil Society Organizations (CSOs) is crucial, addressing technical aspects in Ethiopia, coordination in Mozambique, and private sector engagement in Ghana. These challenges stress the need for knowledge exchange and collaboration to empower CSOs in influencing government policies and promoting responsible corporate behavior in agriculture. Ghana and Ethiopia's experiences with traditional authorities and early-stage CSO involvement in development planning provide valuable lessons for Mozambique in achieving inclusive and sustainable agricultural development. The continuous emphasis on responsible investor-community engagement underscores the significance of transparent and participatory approaches in agricultural development across these African nations.

In Ethiopia, the engagement of CSOs in the early stages of development programming is crucial for realizing socially inclusive and environmentally sustainable goals (FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA 2016, 2019a). However, challenges arise due to limited participatory design of policies and strategies, hindering effective CSO involvement. In Ghana, traditional chiefs play a vital role as intermediaries between the government and communities, ensuring the honoring of compensation agreements and protection of community rights. Responsible investors are encouraged to engage transparently with communities, conduct Environmental and Social Impact Assessments (ESIAs), and comply with relevant laws to address concerns (Republic of Ghana 1995; USAID 2021) The effectiveness of chiefs varies based on power dynamics, emphasizing the need for responsible investor-community engagement.

Mozambique faces challenges with CSOs lacking capacity to effectively monitor and respond to irresponsible corporate conduct in the agricultural sector. The formation of a coordinated network of CSOs could enhance corporate accountability and promote socially and environmentally responsible business models. However, CSOs often lack private sector engagement skills, necessitating capacity development and partnerships with specialized organizations.



#### **4.2.4. Competitive environment**

The common theme among these countries is the acknowledgment of challenges within their agricultural market systems and the pursuit of effective solutions. Ethiopia aims to refine competition laws, Ghana seeks to formalize Warehouse Receipt Systems and regulate informal trading, and Mozambique grapples with informality while enhancing linkages between farmers and supermarkets. Lessons learned emphasize the need for adaptive policies and collaborative efforts to nurture competitive and inclusive agricultural markets.

In Ethiopia, despite having competition and consumer protection laws, addressing anti-competitive trade practices requires strengthened enforcement mechanisms (FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA 2014). In Ghana, the coexistence of formal and informal agricultural markets poses challenges, with weak linkages between them. Efforts include initiatives like the Warehouse Receipt System facilitated by the Ghana Commodity Exchange, aiming to improve market dynamics, shorten supply chains, enhance product quality, and promote transparency (Abokyi et al. 2022).

Mozambique's closed concession system in key sectors aims to support smallholder involvement but faces criticism for being anti-competitive. The Mozambique Commodity Exchange and the 2013 competition law address trading practices, with the latter enforced by the Competition Regulatory Authority since 2021 (MINISTÉRIO DA AGRICULTURA E DESENVOLVIMENTO RURAL 2021). Challenges persist in the vast informal sector.

### **4.3. Conditions to prevent and address irresponsible investment practices**

#### **4.3.1. Gendered land rights**

In Ethiopia, fostering the active involvement of women, youth, and local indigenous communities in land administration is essential for achieving gender and social inclusivity in land investments. Overcoming capacity limitations is identified as a significant challenge, necessitating the enhancement of capabilities and awareness among government agents (Center for International Forestry Research and World Agroforestry (CIFOR-ICRAF) and International Fund for Agricultural Development (IFAD) 2021). In Ghana, despite legal provisions recognizing women's land rights, entrenched traditional practices and gender biases persist, leading to the marginalization of women in land-related matters (Republic of Ghana 1992; Bugri 2012) Investors are urged to ensure gender-sensitive land acquisitions through thorough investigations, community engagement, and fair compensation practices. Mozambique, facing discriminatory laws, emphasizes the need to revise existing frameworks to align with constitutional provisions for gender equality. Efforts to enhance women's participation in land governance and provide support for securing land and resource rights are essential, targeting vulnerable groups like widows. A comparative analysis highlights the diverse challenges and strategies employed in these countries to address gender disparities in land governance.

#### **4.3.2. Land use planning and acquisitions**

#### **4.3.3. Social protection and safeguards**

Ethiopia, Ghana, and Mozambique collectively address common challenges in managing large-scale agricultural investments, prioritizing participatory, inclusive, and transparent procedures to prevent adverse consequences. The crucial need to enhance local communities' bargaining power for fair compensation is highlighted. Universal emphasis on legal frameworks, community participation, and transparency characterizes their approaches to large-scale land investments. Key themes encompass ensuring government agency capacity, promoting responsible corporate conduct, and protecting community rights through effective engagement and monitoring. Despite contextual differences, a shared priority is collaboration among government, civil society, and investors to achieve sustainable and socially inclusive development in the face of large-scale agricultural investments.

In Ethiopia, the involvement of CSOs advocating for social protection and customary rules is seen as indispensable in collaboration with communities and ministries (FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA 2002b). The role of corporate social responsibility (CSR) is emphasized in supporting investors to consider social and environmental aspects in their strategic plans (Shete 2011; Geleta 2015; Debela et al. 2020). Effective monitoring of investor compliance is deemed necessary, requiring government agencies to build capacity (Hailu 2016; Alemu 2017)

Ghana faces challenges with domestic CSOs lacking information and capacity to advocate against irresponsible corporate conduct. Recommendations include increased transparency, strengthened communication between urban and rural CSOs, and better awareness of impending land deals. Chiefs play a significant role in protecting community rights, and responsible investors can ensure community protection through transparent engagement, ESIA, compliance with regulations, and building partnerships.

Mozambique highlights the need for legislation on community land governance functions and effective enforcement of regulations. Financial and technical support is essential for individuals and communities with an understanding of land rights but lacking the capacity to assert them. The adoption of guiding instruments, such as land use plans and EIAs, is crucial for responsible land management.

#### **4.3.4. Environmental protection and safeguards**

The three countries stress the importance of environmental protection in agricultural investments, advocating measures such as awareness-building, assessments, community engagement, and legal reforms to ensure sustainability and mitigate negative impacts. In Mozambique, recent policy and legal reforms aim to enhance public participation and environmental impact assessments, yet challenges persist due to limited resources, qualified staff shortages, and conflicts of interest hindering effective implementation. While legal improvements have streamlined investor processes, ongoing efforts are required to address these challenges and maintain assessment process integrity.

Enhancing awareness among investors and farmers about the consequences of environmental degradation is crucial for protecting high conservation value ecosystems in Ethiopia (FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA 2019b; Emiru et al. 2022). Conservation efforts should include finding alternative livelihood opportunities for farmers and providing incentives to investors. Strategies

such as seeking alternative livestock feed sources, developing law enforcement mechanisms for grazing land management, and strengthening tenure security can contribute to successful conservation practices. Additionally, there is an emphasis on building government capacity to monitor and enforce compliance with ESIA requirements (Shete 2011; Wubneh 2018; Abera et al. 2021).

Responsible investors in Ghana are encouraged to take comprehensive measures to protect the environment impacted by their land investments. This includes conducting thorough EIAs independently reviewed, engaging with local communities to identify and mitigate potential environmental impacts, and implementing best practices in environmental management. Compliance with relevant environmental laws and regulations is stressed, along with investing in rehabilitation and restoration programs. Collaboration with local and international organizations is recommended to advance environmental sustainability in agriculture.

## **5. CONCLUSIONS**

Establishing conditions conducive to transformative land investment involves addressing several key factors. Firstly, legally legitimate land tenure systems play a pivotal role in instilling confidence and motivation among landowners to invest in their land, which can contribute to economic development and long term sustainability. Secondly, recognizing the advantages and disadvantages of socially legitimate tenure systems is essential for a balanced approach. Thirdly, implementing a proper land use plan with a monitoring mechanism and information system is crucial to providing accessible opportunities for agroecology-based investments for various stakeholders, including domestic and foreign investors, local farmers, and pastoral communities.

Additionally, promoting gender-responsive and socially inclusive land investments requires enhancing the ability of women, youth, and local indigenous communities to actively participate in local land administration and land use committees. Furthermore, addressing coordination problems among different government agencies for effective and equitable land governance is imperative to encourage investment that is good for both national development and local livelihoods and wellbeing. Moreover, raising awareness among investors, farmers, civil society, and development organizations about the potential consequences of environmental degradation is crucial. Strengthening institutional capacity to monitor and enforce compliance with Environmental and Social Impact Assessment requirements is essential for sustainable land investments. Lastly, fostering green and inclusive investment through fiscal and financial incentives is a key component of creating an enabling environment for transformative land investments.

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## 10. KEY TERMS AND DEFINITIONS

**Legally legitimate (statutory) land tenure system:** This term refers to a land tenure system that is recognized and supported by statutory laws and regulations enacted by the government. It provides a

legal framework for land ownership, use, and transfer, often outlined in constitutions, statutes, and administrative regulations.

**Socially legitimate (customary) land tenure system:** This term refers to a land tenure system based on traditional customs, norms, and practices of a community or society. It may not always be formally recognized by written laws but holds significant social and cultural importance.

**Fiscal incentives:** Fiscal incentives are policies or measures implemented by governments to stimulate specific economic activities or sectors by offering financial benefits or relief. These incentives often include tax breaks, subsidies, grants, or other financial incentives aimed at encouraging investment, development, and growth in targeted areas.

**Financial Incentives:** Financial incentives refer to monetary benefits or supports provided to individuals, organizations, or businesses to encourage specific behaviors or activities. In the context, financial incentives for agricultural investments may include access to credit, loans, grants, or preferential financing terms aimed at promoting investment, productivity, and sustainability in the agricultural sector.