



Seminar

Towards inclusive investment and business models for improved land governance and livelihoods

Are we on the right track?

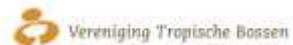
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Seminar Report

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Acknowledgements
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1. Introduction

Not addressing land governance and local livelihoods issues is increasingly perceived as a serious financial and reputational risk for business and investors/lenders. This is urging companies to rethink and act beyond the usual risk mitigation strategies in land based business projects emphasizing the need and value-added to move from a “do-no harm” strategy to a “do-good”/impact strategy, seeing smallholders and local communities as partners and shareholders. Against this development new inclusive investment and business models have emerged that are profitable and improve the livelihoods, land security and control and entrepreneurial potential of smallholders.

In this annual “On the Right Track seminar – the 10th in this series, see box 2 – participants shared the latest knowledge, experiences and insights with regard to the investment in such innovative, inclusive tenure and business models.

The Objectives of the seminar were

- Raise the importance and value added to go from a do-no-harm to a do-good approach in investing in smallholder land management.
- Evidence the feasibility and scaling-up opportunities from such an approach
- Share experiences among participants on specific cases and good practices.
- Make recommendations in terms of strategies, mechanisms and immediate follow-up actions to enhance the investment in inclusive business models that improve the livelihoods, land security and control and entrepreneurial potential of smallholders.

The **programme** consisted of a mix of plenary sessions and breakout sessions to ensure effective interaction and sharing of experiences:

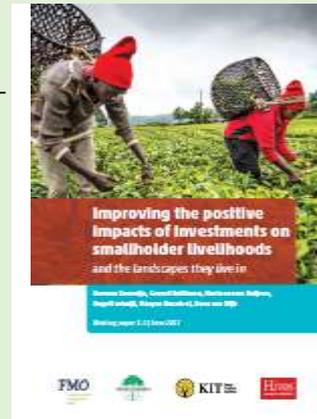
12.30–13.00	Welcome, registration and coffee
13.00–13.30	Session 1: Starting off <i>Objectives, expectations and programme of the seminar</i> René Boot - Director Tropenbos International - Chair <i>Opening address</i> Frits van der Wal - Senior Policy Advisor Ministry of Foreign Affairs.
13.30–14.30	Session 2: “What works” <i>Main findings of TBI - FMO – KIT – HIVOS Working Document</i> Emilie Goodall - FMO <i>Case: Savannah Fruits Company</i> Jan Willem den Besten - IUCN NL Q & A
14.30–14.35	Introduction to the breakout groups
14.35–15.00	Coffee break
15.00–16.55	Session 3: Breakout groups - “Learning together”
16.05–16.55	<i>Reports from the breakout groups and plenary discussion</i>
16.55–17.15	Session 4: Looking forward <i>Reflection on lessons learnt and next steps</i> Maryse Hazelzet – Dutch Banking Association Frits van der Wal – Ministry of Foreign Affairs Hugo Verkuijl - HIVOS
17.15	Closure

Deliberations at the seminar were guided in particular by the findings of the recently published working document jointly prepared by FMO, HIVOS, KIT and Tropenbos International: **Improving the positive impacts of investments on smallholder livelihoods and the landscapes they live in** (See box 1). At the seminar cases and good practices were presented and discussed, on how the transition from a “do-no-harm” to a “do good” investment and business approach can be scaled up.

Box 1: Working document 1.0 - Improving the positive impacts of investments on smallholder livelihoods and the landscapes they live in

This report introduces key pointers or core guidance that have been drawn from international standards, principles and case studies. It provides solid and evidence-based examples of how investors can work with smallholders and promote better land governance and livelihoods. The working document is jointly produced by Tropenbos International, FMO – the Dutch Development Bank, KIT – The Royal Tropical Institute, and HIVOS International.

The Working Document 1.0 was used in the seminar as basis for the discussions and inviting feedback from practitioners and other experts, to revise and refine the content. The Working document will also be shared in other spaces, both nationally and internationally, for feedback. Based on the responses received an updated Document 2.0 will be produced, with refined key pointers and more cases. The paper can be downloaded from: <https://goo.gl/S3Hd5J>



The seminar - that was chaired by René Boot, Director of Tropenbos International - brought together a diverse group of 100+ experts from finance, business, land use and development sectors, government and NGOs discussing cases and good practices, including the question how the transition from a “do-no-harm” to a “do good” investment and business approach can be scaled up.

This report recapitulates the main presentations, discussions and findings that emanated from the seminar. In addition a 2-pager was produced immediately after the seminar that summarized the main highlights and messages that came out. This 2-pager, the PowerPoints, the list of participants, seminar photos and other background information can be found at the TBI website: <http://www.tropenbos.org/news/impact+investments+in+agricultural+and+forestry+smallholders:+it+can+be+done!>

Box 2 : On the Right Track seminars

The objective of the annual “On the Right Track” seminars series is to take stock of the state of affairs of a policy relevant topic related to sustainable forest and land use asking the questions: “Are we on the Right Track” and “What can we learn in the Way Forward for policy, practice and science”. By bringing together people from different walks – policy, science, business and civil society organizations – aims for better mutual understanding and learning from each other for doing things better.

The seminar series is jointly organized by Utrecht University (Prince Bernhard Chair), Wageningen University (Forestry groups, Centre for Development and Innovation), Tropenbos International, the Dutch Association of Tropical Forests (VTB), and the Ministry of Economic Affairs and Ministry of Foreign Affairs of the Dutch government. This year’s seminar was in partnership with FMO – the Dutch Development Bank, KIT- The Royal Tropical Institute, and HIVOS International.



Session 1: Starting off

2. Why this seminar?

René Boot, TBI – Chair of the meeting

Smallholders and communities own, use and manage a significant share of the world's agricultural lands and forests. Their livelihoods largely depend on the resources given by the land, in terms of food security and nutrition, energy supply, income and employment. More than three quarters of the world's food is produced by smallholder farmers. However, smallholders' rights to access, control and use land are often insecure, unclear or not respected. This is due to opaque, overlapping or conflicting (customary and formal) tenure regimes as well as illegal and/or illegitimate occupation.



Investors and companies developing large-scale land-based business projects are also increasingly confronted with situations of unclear, non-recognized local land (use) rights and conflicting tenure regimes. If such issues are not properly and timely addressed, they can seriously put the investment and the companies' business and reputation at risk. However, it is often a challenge for investors and businesses to work with large numbers of organized or non-organized smallholders. This is largely based on the perception that this too difficult and will incur large transaction costs and risks. It is also thought that smallholder productivity is too low, and quality not assured, limiting the potential to reach scale, and affecting the chances to ensure risk adjusted returns on investments and to realize sufficient economic revenues.

From “do-no-harm” to “do good”

Current investment decisions from the financial sector are predominantly based on large-scale traditional business models applying standards and principles (such as the OECD Guidelines, IFC Performance Standards) that are based on a “do no harm” and risk mitigation approach, which aim to minimize the adverse impacts of projects. There is however, a growing group of financial institutions and businesses that recognize the value-added and need to work with smallholders and communities not only to achieve the impacts they aspire with regard to the SDGs but also as a way to reduce business risk. They are proactively investing in alternative tenure and business models that directly aim to improve livelihoods and respect tenure rights, while maintaining profitability and environmental sustainability of their business investment. Such a “do-good approach” is based on early engagement, good partnership and long-term security of all parties. It builds on local realities, needs, possibilities and interests, and departs from the tenure situation “as it is”. Such an approach embraces local communities and smallholders as equal partners and shareholders with whom to engage in an early stage and to make long term, equitable and secure contractual business arrangements.

3. Opening address

Frits van der Wal - Senior Policy Advisor Ministry of Foreign Affairs, Focal Point Land Governance



The topic of responsible and inclusive business is not new and people are well aware of the need for a positive impact of investments. However, the question is really how this positive impact can be achieved. The title of today's conference suggests that inclusive models for investors and businesses can be a pathway towards better governance, leading to improved livelihoods for smallholders. At the same time, we should not forget about the non-holders, those people who do not own any land.

The ministry, together with its partners, have been talking about inclusivity of businesses for several years now. It was triggered in particular by the food crises

and land grabbing issues in 2008, which even led to the minister receiving questions from parliament. Inclusive business is one of the centerpieces of minister Ploumen’s “A World to Gain”, and she sees companies as part of the solution. Although of course we should keep asking ourselves; what is inclusiveness? Is it about gender? Social status? Or is inclusiveness about reaching as many people as possible?

The ministry has been collaborating with civil society, businesses and knowledge institutes through the land dialogue, where the complex interactions between land governance and livelihoods are discussed from various perspectives. Through this dialogue, Herman Savenije from Tropenbos International, introduced the idea of looking at inclusive business models. This led to the establishment of a case team, consisting of Tropenbos International, Royal Tropical Institute, HIVOS, and FMO, which came together to look at the different dimensions of inclusive business. This resulted in the Working Paper 1.0, an accessible document for a wide range of audiences (including members of parliament). This is very important, because the topic of inclusive business is relevant in various contexts, including climate and sustainable development.

At the same time, the collaboration has already resulted in each of the case team member-organizations



integrating the topic of inclusive business in their work. For example, FMO has been able to integrate the key pointers in their investment criteria, and Tropenbos International can link their work on forest livelihoods to the topic of inclusive business. Of course the working paper is not final, but a step in a trajectory: Are we on the right track towards inclusive business? Ultimately, we hope that the key pointers will be taken up by the actors who are working in the real (and various) context of investment and business and integrated in their work.

Session 2: “What works”

4. Working document: Improving the positive impacts of investments on smallholder livelihoods and the landscapes they live in.

Emilie Goodall - Manager strategy at FMO

Smallholders; they may be small in size, but they are large in numbers. More than three quarters of the world’s food is produced by smallholder farmers. Smallholders often have no formal title to their land, while their livelihoods largely depend on the resources given by the land, in terms of food and nutrition security, energy supply, income and employment. On top of this smallholders have limited access to finance. This is where the investment case comes in.



The main challenge is that often smallholders do not have formal land titles and their rights to access, control and use of land are often insecure, unclear or not respected. This is caused by overlapping or conflicting (customary and formal) tenure regimes as well as illegal and/or illegitimate occupation. Procedures and standards designed to protect smallholders are not always implemented, which can lead to loss of land, violations of human rights and/or loss of livelihood security. From an investment perspective, loss of livelihood security has a destabilising effect on the operational environment and the people involved. This might lead to

operational risk and/or reputational risk of potentially contributing or being linked with loss of livelihood . Thus, there is an aligned interest between smallholders and investors.

The working paper

In this context, FMO, HIVOS, KIT and Tropenbos International have explored investments in business models that are focused on creating positive impacts on smallholder livelihoods. We have been in dialogue for over two years, looking into investments that are community-driven or work closely with communities and investments that connect small-scale farmers and large scale actors in the agricultural sector. Together, we have analysed and discussed how investors can help and benefit from formalising land titles of smallholders in some cases and how sometimes working with existing traditional (informal) systems seems more beneficial, in case that they already guarantee community land use rights.

We summarised our findings in the working paper. The working paper draws from international standards¹, principles and case studies, and provides key pointers for investors to work profitably and effectively together with smallholders and local communities. With this, we aim to illustrate the role for private investment in scaling up viable business models that positively impact on local livelihoods, land security and entrepreneurial opportunities of smallholders and communities. We also present several case studies, to indicate that it is possible. This is a working document, which we will discuss today in order to gather your feedback and improve where possible, by adding more case studies and refining the key pointers.

Emilie was on the platform to share key messages of our co-authored working paper, but indicated that FMO was shortly publishing its position statements on human rights and land governance and gender, where you can see how FMO is referencing these standards and putting them into practice².

The key pointers

The working paper provides several key pointers for impact investors, which can be divided into three main parts: 1) Recognise Rights, 2) Effectively Engage and 3) Think Landscapes. These will be briefly introduced:

Recognising rights may seem a basic thing to ask, but there is still a lot of work to do in this field, especially given the fact that recognition of rights is not always evident in the operational environment and in fragile and challenging economies that we work in. Key pointers in this part include: understand laws and customary practices, acknowledge local values, and identify who the right holders are. ³

We have analysed and discussed how investors can help and benefit from formalising land titles of smallholders in some cases and how sometimes working with existing traditional (informal) systems seems more beneficial, when it already guarantees community land use rights. To illustrate this, let me share the example of Mali BioCarburant that produces jatropha oil in Mali and Burkina Faso. In Mali, the local farming



system is patriarchal and women can only access land through their husbands. Women do not own any land and could not plant trees as this would be considered a land claim. Mali does have gender-sensitive laws, but customary laws still prevent women from creating opportunities that can lift them and their families out of poverty. But through the company, flexible solutions allocated land to women's groups and gave them ownership to decide and manage the land

¹ Including the UN's Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the IFC Performance Standards, and the Voluntary Guidelines on Responsible Governance of Tenure of Land, Fisheries and Forests (VGGT).

² <https://www.fmo.nl/policies-and-position-statements>

³ For full list of key pointers, please refer to the working paper.

themselves. Now, some 30% of the farmers are women.

Another example from the working paper is Komaza, a social enterprise producing high quality wood with smallholders in Kenya's drought-prone areas. Komaza strongly focuses on smallholders, mitigating the risk of land acquisition by the government. The company does not own any land itself. The cost and benefits created by timber production are shared by participating farmers and Komaza. It is important that farmers keep sufficient land for their own food production, therefore only a certain proportion of land is converted into tree plantations. The farmers themselves decide upon the area for replanting and the number of trees. On average, farmers bring land up to half an acre.

Effectively engage with local stakeholders can be achieved through a comprehensive multi-stakeholder approach. This means viewing all stakeholders as potential partners: involving government services, linking to development organisations and civil society. Working with surrounding communities is key. This takes time and effort and is a continuous effort for impact investors. The starting point is paying respect for local values and to listen and to learn. It means starting with 'good faith-building' meetings, understanding community diversity and paying attention to disadvantaged groups.

In working with communities it is important to jointly define clear and long term benefits for the community in general and smallholder profitability and needs in particular. It is important to build the best of both worlds as far as possible. As mentioned in the previous examples, sometimes it works to set up legal entities or a certification scheme, whereas sometimes it is better to work along existing traditional systems. Setting up a proper grievance mechanism (in local language that allows filing a complaint without repercussions for the filer of the complaint) helps to hear everybody's voice.

An example is Apollo Investment, which invested in 66 wind turbines under a 20-year power purchase agreement with the South African government. FMO participated, and so has a direct interest in the project and provides funding to the Cookhouse Community Trust through which 25% of the windfarm is owned by local communities, providing a direct alignment of interests between international investment and local interests. The project was developed through the participation of four towns and their communities, with a total population of 46,000, and many local organizations. A community liaison office acts as interface for all issues regarding implementation, communication and in a grievance mechanism through which community concerns can also be raised.



Think landscapes, as a final group of key pointers, highlights the importance for investors of having a broader scope than the project itself. Some impact investors have started in co-operation with local communities to develop a 'landscape' approach (that includes analysis of territorial planning, potential cumulative impacts and alternative options) to assess the best option for profitability of smallholders and the communities they live in. Profitability is defined here in a broad sense, covering local people's access to energy, food and income generation. A nice example is Savannah Fruits Company (see chapter 5).

Key messages

- Comprehensive due diligence is critical: no one size fits all. So you see variety and diversity in the cases presented.
- "Do no harm" and "do-good" approaches are complementary not alternative notions (not distinct ways of working).
- A positive impact approach - working with smallholders and communities developing context-specific tenure and business models - is not always easy (takes time, requires dialogue), but is feasible.
- These approaches require thinking, acting and partnering beyond the business as usual.

Finally, in our experience the benefit of working on the paper together has been to get each other's perspectives and ways of working. We also stress that this is a working paper 1.0 and that every investment requires its own approach, but hope that these key pointers can prove helpful additional reflections in addition to the international standards referenced in the paper.

5. Case: Savannah Fruits Company

Jan Willem den Besten - Senior advisor IUCN-NL

IUCN Netherlands Committee (IUCN-NL), works on conserving nature in a just world by protecting, sustainably managing and restoring ecosystems and their services. We ensure that this is done in such a way that local communities and smallholders benefit from these services. IUCN-NL is working in around 18 countries, in numerous landscapes, and in some places we see an integrated approach emerging. Increasingly, the private sector is sitting at the table and taking part in these landscape approaches.



A key element of landscape approach is integration, where several value chains that are crucial for the landscape are at the table and coordinated, both within the landscape and along the chain. Integrated approaches should also be bottom-up, and integrate community's needs. Moreover, governments are extremely important in integrated approaches, since they can provide the enabling environment (fair playing field) by means of laws and policies.

IUCN-NL is involved in a landscape approach in a savannah landscape in the north of Ghana, in partnership with NGOs in the area. In this landscape, Shea trees are an important source of livelihoods. Shea is an international commodity, which is important for the cosmetics industry, and can be used as an alternative to cocoa butter.

Several years ago, the Mole National Park was established in the landscape, but there was a need to make sure there is no encroachment and poaching. The stakeholders in the landscape realize that the landscape is more than the national park, work in this landscape is more and more following an integrated approach. A Rocha, a CSO partner of IUCN, first connected to the government (Forestry Commission), but also started to reach out to companies, including Savanna fruit company.

A Rocha first sat down with the communities and looked at how in the current legislations of Ghana offers opportunities to clarify rights. This is an important lesson, it helps to look at opportunity in current law, instead of going through the long process of establishing new rights.

In the case of Ghana, they identified an opportunity through the Community Resource Management Areas (CREMA) concept, which was already included in the law. CREMA allows for devolution of natural resource rights to the communities, if they come up with a management plan in consultation with different stakeholders. The nice thing about CREMAs is that it can be seen as a 'mini landscape' and once one CREMA is established you can relatively scale-up by establishing more surrounding CREMAs.

In this particular landscape, once two CREMAs were established, A Rocha started working with The Savannah Fruits Company is a Ghana based company that manages her international supply chain and logistics right from the collection of nuts in the Shea parklands of West Africa all the way through state of the art organic refining in European facilities to our clients. It also sells Shea butter to the cosmetics industry. The programme in collaboration with Savannah Fruit Company, involves a lot of training, especially working with women, including capacity development on harvesting and processing. The Shea butter is organic, and is thus sold at a premium price. Part of the revenues go directly to the women producers, and another part is used to establish a conservation fund, which is managed by the community and used to invest in conservation of the landscape (e.g. life fences).

This model triggered collaboration of A Rocha with other companies (e.g. FORM and Global Shea Allowance). This has resulted in an initiative to plant trees, including Shea, in community woodlots, which can be used for

timber, NTFPs, charcoal, etc. Through this initiative, more CREMAs will be established, with different commodities being integrated and sustainably used within the communities in the landscape.

In the years ahead, the initiative aims to establish more nurseries, restore forests and establish agroforests, plant seedlings, establish more CREMAs to extend the organic shea arrangements beyond its current scope. In addition, the initiative aims to link to international funding (e.g. REDD, World Bank).

In this arrangement, the benefits for the companies include:

- Added value through certification
- Quality
- Security of supply
- Mitigate risks to assets, reputation and due to future legislation
- Business case for landscape model
- Possibly new source of funding (intl. funding programmes)

Other foreseen (non-financial) benefits for various stakeholders include:

- Strengthened position of women and increased local entrepreneurship in premium NTFP business
- Improved relations and joint initiatives between local communities, government authorities, local and foreign companies
- Formalised and clarified rights of local communities
- Restoration of Savannah forests and reduced logging of trees (CREMAs stand up against illegal logging)
- Reduced CO2 emissions and increased adaptive capacity of local smallholders

The factors for success in this initiative are:

- CREMA as a working model for the clarification of rights and benefit sharing
- Long-term presence of NGOs that combine work with communities, companies and policy influencing
- Companies with a local presence
- Integrated approach and multiple business cases – scaling up is not just expanding on one approach, but broaden your scope and building a more complex business case (so scaling out, instead of up)
- Companies see the opportunity that environmental services can be part of the business model and can generate return on investment

In short, the lessons learned from the Savannah Fruits Company case are:

- Look for entry points for the clarification, formalization and recognition of rights
- Benefit from the technical, management and financial expertise of companies
- Don't blind-stare on private finance; engineer public-private finance (we continue to need public- ODA – finance to access private finance)
- Attract resources within and outside the landscape (link with local agencies; government, banks, etc.)
- New vocabularies and resources to address threats and opportunities: with this comes new insights, new ways of thinking, refine our approach. It is not the vocabulary that matters, but the thinking behind it.
- Metrics needed for the monitoring of social, climate and ecological impact have to be applied. For learning and for reporting to funders.
- Competitiveness between companies" in the area of green and inclusiveness can be "exploited" – they care about what others do, and what that means for their image. So they can inspire each other.

6. Questions, observations and answers - Session 1 and 2

After the presentations the audience was given the possibility to ask questions and share their thoughts. The following issues were discussed.



- **Savannah Fruits Company.** On the role of IUCN, and FORM International in The Savannah Fruits Company project Jan Willem den Besten responded that role of IUCN is to support A Rocha Ghana to build capacity for influencing government and private sector policies and practices and to explore best practices. Focus on legislation, land-use planning, implementation of existing laws. The relationship with the Savannah Fruits Company was developed fully by A Rocha. With FORM International we have an MOU; they are setting up seedling nurseries to introduce

these trees with the communities. Help setting up community nurseries and plantations (training). They also work on integrated management, together with communities determining where to plant which trees and for which purpose. FORM is not paid, but there has been some starting investment from IUCN and Shea Alliance for training around nurseries. As to the development of CREMAs there was a question how these are initiated. Do you first find a promising (sustainable) community, and work on a CREMA with them? Or do you find a community that needs sustainable management and then establish a CREMA with them? Jan Willem den Besten explained that the concept started in Zimbabwe around ecotourism and that it came later to Ghana to be used in other contexts. CREMA in principle starts with community that has an idea about how they want to manage their resources. So, it is not based an external idea (e.g coming from a value chain actor), but coming from the community itself. The community members then identify their commodities that can use to create a sustainable income.

- The importance to map the financial flows and interests in the landscape and who is benefitting from the improvements was emphasized. In a next version of the Working Document the need to make such financial streams more visible should be more explicitly articulated (this can be done e.g. through the *IUCN/EcoAgriculture Landscape Finance Assessment tool*).
- The role of public versus private finance was raised, observing that often you need finance for developing infrastructure or for training of communities (for example in an outgrowers programme). The private sector usually have limited funds for this. And it was questioned what kind of financial packages are available for these companies working on this? Frits van der Wal of the Ministry of Foreign Affairs highlighted that there are some facilities (e.g. Dutch Good Growth Fund), but that these not explicitly targeting this type . Hopefully, the new government will work on this more. At least in the land dialogue, we don't always look only at public money, but also financial institutions by addressing the core business of these companies/financial institutes. So, not just public funding but also at the private funding, through changing the way of operation. Emily Goodall of FMO added that FMO as a development bank is supposed to contribute financing and link to public and private funds. There is a finance facility called the Smallholder Finance Facility to work with companies and smallholders. Measure of success would be to see how this attracts additional finance (private sector). Also look at multinationals, they are major investors in the landscape. Big questions; how to involve them in the debate.
- A representative of UTZ shared that UTZ has grown from supply chain approach to approach that tries to influence the whole sector. UTZ sees the landscape approach as the third dimension and a challenge is what can be the leverage of a supply chain in the landscape. UTZ hopes to contribute to sustainable landscapes, given the momentum they have in coffee and cocoa.



- In response to the question how FMO is helping investors to find their way into responsible investment and land governance issues (and should there be a standard for this, Emily Goodall mentioned that the Voluntary Guidelines for the Governance of Tenure (VGGT) are targeted to states and less to companies. But that it is important to have applicable standards for different actors. For FMO we start by clarifying to clients what we use as our criteria and indicators for selecting investments. However, we must beware to talk about investors as a homogenous group, as that is not the case. You must have a good understanding of the wide array of investors, so that we target them more effectively.
- Finally it was observed that we often talk mainly about the high value chains (coffee, cocoa, Shea) and that the companies working in these chains can finance the sustainable initiatives by themselves, as a 'do-good' strategy can compete with business as usual. But this is less clear for the low-value chains (palm oil, soy), where the margins for 'do-good' strategies are small compared to business as usual.

Session 3: “Learning together”

7. Break-out group discussions: Learning together

During the seminar participants broke out in four groups with the purpose to share the participants' experiences and harvesting their feedback on how to improve positive impact of investments on smallholder and community livelihoods and land security - enhancing a “do-good investment” approach.

Specifically the participants were invited to focus on the following questions:

- ⇒ How to improve the utility of the FMO/TBI/HIVOS/KIT document towards a next version by:
 - Complementing and refine the key pointers;
 - Suggest appealing cases to include in the next version.
- ⇒ What practical strategies and mechanisms are needed to enhance the relevance, feasibility, scope and applicability, and scaling-up of “do-good” investment and business.

The themes of the first break-out groups reflect the key pointers from the working document (see table).

During the group sessions, participants discussed the relevance of these pointers and ideas for improvement of the document. The fourth group focused on aspects of scaling-up. Each group was facilitated by a moderator and assisted by a reporter.

Group	Topic	Moderator	Reporter (Tropenbos)
Group 1	“Recognize Rights”	Emilie Goodall - FMO	Henk Hoefsloot
Group 2	“Effectively Engage”	Leo van der Vlist – NCIV	Sietze van Dijk
Group 3	“Think Landscapes”	Caroline van Leenders - RVO	Rosalien Jezeer
Group 4	“Strategies and Mechanisms for Scaling up”	Joost van Montfort – IUCN NL	Stanley Walet

What follows here are the summaries of the highlight of the breakout groups that were presented in plenary. The full reports of the four breakout sessions can be found in annexes 1, 2, 3 and 4 respectively.

Several participants also contributed their experiences by filling in the Format that was distributed in the breakout groups. The completed formats are not included in this report, but will be used by the authors of the Working document to work towards the 2.0 version. Their contributions are highly acknowledged.

1. Breakout group ‘Recognize Rights’ – Emily Goodall

In this group, the participants voted on the main most important key pointers from the working paper, leading to the conclusion that ‘identifying right holders’ was one of the most important pointers. The identification of right holders should include an analysis of potentially overlapping rights and which institutions play a role in that discussion. Moreover, the group highlighted the importance of transparency, which led to the question: For whom are these key pointers (company, investor, government)? Who is responsible for applying these key pointers? Participants observed that the different key pointers apply to different actors and that in the next

version the authors should be more specific on that. The group noted that there are several tools that can be used by the financial sector, such as environmental and social impact assessments; also new technologies, for example geospatial data enabling the mapping of land, changes in land cover.

It is important to note that we should not look at rights as a static issue, since they change over time and between actors. If you are working as a long term investor, this is a challenge, if rights and legislation shifts throughout the duration of your investment. The participants also noted the amount and diversity of knowledge, cases and experiences in the room, not only worthwhile to tap into for developing the next version of the document, but also as a source of expertise that investors can mobilize.

2. Breakout group 'Effectively Engage' – Leo van der Vlist

Participants in this group considered the key pointers identified in the document all as relevant, but ranked the following as most critical: *start with 'good faith building' meetings; invest in trust, invest in time; help improve smallholder profitability; make the benefits clear and long term.* Several additional key pointers were added, see Annex 1. There was no enthusiasm to raise hands on 'least important'. It was concluded that the large list of key pointer under this heading reflects the importance of the issue of engagement, but also that it is a complex one.



Some general remarks on the report:

- Smallholders also must be considered as investors, may be not so much in terms of money, but rather via their labour, land and time. Because they are large in numbers, as a whole they are big investors too. But there is a clear need for additional investment for long term development.
- It would be good to include cases where special emphasis is put to include vulnerable communities.
- It is recommended to emphasize in the report the great variety/diversity of contexts where investment is taking place and the importance of key pointers may differ in different contexts (e.g. different chains/commodities).
- Continuous monitoring and evaluation is important, with clear baseline studies so you can see impact. This should be done in a participatory way.
- Local and international markets are different, the report should specify those differences.
- The report should also elaborate more on the opportunity costs of investments (at start of a programme).

3. Breakout group 'Think Landscapes' – Caroline van Leenders

This group did not vote for the key pointers, but several attendees noted the lack of information on ecosystem services and biodiversity in the working paper, and consequently this was identified as an important component to enrich the document. Also, there was a remark made that the gender dimension should be incorporated more strongly. Throughout the session, several points were raised to enrich the document:



- What can we learn from good practices on finance (how does finance unlock more finance)
- Look at IUCN's Landscape finance opportunity assessment tool
- Where is certification? And the role of certifying companies?
- What is the role of cooperatives?
- Don't think of value chains alone – how to create local value?
- Governance: administration, who is benefiting, how are rights and governance linked?

The group also identified additional cases (e.g. Commonland, IDH, Kalimantan case), see Annex 2.

Finally, an important question for do-good investments in landscapes is: How do we know if it is good enough? There is a need for an assessment framework

4. Breakout group 'Strategies and Mechanisms for Scaling-up' – Joost van Montfort

The group noted different dimensions in addressing the issue. It briefly discussed the difference between scaling-up or scaling-out (larger scale, or broaden scope) and different categories of mechanisms for scaling up: a) Scaling-up through business case (if it is profitable, it will be up-scaled), b) through government (enabling scaling up, or forcing scaling up). Of course this also raises the question: Who should take the lead in scaling up?



The participants then formulated recommendations for scaling up, which can be broadly divided in three categories:

- Conditions:
 - o There should be a clear common vision, how will it look in the future?
 - o Finance: blended finance (PPP), government funds, grants, finance for risk management, capacity building, etc.; it is clear that different hurdles need different kinds of finance (mixes)
 - o Map financial streams and make them transparent (also to prevent conflicting streams)
 - o Laws and policies – set right conditions to make scaling up possible
- Mechanisms, f.e.
 - o Return on investment should be clear (not only financial, but also social and environmental)
 - o Farmer field school approach
 - o Make the service delivery that helps in scaling up, part of the business case.
 - o A seven steps-approach was mentioned
- Perspectives
 - o If you are scaling up: What are you scaling up? What is the system you are scaling up? Can you make the system more diverse and productive?
 - o Timing for scaling up? For crops; when there is replanting, that is the moment for scaling up (when decisions are made, and new funding is attracted).

8. Questions, observations and answers - Session 3

In the brief exchange after the presentation of the breakout group highlights following issues were raised:

- In response to the question what to do with those who don't have rights, but should have rights, it was emphasized that all humans are rights holders – rather, the challenge may be that these are not recognized and applied but ought to be.
- It would be good to include examples of cases where government have successfully enabled scaling-up.
- When preparing the second version (2.0), it would be good to think more specifically about how to put it in practice. How to deal with the following questions. Can you already test this version? Can you ask investors to give feedback? What do they really need to put this into practices? What would help them? Perhaps another tool? E.g. identifying right holders, how do you do this? Who will do this? Emily Goodall (FMO) concurred with the need for further steps to make, also noting that



there weren't so many investors in today's seminar. It was indicated that next to this seminar other feedback activities are foreseen, including specific meetings with the financial sector.

- It was noted that internationally there are quite a few similar initiatives – e.g. World Business Council for Sustainable Development, the Interlaken Group. It would be good to look at, and link to these as well. It would be relatively easy to find these pilots? (E.g. SNV has been an instrumental in this).
- There was some concern that the environmental dimension of the business case is not adequately addressed in the current document, also raising the question whether improving smallholder livelihoods implicitly leads to more sustainable practices.
- This seminar is a good occasion to bring the brains together but is not the right setting and audience for getting the stakeholders to do these things. It is important to get in the middle of all the sector industries (e.g. World Cocoa Foundation). Get all these ideas and key pointers from the document into the value chain. And the Dutch government could bring this into trade negotiations.
- Environmental and Social Impact Assessment (ESIA) is a very important tool that should be part of investments, where appropriate and proportionate. But must also be done from the very local perspective; smallholders are not able to do this type of assessments. This is where cooperatives or other services provider could play a role. At each scale there is a systems approach, and at all levels people can take a role and use tools such as ELIA; important to identify the ecosystem services in the landscape (and who are the environmental service right holders)
- It was observed that certain groups of stakeholders - the smallholders, women and the associations - are not present in the seminar. Indeed, there are a lot of tools already available, but it must be ensured that these are used in true participatory processes, hence to make sure that the needs and interests of the community are incorporated; this is often lacking. Important to include positive examples in the document. This issue also links to opportunity costs; big companies demand secured supply of commodities, this does not have automatically a good impact on communities and the environment. The Round Tables on Sustainable commodity production are not good enough. A sole commodity perspective does not have a positive impact. In response to these remarks a number of response were made:
 - Tools like ESIA are good, but in addition we have to be more strategic addressing questions like: what do you want to do? What is feasible? What can be our impact?
 - It is important to be well aware who is the most important and/or powerful key player in these stories? How are these best practices born? Who is taking the initiatives for a “do-good”-approach? And: Who decides what is good? And for whom? What is good for one, might not be good for others. This also requires participatory and transparent monitoring (and shared data ownership).
 - A landscape approach can be an answer to some of problems/limitations with the commodity approach. At the end of the day it is about to what extent the ecosystems in a landscape will be able or not able to deliver on this demand. When looking at the landscape, this integral view will bring in the ecological perspective that is lacking in the chain approach.
- What is the current usage of new technologies? Can we map the landscape and what is happening there? Impact assessments depend on the actor that is doing the assessment, and what they want to know and monitor. Can we use these new technologies to monitor the landscape better and share that data? RVO, has access to f.e. space data. But the problem with data is; how can it be used? There is a lot of data, but the challenge is how to make it usable. FMO is also using new technologies. The IUCN experience is that the data usually are present, but it is about how it is accessed and can be used. An overall conclusion is whatever tool or technology is being used, it is critical that they are used in a participatory way and that that communities are part of the decision making.

Session 4: Looking forward

9. Reflections on lessons learned and next steps

Reflection by Maryse Hazelzet (Dutch Banking Association)

Today has been very informative, being part of such a knowledgeable group of participants. We can conclude that there is no such thing as empty lands, and this increases the likelihood of conflict over lands, thus posing a risk to investments.

We talked about smallholders, financial risks, the gap between (inter)national policies and customary practices, and how to close this gap, including the mapping of customary laws and practices. To minimize these risks, we need to conduct proper due diligence. This is a shared responsibility of companies, communities and governments. Moreover, we should keep in mind that CSR in banks can be an important focus for change; banks exchange knowledge and look to each other and other actors for guidance to improve the impact of their investments, including investments in smallholders.

To conclude; alternative business models are challenging, but we saw today that they are feasible. There is a need to deepen our understanding of the cases and their social, environmental and financial dimensions.



Reflection by Frits van der Wal (Ministry of Foreign Affairs)



The working paper answers many of the ‘what’ questions. Today we followed up with a discussion on ‘how’ and ‘when’, which are steps towards implementation.

As government, I foresee that some funds and facilities will continue (FDOV, good growth funds). So far, it seems government is quite happy with promoting investments abroad benefiting both the Dutch economy and development in the target country.

We should have the ambition to use the (enriched) pointers, in various forms. We should go from quantity to quality: Don’t just use the standard criteria, but use these pointers to be more potentially impactful to smallholders. RVO and Atradius are important players in supporting this, and in the end, they determine the framework in which these supporting investments are made. They should also be users of these pointers.

International CSR Agreements (*IMVO-convenanten*), which are increasingly backed by sectors (incl. agro-commodities, textiles, sustainable forest management), will be even more important in the future than they are today. Our socioeconomic council (SER) is secretariat and we should work on priorities which are not only preventing harm, but also do good. We should always keep in mind that do-no-harm and do-good are complementary. KIT and Profundo are now contracted by the Land Dialogue (formerly Multi-stakeholder Dialogue on Land Governance) to study the different International CSR Agreements, to find out how land governance of the Voluntary Guidelines on the Governance of Tenure, have been incorporated, how this is working in these different sectors.

These are some ideas of how this working paper can be used and can be catalytic towards implementation.

Reflection by Hugo Verkuil (HIVOS)

Let me wrap-up by personally answering the ‘why’ question: Why is this important?



I am married to a Malian, and quite a few of my family members are farmers, living of sorghum. Sometimes they get a harvest and sometimes they don't. When they don't have enough to eat, they call to ask for support. That is why I started a company, to create opportunities and to invest in the landscape for social and ecologic impacts. Why? It is obvious, because there is pressure. I have family members who leave Mali, because they want to have a better life. They don't want to leave, but they don't see any other opportunities. That is why it is important to invest massively in Africa; more and more people will come to look for opportunities (especially with climate change). It is clear that security on ownership and use has a direct impact on land quality and production. That is why we – FMO, Tropenbos, KIT and HIVOS - started as an informal working group looking at alternative tenure and business models.

The Way Forward, next steps and ideas

On behalf of the FMO, Tropenbos, KIT and HIVOS informal working group Hugo presented some next steps and ideas the group has in mind as follow-up. The way forward on the short term is that we will take your inputs and views into account.

1. Actions and ideas for the shorter term

- As for the working paper we want to work towards a more full-fledged document 2.0 to be ready in 2018, validating and refining the key pointers and the utility of the document; we also want to include a more diversified set of cases. We will take into account the inputs and views that came out of the seminar. We will look the cases both in terms of financial return, and also whether they really make an impact on the smallholders. We invite you all to contribute.
- Besides this seminar we plan to have other dedicated events in the Netherlands targeting specific sectors (incl. financing sector; Land Dialogue Partners) for feed-back ; we also plan some efforts to harvest international feedback and strengthen the linkage to similar initiatives.

2. Medium term ambitions and ideas

- Key pointers to evolve into a set of criteria for smallholder investments/funds/incentive instruments.
- Deepen the business cases: assess social, environmental and financial value creation.
- Explore the creation of dedicated incentive/fund vehicles for inclusive business f.e the set up a public private investment program that thinks, acts and engages beyond the business as usual.
- Developing similar documents for communities and government bodies?

Closing words, chair Rene Boot (Tropenbos International)

In his closing remarks René Boot concluded was an interesting meeting with a diverse, knowledgeable and committed group. The discussions and observations underlined the relevance and importance of the topic of inclusive finance and business. The meeting produced a lot of useful inputs which will be taking into account to enrich the document.

René emphasized the importance of the topic within the work of Tropenbos International. In TBI's knowledge, capacity building and dialogue work in our partner countries but also internationally it has worked a lot on business development and financing of sustainable forest and landscape management. We do so particularly from the community and smallholder perspective, see f.e TBI's work on forest and farmer producer organisations (with FAO, Forest and Farm Facility IIED, IUCN and others) and the various documents it has produced on forest financing and business development (see the TBI website www.tropenbos.org). When the Multi-stakeholder Dialogue on Land Governance was initiated by minister



Ploumen we saw it as an opportunity to start this work on Alternative Tenure and Business models and we have been happy to collaborate on this with FMO, HIVOS and KIT as partners. In our future plans inclusive business and finance is one of the leading topics in our work. And we greatly value to continue working on follow-up activities collaboratively. In that context it is good to mention that we are a partner in the CGIAR programme on Forests, Trees and Agroforestry where we expect that some of the follow-up activities on inclusive business and finance can be accommodated.

Tropenbos International will prepare a 2-pager summarizing the main results and messages that came out of the event, see:

<http://www.tropenbos.org/news/impact+investments+in+agricultural+and+forestry+smallholders:+it+can+be+done!>

A more comprehensive report will be ready in a few weeks.

Finally, René thanked all the persons who provided an input to the seminar, the participants and the co-organizing partners for their great contributions.

Annexes

Break-out Group 1: “Recognize rights”

Moderator: Emilie Goodall - FMO

Reporter: Henk Hoefsloot – Tropenbos International

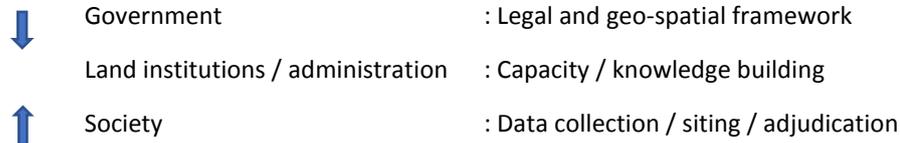
At the start of the group discussions workshop participants scored on the key pointers of the study with Yellow = priority and green = there is an issue with this one

	Key pointers on Recognize rights	Priority	
1	Understand laws and customary practices	3	1
2	Acknowledge local values	3	1
3	Identify who the rights holders are	6	-
4	Consult with public institutions	4	1
5	Identify community needs	3	2
6	Is there “good enough” tenure?	2	2
7	Consider “fit for purpose” approaches	-	-
8	Avoid land transfer is possible	1	1
9	The need for transparency	5	1
10	Leave land for food production	-	-
11	Other (added during the group discussion): consider overlapping rights	2	-
12	Other (added during the group discussion): make use of ESIA methodology as a recognized tool to look at many of the key pointers listed.		

- *Identify the rights holders, transparency and consultation with public institutions* were the key pointers that received the most points and were further debated. A new pointer – on *overlapping rights* was discussed and was seen as a cross-cutting theme as it seen as critical to identify who the rights holders are.
- The Netherlands Commission on Environmental Assessment emphasized that there is broad consensus on the need (and practice) of Env&Soc Impact Assessment (ESIA). However, in practice ESIA is often under-used. Yet it is one of the few legal instruments established that includes looking at social inclusion issues in decision-making. This suggestion was well received by the rest of the group with a question as to whether ESIA's are ever used for a go / no-go decision and merely formulating mitigation measures is not always enough.

- Kadaster made an intervention that there should be more attention given to technology and that the document “improving positive impacts” misses a technology page. There is increasing (satellite-based) technology available that can speed up the process of land registration. And he made the case for putting government (public institutions) at the center of resolving land rights issues, conceptualized as follows:

Side-by-side developments:



- Cases that could be looked at and that the Netherlands has been involved in are: Rwanda, Lesotho, Namibia and CEEC
- A number of participants emphasized that land rights are not fixed in stone and evolve over time – hence the need to have a fit-for-purpose approach on land rights. And the need for independent verification.

Overarching key points then were:

- Lack of clarity on whose rights
- Need to specify what the pointers are for different stakeholders (Government, Business and Civil Society)
- Recognize that in every case there are competing claims
- There are often overlapping rights and overlapping interests of sectoral ministries
- Maps are very powerful communication tools, but can be contested themselves and should be treated with care and transparency
- Rights are not static and power relations do change
- Use technology to facilitate mapping

Break-out Group 2: “Effectively engage”

Moderator: Leo van der Vlist - NCIV

Reporter: Sietze van Dijk – Tropenbos International

The group started the discussions by asking the questions: **Which are the ‘TOP 3’ MOST / LEAST relevant /feasible pointers and why; is there anything missing.**

POINTERS: <i>(additional pointers suggested in italic-blue)</i>	MOST relevant	LEAST relevant	REMARKS:
“Listen, and learn...”			
• Start with ‘good faith building’ meetings	10	0	
• Understand community diversity	5	0	Engage also through interviews at the individual level; link with CBOs and create platforms (MSD)
• Engagement means respect	3	2	Aiming at co-creation / making use of local knowledge
• Invest in trust, invest in time	7	0	
• <i>Use ‘appropriate’ means of communication</i>			‘Local’ language is important but also the means/tools to be used
• <i>Be aware of ‘western’ bias</i>			Communities may want something else than what you have in mind
• <i>Participative (community) action research and planning</i>			
• <i>Be gender sensitive; Empower Women groups; Include youth</i>			
• <i>True listening; respect different views / interests</i>			Explore and map existing (and historical) livelihood strategies
• <i>Conduct an independent ‘power analysis’</i>			Both within and outside communities
“Work with communities”			
• Focus on disadvantages groups	2	0	Equity in participation (be sensitive for local power structures)
• Help communities establish legal entities	5	2	But respect existing community governance structures / recognize existing institutional arrangements in communities
• Help improve smallholder profitability	6	0	
• Make the benefits clear and long term	6	0	But also for the short-term, small farmers do not have financial ‘buffer’. Also, be clear about risks (e.g. fluctuating prices in the market) and costs.
• Set up grievance mechanisms	3	0	But also include continuous feed-back loops to prevent grievances
• <i>Capacity building at various levels / dimensions</i>			Build capacity for engagement / participate in mapping, monitoring, etc. / Make use of native language trainers Capacity building to engage less powerful stakeholders

POINTERS: <i>(additional pointers suggested in italic-blue)</i>	MOST relevant	LEAST relevant	REMARKS:
<ul style="list-style-type: none"> Conduct a Risk Assessment from both perspectives (investors AND communities) 			
“Work with everyone”	Better: Work and/or deal with everyone In conflict situations you will not be able to work with everyone in the same intensity. Analyze the ‘power dynamics’ behind the investment projects.		
<ul style="list-style-type: none"> View all stakeholders as potential partners 	4	4	This pointer needs review and further clarification; (see point above about ‘power dynamics’)
<ul style="list-style-type: none"> Involve government services 	5	0	
<ul style="list-style-type: none"> Talk with civil society 	2	1	
<ul style="list-style-type: none"> Link with development organizations 	?	2	Need for further clarification: local, national, international?
“Think long term”			
<ul style="list-style-type: none"> Build the best of both worlds 	1	0	E.g.: value both traditional knowledge AND western knowledge = co-creation
<ul style="list-style-type: none"> Support smallholder certification 	2	1	
<ul style="list-style-type: none"> Consider public-private partnerships 	3	3	<p>MOST relevant because:</p> <ul style="list-style-type: none"> - matter of reality / balances different interests / reduces conflict - Govt. is needed for the supply of public services and utilities (infrastructure, water electricity, etc.) - PPP can be a way of public sector to take responsibility <p>LEAST relevant because:</p> <ul style="list-style-type: none"> - risk of top-down / power of big business / potential problems with bureaucratic hurdles and corruption <p>Additional comments:</p> <ul style="list-style-type: none"> - Govt. participation should also be considered at local level - Additional to PPP, also include ‘civil’ partnership
<ul style="list-style-type: none"> Conduct a participatory ESIA; build capacity and create employment for local level M&E 			
<ul style="list-style-type: none"> Create (and set aside finance for this) participatory M&E 			

Additional remarks resulting from the discussions and input from written forms, included the following points:

- No sense in scoring TOP 3, all key pointers (and more) are relevant!!!
- Report seems to be (too much) driven from private and 'western' interest. (Business / corporate)
- How about 'low value' commodities?
- Realize that all Smallholders / Small farmers / SME are investors themselves too.
- Try to describe and present the various cases in a way of grouping/clustering, aiming at designing various 'models' for successful partnerships
- Try to come to the formulation of recommendations for different (commodity based) roundtables
- Try to design an approach for M&E on the impacts of these kind of 'do good' investments
- First of all, focus on the research into a solid baseline: know your 'point of departure' to be able to assess the impacts of 'do good' investments
- Balance between local/national/global markets
- How to address the issue of 'opportunity costs' from a local perspective
- In ALL pointers the word 'participatory' is missing: include participatory analysis, planning and monitoring
- Build broad networks / include different disciplines / build on 'consensus'
- 'Inclusive' should entail social (civil) inclusion too, the present document seems to be driven from private initiatives with limited eye for civil society
- Many of the pointers show overlap and might be grouped
- It is not clear to everyone for who this checklist is developed. Be more specific or make more than one checklist
- Address more explicit the issues of 'equity' in participation, decision-making and the sharing of risks and benefits
- Improve version 2.0 by offering a clear focus on 'how': how to implement? Provide tools for participation
- Include capacity building on 'financial management' and realize that farming is a family business
- Make a clear distinction between short-term, mid-term and long-term benefits (poor people need short-term benefits as well)
- Address issues related to risk-diversification

Additional cases to be included:

- Examples of PFES schemes
- More examples from Asia and Central and South-America
- PSI projects Bolivia



Break-out Group 3: “Think Landscapes”

Moderator: Caroline van Leenders (RVO)

Reporter: Rosalien Jezeer – Tropenbos International

General set-up: An introduction round was initiated, which turned into a discussion session in which every participant addressed the points which he or she thought were missing and/or could benefit from clarification. Additionally, cases that could be used for enrichment of the working paper were identified. The session was concluded by grouping the emerging issues into three themes: (i) Finance; (ii) Governance; (iii) Companies, as well as identifying a few points for more general enrichment of the document. Multiple attendees noted the lack of information on ecosystem services and biodiversity in the working paper, and consequently this was identified as an important component to enrich the document.

Emerging questions and statements:

- Common understanding established within the breakout group: landscape = horizontal, value chain= vertical
- Does smallholder involvement lead to better environmental performance (and under what conditions)?
- How do you measure your multi-stakeholder engagement: when is good or good enough?
- Who benefits in the landscape?
- Shift in general context of smallholders in the landscape: Going from how the markets can benefit the poor → How do the poor make markets work?

General enrichment of report identified as missing issues:

- Biodiversity + PES (!)
- Gender
- Climate change impact of risks on such businesses
- Social and environmental impact assessment and add a financial impact assessment

Identified themes and issues:

Finance

- institutions, as the finance sector is lacking
- Insights needed in the risks of climate change, water shortage, deforestation etc. for businesses and the finance sector, and consequently insights in financing opportunities for climate change adaptation.
- Tool being developed to Landscape finance opportunity assessment tool (LFOAT)
- Biodiversity + Climate investment often goes beyond company interest (more knowledge is needed)
- Thinking in landscape: looking at public investments required: how do you source that?

Governance:

- When is it good enough? (include gender, cooperatives, participatory, etc)
- Insights needed in how to develop solid partnerships
- Insight in how to deal with administrative hurdles
- More insights in benefits of stakeholders
- The jump from land tenure to sustainable landscape governance was not clear: smaller steps needed

Companies:

- Role of certification schemes
- Role of cooperatives or farmer associations
- Access to value chain
- Role of local knowledge institutions
- Environmental component of business cases

Suggestions for relevant cases

- NEPcon is involved in a project in Kenya, but confirmation is needed (Deborah v Boven)
- FOREFRONT project (WUR) on PES implements in Agro-Forest frontier (Frans Bongers)
- FAIR company community partnership in Riau and Jambi (Indonesia)
- TROSA, multi community on Mekong river
- Reforestation in Kibale National park; a climate forest project with an increasing focus on realizing benefits in the wider landscape.
- FORM Ghana (www.formghana.com)
- Commonland, AIVELAL
- EcoPlanet Bamboo
- Oxfam fair community partnership, PAAFE project
- Face the Future case (Uganda)
- IUCN-NL in Bolivia and Ecuador, a case with a focus on water
- HCV approach in smallholder landscapes - example from RSPO (palm oil)
- IDH landscapes
- Tropenbos, Forest landscape project West-Kalimantan (Cora van Oosten)
- Baviaanskloof South Africa, Commonland

Suggestions for *type* of cases:

- Perhaps some case studies on fisheries and/or shifting cultivation
- Cases that show practical experiences to overcome bureaucracy
- Next to the 'cherries' also include failed cases and lessons that can be learned
- That illustrate on how private and public funds can unlock each other
- That show the business case for biodiversity & PES, also to raise awareness amongst financial institutions



Break-out Group 4: “Strategies and Mechanisms for scaling-up”

Moderator: Joost van Montfort – IUCN NL

Reporter: Stanley Walet – Tropenbos International

Suggestions to improve the key pointers

Direct the pointers also to financiers and beneficiaries. Add cases, and/or adjust the current cases, to look at the investors’ point of view that besides financial returns gives an indication of the key social and environmental returns. Take into account that investors are driven by financial return. Why would an investor be ‘in’?

Suggestions of cases to include in the next version

- Sicirec Bolivia
- Netherlands Enterprise Agency (RVO) has a number of cases that could be relevant.
- IDH
- Livelihoods fund

Scaling up, out and through: It would help to have a brief conceptual elaboration on the concept of scaling up, how it differs from replication and mainstreaming (for instance), what mechanisms for scaling are known, etc.



Suggestions for actions that could be taken to scale-up a do-good investment approach

➔ Conditions for scalability

- To get from startup to a scalable situation, there needs to be access to big scale finance, but there seems to be a gap between small scale and big scale finance. One way to bridge this gap is through the strategic use of smart grants and blended finance: public finance is being used to leverage private finance and de-risk investments. Afterwards, public funds should remain involved to cover some aspects of the non-monetary and environmental social returns (see projects of IDH and Livelihoods Fund for examples).
- There are other financial instruments besides investors that could be investigated: a government fund focusing on land governance as a starter; PPP fund; grants.
- For each of these instruments transparency is key to learn what works, but also to prevent different financial streams to oppose each other. Transparency about the returns of investment (financial, social and environmental) is just as important.
- We are looking for innovations that can spread on their own account. How do we make sure we do not undermine the process? The investors’ money can be used to build capacities to develop the innovation, to

test it, and to lower the risk for who will adopt it later on. Instead of training people directly, we should train the trainer, using finance from within the market.

→Mechanisms of scaling

- There needs to be better understanding of the mechanisms of scaling, and which stakeholders contribute to the success of an investment (through stakeholder analyses). Scaling can be done to increase the income, for example through diversification of products, or by reaching more producers. The questions then arise of how to do that.
- Scaling can be approached through the market, yet often the enabling conditions for scaling should be created through the legal system. A different angle of approach, for example a policy approach, can tackle fundamental problems. For example, by banning charcoal production from shea trees, landscape restoration projects can become more successful. Including guidelines on impact investments in legislation at least creates a level playing field.
- Promote collaboration and mutual learning (for instance through farmer field schools). A lot can be learned from other sectors that are scaling up – renewable energy, water and sanitation, ecosystem restoration. Identify similarities, lessons, and share knowledge.
- Follow best practices to discover which mechanisms caused the success. Here the example is given of the Cookhouse Windmill Farm (one of the case studies in the report) and how the Black Empowerment Act helped local people to get involved in this project. It is therefore worthwhile to see if similar systems could work in other cases and countries. See the WRI Restoration Diagnostics how they make use of the successes of previous restoration projects.

→Perspectives

Use a systematic approach to scale up:

- Determine what you want to scale up.
 - Who wants to scale up, who will benefit from up scaling and who will be impacted in a negative way?
 - How do we want to upscale, geographically, through other supply chains?
 - Who is already active on this scale?
 - What is impossible to scale up (in other words, what is context specific?)
 - What is needed in terms of infrastructure, policy, finance, etc. to scale up and who can do that?
 - What strategy do you use to make the process of upscaling sustainable?
 - How do we make sure the process remains inclusive?
- Carefully consider *when* to scale up or introduce innovations. An example to illustrate this is intercropping in palm oil that supports income diversification as well as can result in an overall productivity increase. As intercropping in palm oil plantations requires more space between rows, it won't be implemented in current plantation systems, but instead this change should coincide with the decision to invest in replanting of the plantation.
 - Prepare for emerging issues of the future, like climate change.

