

Consultation Environmental and Social Standards of the Land Degradation Neutrality Fund

Both ENDS / the Netherlands

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General remarks

The Land Degradation Neutrality Fund (LDN Fund) has the ambition to be an impact investment fund, which is about investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return. We welcome the ambition to generate financial means to ensure sustainable land management practices. This is also especially needed as so many sustainable initiatives, which are effective on the long-term, start small by indigenous peoples, small-scale farmers, women, pastoralists and nomadic people who lack access to funds.

Small is beautiful

The website of the Fund speaks of many small-scale projects which are demonstrating that sustainable landscape management is more profitable than the unsustainable alternative. However, the reaction of the Fund is to focus on large-scale rehabilitation of degraded land (12 million hectares/ year: approximately the size of arable land in Germany or the size of Malawi), for sustainable and productive use, with long-term private sector financing. We notice a great discrepancy.

There is a gap between (i) the ambition and long term potential of many local land users to produce sustainably, by doing good to the land, to the people and be profitable at the same time *and* (ii) investments of the Fund in large-scale rehabilitation schemes of degraded land, where not necessarily the long-term sustainable use of the land by indigenous peoples, small-scale farmers, women, pastoralists and nomadic people is the first priority. The LDN Fund should ask for advice of small grant funds like Global Green Grants Fund (<https://www.greengrants.org>), Casa in Brazil (<http://www.casa.org.br/en/>), People and Nature Fund in India (<http://keystone-foundation.org/people-and-nature-fund/>), etc.

Remember gender

In addition, the document lacks reference to gender and the recognition that evidence strongly suggests that women lose out on the benefits of large-scale investments and bear a disproportionate share of the negative impacts. Women often use the land and ensure food is harvested to feed their families, yet in many cases they do not have the formal or customary rights over the land, neither the ownership to decide what needs to happen with the land. Being gender neutral is not enough: investors need to adopt explicit gender policies and take a proactive approach to ensuring that policies and practices help to overcome rather than reinforce pre-existing gender inequalities. The standards and procedures set up by the Fund should include a way to assess the actual land (user) rights and the use of the land. This means that gender should be made explicit in all procedures related to investments:

- Assessing the risks of the investment: for every investment, it is important to ask what kinds of risks are being taken and who will assume the potential costs (land user, gender, age)
- Assessing the outcomes of the investment: it is important to be able to assess potential investments in terms of their impact on gender equality and the local priorities and needs of the poorest people.

With regards to gender, the Fund should look at the ways funds dedicated to women function, e.g. Fondo Centroamericano de Mujeres for Central America (<http://fcmujeres.org/>), Mama Cash (<http://www.mamacash.org/>) etc.

Governance

It is not clear how the Fund will be governed. Who will take decisions on fund investments? Who will oversee that the investments are contributing to the 3 objectives of the Fund? What will the role of UNCCD, GM and UNCCD countries be in the LDN Fund? What is the role of the Fund manager? What is the role of the board of directors? What is the composition of the board? Will investment proposals be presented to the board? Will the board actually give a *go* or *no go* to the investment proposals or is the decision taken by the board just a formality? What kinds of accountability procedures within the Fund are put in place? How is the separation of

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duties ensured? Do third parties have a role in investment proposals adhering to the standards and procedures? Will there be a body that can assess proposed projects against the agreed standards and procedures, e.g. an ethical committee that consists of different independent stakeholders? Do third parties have a role in monitoring the impact of the Fund?

Where is the rest?

In the introduction of the Environmental and Social Standards of the LDN fund (E&S standards), it is mentioned that the *E&S Standards* are addressing risk management and are together with *E&S required positive impacts* part, of the *E&S Management System*, which is part of the *LDN Fund policy framework*. We applaud the fact that GM and Mirova are inviting Civil Society to give their views on the E&S standards, but we seriously regret that we are not able to assess the whole set of policies, thus the *E&S required positive impacts* document, the *E&S Management system* document and the *LDN Fund policy framework* document.

In that way *only* we can give a sincere advice on the do-good and avoid harm agenda of the Fund. For instance, we would like to know how the Fund *and* its borrowers (clients and partners) will deal with topics like:

- Financial, social and environmental due diligence (criteria, principles, and rules of due diligence), like environmental and social impact assessments (look for instance at Asian Development Bank)
- Free Prior and Informed Consent for indigenous people and other communities needs to be operationalized (FAO Governance of Tenure Technical Guide: Respecting free, prior and informed consent - a practical guidance for governments, companies, NGOs, indigenous peoples and local communities in relation to land acquisition)
- Meaningful consultation by timely public disclosure of information and dialogue with local land users like indigenous peoples, small-scale farmers, women, pastoralists and nomadic people on the possibilities for investment in sustainable land management and rehabilitation of the land, the outcomes of environmental and social assessments 120 days *before* a project (look for instance at Asian Development Bank) is presented for approval by the board,
- Compliance with the standards prior to the approval of a project (look for instance at Asian Development Bank)
- Complaints mechanism & ombudsman (look for instance at Asian Development Bank)
- Compensation

Accountability

How will borrowers (clients and partners) actually adhere to the standards, and how will they be held accountable before a project is approved of? What kind of verification documents will they need to hand over? We would like to advice actual engagement with local people and communities, with indigenous peoples, small-scale farmers, women, pastoralists and nomadic people about possible investments in their lands, before and after a project is approved, in the project design and implementation, during monitoring and evaluation of the project impacts. Actual engagement can be verified by transcripts of dialogues with local people and communities, by interviews with local people and communities.

Existing agreements

There are many internationally and regionally agreed documents that provide guidance on different key issues in the LDN Fund such as governance, ownership, access to land and security of tenure, investment, gender and equity. With or without LDN Fund, we would like to stress that these are to be followed, implemented and/or enforced by all stakeholders. Some of these internationally agreed documents are:

- Paris Agreement of the parties to the United Nations Convention on Climate Change (2015)
- Principles for Responsible Investment in Agriculture and Food Systems (2014)
- FAO Governance of Tenure Technical Guide: Respecting free, prior and informed consent - a practical guidance for governments, companies, NGOs, indigenous peoples and local communities in relation to land acquisition (2014)
- Voluntary Guidelines on Responsible Governance of Tenure of Land, Fisheries and Forests in the context of national food security (2012) (<http://www.fao.org/nr/tenure/voluntary-guidelines/en>)
- OECD's Guidelines on Multinational Enterprises (updated in 2011) (<http://www.oecd.org/corporate/mne/oecdguidelinesformultinationalenterprises.htm>)
- UN Guiding Principles on Business and Human Rights (2011)

- Guiding Principles on Business and Human Rights, endorsed by the UN Human Rights Council (2011) (<https://www.unglobalcompact.org/library/2>)
- Busan Partnership for Effective Development (2011) (<http://www.oecd.org/development/effectiveness/busanpartnership.htm>)
- UN Declaration on the Rights of Indigenous Peoples (2007) (http://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf)
- UN Basic Principles and Guidelines on development-based evictions and displacements (2007) (<http://www.ohchr.org/EN/Issues/Housing/Pages/ForcedEvictions.aspx>)
- Voluntary Guidelines to support the progressive realization of the right to adequate food in the context of national food security (2004) (<http://www.fao.org/docrep/009/y7937e/y7937e00.htm>)
- Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) (1979) (<http://www.un.org/womenwatch/daw/cedaw>)
- International Covenant on Civil and Political Rights (1966) (https://treaties.un.org/pages/ViewDetails.aspx?src=IND&mtdsg_no=IV-4&chapter=4&lang=en)

New insights

The text mentions that the E&S management system of the LDN Fund will be evolving as worldwide E&S systems are evolving. Will there be a monitoring & evaluation system in place that will serve as the base for revision of the E&S management system? Will a revised E&S management system be open for public consultation?

Not sufficient

Finally, organizing a public consultation only on the *E&S standards* without having insight in LDN Fund overall policy framework, like the procedures, governance and criteria to promote a positive contribution to stabilizing and reversing land degradation, is not sufficient. It is like getting a taste of the cherry of the pudding, while the proof of the pudding is in eating it. We therefore strongly urge the LDN fund to organize a consultation over the whole *LDN Fund policy framework* (including the *E&S required positive impacts* and the *E&S Management System*).

Specific remarks

Website of the consultation

‘The LDN Fund Environmental and Social Standards (ESS) define the framework upon which all projects that will be financed by the Fund must adhere to. Once finalized, the ESS will be integrated into all aspects of the LDN Fund’s project investment cycle, and become part of the LDN Fund’s overall risk management and due diligence approach to ensure the responsible handling of social and environmental risk. In particular, the ESS will be integrated into the investment policy of the LDN Fund, and the Fund Manager will have responsibility for conducting a detailed ESS assessment of each project before investment. Other Fund governance bodies will support and regulate the Fund Manager’s work on ESS issues. Committees will be established to have a consultative role on ESS, providing advice and expertise when required. Other Fund governance bodies, responsible for the establishment of the investment guidelines (e.g. Board of Directors), will be responsible for the supervision of the Fund Manager to ensure compliance with the ESS, and will have the authority to request an investigation from a third party consultant to verify that the Fund is in compliance.’

It is important to clarify beforehand who will be responsible for the supervision of the Fund Manager to ensure compliance with the Environmental and Social Standards, the Environmental and Social required positive impacts and the Environmental and Social Management System as a whole. Tasks, responsibilities and authorities which are related to the supervision of the compliance with the Environmental and Social Standards need to include the monitoring of investors’ and projects’ compliance with the Environmental and Social Standards and the authority to decide on how the project must implement the Environmental and Social Standards and whether the project can continue. If the Board of Directors has this authority (as is being suggested) it is questionable whether this board can decide independently on the compliance with the Environmental and Social Management System in general and the Environmental and Social Standards and the Environmental and Social required positive impacts specifically.

We suggest, in order guaranteeing independency, to establish a 'monitoring and compliance committee' that consists of Environmental and Social experts from third parties (including CSOs).

Environmental and Social Standards of the LDN Fund

P2:

Introduction: Environmental and Social Management System of the Land Degradation Neutrality Fund

'Lastly, it is important to recognize that the E&S systems from around the world are evolving, and thus the LDN Fund will regard its Standards as "modular". That is, as best practices change, the LDN Fund will review its E&S Management System and exchange "modules" from a variety of international financial and development institutions as new experience makes changes advisable. The LDN Fund will thus continue to learn from the experiences of other institutions and adopt new and innovative practices accordingly.'

We suggest the LDN Fund to evaluate its Environmental and Social Management system one year after its start, followed by a two-yearly evaluation. Hereby taking into account the impact of the Funds' activities on local land users and good practices, standards and procedures by other funds including small grant funds like Global Green Grants Fund (<https://www.greengrants.org>), Fondo Centroamericano de Mujeres for Central America (<http://fcmujeres.org/>), Casa in Brazil (<http://www.casa.org.br/en/>), People and Nature Fund in India (<http://keystone-foundation.org/people-and-nature-fund/>), Mama Cash (<http://www.mamacash.org/>) etc.

LDN Fund E&S Standards Introduction

P3:

'After a detailed analysis of E&S systems that exist in a variety of organizations it was decided that the LDN Fund's E&S Standards should be benchmarked against the International Finance Corporation (IFC)'s Performance Standards 2012. It is important to recognize, however, that the LDN Fund's mandate necessitates that its E&S Standards include elements that specifically address issues related to land tenure and land use.'

We suggest including after land tenure and land use: and (in)formal land (user) rights. The sentence than would read: It is important to recognize, however, that the LDN Fund's mandate necessitates that its E&S Standards include elements that specifically address issues related to land tenure, land use and (in)formal land (user) rights.

'As such, a dedicated Standard explaining the LDN Fund's obligations as related to land tenure is included in the LDN Fund's E&S Standards. For the elaboration of this Standard the LDN Fund drew mostly on the Voluntary Guidelines on the Responsible Governance of Tenure (VGGT) as well as on relevant other documents and experiences.

We regret that the LDN Fund explicitly mentions that it does not adopt the CFS Voluntary Guidelines for the Responsible Governance of Tenure of Land, Fisheries and Forests in the context of national food security (VGGTs). These are the state of the art guidance for stakeholders dealing with land, including land users, governments and investors. Also, these are recognized as the basis for responsible governance towards in the Land Degradation Neutrality discussions regarding the UNCCD, the SDGs etc.

We suggest to replace the footnote 'Note that the LDN Fund is not adopting the VGGT but rather using the VGGT as guidance in constructing the environmental and social standards on land tenure' with 'The LDN Fund is using the VGGT to judge whether proposed actions and the actions of others constitute acceptable practices.'

P4:

'Additionally, the Standards proposed for the LDN fund are ordered alphabetically.'

If this is the case, than LDN Standard 3: Community Health, Safety and Security should be placed before LDN Standard 2: Cultural Heritage.

We suggest switching Standard 2 and Standard 3 in order to make the alphabet work

LDN Standard 1: Biodiversity Conservation and Sustainable Management of Living Natural Resources (Corresponds to IFC PS36)

P5:

'LDN Standard 1 recognizes that protecting and conserving biodiversity, maintaining ecosystem services, and sustainably managing living natural resources are fundamental to sustainable development'

We agree on this sentence in general, but would like to specifically stress that biodiversity is fundamental to the right to food of local people and communities.

We suggest adding after sustainable development the phrase 'and to the right to food of local people and communities'. The sentence would read: LDN Standard 1 recognizes that protecting and conserving biodiversity, maintaining ecosystem services, and sustainably managing living natural resources are fundamental to sustainable development and to the right to food of local people and communities.

P6:

'Standard 1 requires that all Projects apply the mitigation hierarchy, i.e. to take appropriate measures to avoid, minimize or rehabilitate/mitigate impacts that may damage biological diversity. Where residual adverse impacts on biodiversity remain, the projects promoters may propose biodiversity counterbalancing measures, where appropriate.'

This text is too optional.

We suggest to make the sentence more committal: Where residual adverse impacts on biodiversity remain, the projects promoters propose and apply biodiversity counterbalancing measures in consultation with local people affected by the project.

LDN Standard 2: Cultural Heritage (Corresponds to IFC PS#8)

P7:

'In addition to complying with applicable law on the protection of cultural heritage, including national law implementing the host country's obligations under the Convention Concerning the Protection of the World Cultural and Natural Heritage, the Project Implementer will identify and protect cultural heritage as identified by local people and communities by ensuring that internationally recognized and locally acknowledged practices for the protection, field-based study, and documentation of cultural heritage are implemented.'

We miss the link with local people as guardians of cultural heritage.

We suggest to add 'cultural heritage as identified by local people and communities' and locally acknowledged practices' The sentence would read: 'In addition to complying with applicable law on the protection of cultural heritage, including national law implementing the host country's obligations under the Convention Concerning the Protection of the World Cultural and Natural Heritage, the Project Implementer will identify and protect cultural heritage as identified by local people and communities by ensuring that internationally recognized and locally acknowledged practices for the protection, field-based study, and documentation of cultural heritage are implemented.

'The Project Implementer will also adhere to the Convention on Biological Diversity to inform how the Project uses cultural heritage. For the purposes of this Standard 2, cultural heritage refers to:

1. Tangible forms of cultural heritage, such as tangible moveable or immovable objects, property, sites, structures, or groups of structures, having archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values;
2. Unique natural features or tangible objects that embody cultural values, such as sacred groves, rocks, lakes, and waterfalls;
3. Certain instances of intangible forms of culture, such as cultural knowledge, innovations, and practices of communities embodying traditional lifestyles.'

Local people and communities determine their forms of culture and if they are intangible or not. We would like to see this recognition of self-determination.

We suggest under bullet 3 the following text: 3. Intangible forms of culture, such as cultural knowledge, innovations, and practices of local communities embodying traditional lifestyles, as identified by local people and communities.'

LDN Standard 3: Community Health, Safety and Security (Corresponds to IFC PS #5)

'LDN Standard 3: Community Health, Safety and Security (Corresponds to IFC PS #5)'

The reference to IPF PS should be #4 as #5 is about Land Acquisition and Involuntary Resettlement.

We suggest changing the wording of PS#5 into PS#4

'While acknowledging the public authorities' role in promoting the health, safety, and security of the public, Standard 3 addresses the Project Implementer's responsibility to avoid or minimize the risks and impacts to community health, safety, and security that may arise from Project-related impacts, with particular attention to vulnerable groups.'

We suggest specifying people who are specifically vulnerable in the case of large-scale projects, namely indigenous peoples, small-scale farmers, women, pastoralists and nomadic people. The sentence would read: 'While acknowledging the public authorities' role in promoting the health, safety, and security of the public, Standard 3 addresses the Project Implementer's responsibility to avoid or minimize the risks and impacts to community health, safety, and security that may arise from Project-related impacts, with particular attention to vulnerable groups such as women, indigenous people, small-scale farmers, pastoralists, nomadic people, youth and poor.'

P8:

'The risk that a Project could exacerbate an already sensitive local situation and stress scarce local resources should be considered during the Project Design and Monitoring Plan.'

As large-scale projects have the inherent risk of starting or exacerbating conflicts over land, we would like to stress that the risks for conflict are explicitly assessed before any project is approved.

We suggest to add the following: 'The risks that a Project could exacerbate an already sensitive local situation and stress scarce local resources are assessed in a participatory way before the project is actually approved, monitored during the implementation of the project and evaluated when the project is implemented.'

LDN Standard 4: Indigenous Peoples and Vulnerable Groups (Corresponds to IFC PS #8)

'Standard 4 also recognizes that Indigenous Peoples and Vulnerable Groups are often among the most marginalized and vulnerable segments of a country's population. In many cases, their economic, social, and legal status limits their capacity to defend their rights to, and interests in, land and natural and cultural resources, and may restrict their ability to participate in and benefit from development.'

We would like to add political status. The sentence would read: 'In many cases, their economic, social, political, and legal status limits their capacity to defend their rights to, and interests in, land and natural and cultural resources, and may restrict their ability to participate in and benefit from development.'

P9:

'As a consequence, Indigenous Peoples and Vulnerable Groups may be more vulnerable to the adverse impacts associated with an LDN Fund Project than non-Indigenous communities. This vulnerability may include loss of identity, culture, and natural resource-based livelihoods, as well as exposure to impoverishment and disease. LDN Fund Projects that may impact indigenous proples and vulnerable groups must thus carry out a participatory assessment conducted by an independent specialist who is agreed upon by all local stakeholders and verify:

- a. *Whether indigenous peoples or vulnerable groups inhabit or use the proposed project area(s) (thus having formal or informal rights to the land) and, if so, include disaggregated data by indigenous group and geographical location; and*
- b. *Whether project activities may impact (even indirectly) indigenous peoples or vulnerable groups living outside the project area.'*

In this paragraph there is a typo, namely 'proples' instead of 'peoples'.

We would like to stress the risk of exacerbating the position of indigenous people and vulnerable groups when there is an interest of an investor in the land for large-scale rehabilitation.

We suggest to add more participatory elements in the initial risk assessment: LDN Fund Projects that may impact indigenous peoples and vulnerable groups must thus carry out a participatory assessment conducted by an independent consultant which is agreed upon by all local stakeholders and verify:

- a. *Whether indigenous peoples or vulnerable groups inhabit or use the proposed project area(s) (thus having formal or informal land (user) rights) and, if so, include disaggregated data by indigenous group and geographical location; and*

'Standard 4 requires that, before adopting and implementing projects and programmes that may affect indigenous peoples or vulnerable groups, a process of Free, Prior and Informed Consent (FPIC) is followed and consent given by the indigenous or vulnerable community.'

Free Prior and Informed Consent must be obtained from all indigenous communities that are possibly affected by the project.

Therefore we would like to suggest including the plural form as well. The sentence would read: Standard 4 requires that, before adopting and implementing projects and programmes that may affect indigenous peoples or vulnerable groups, a process of Free, Prior and Informed Consent (FPIC) is followed and consent given by the indigenous or vulnerable community/ communities

In addition, FPIC can be (and is) explained in different ways.

*We suggest taking up the FPIC definition from the FAO 2014 report *Respecting free, prior and informed consent - Practical guidance for governments, companies, NGOs, indigenous peoples and local communities in relation to land acquisition*:*

Free implies no coercion, intimidation or manipulation.

Prior implies consent is sought far enough in advance of any authorization or commencement of activities, and the time requirements of indigenous consultation and consensus processes are respected.

Informed implies that all information relating to the activity is provided to indigenous peoples and that the information is objective, accurate and presented in a manner or form that is understandable to indigenous peoples. Relevant information includes:

1. the nature, size, pace, duration, reversibility and scope of any proposed project;
2. the reason(s) or purpose of the project;
3. the location of areas that will be affected;
4. a preliminary assessment of the possible economic, social, cultural and environmental impacts, including potential risks and benefits;
5. personnel likely to be involved in the implementation of the project;
6. procedures that the project may entail.

Consent implies that indigenous peoples have agreed to the activity that is the subject of the consultation. Indigenous peoples also have the prerogative to withhold consent or to offer it with conditions. Consultation and participation are key elements of a consent-seeking process. Consultation must be undertaken in good faith, which, among other things, requires that indigenous views are accommodated in the process or objective justifications are provided as to why such accommodation is not possible. The parties must establish a dialogue allowing them to identify appropriate and workable solutions in an atmosphere of mutual respect and full and equitable participation, with ample time to reach decisions. Indigenous peoples and local communities must be able to participate through their own freely chosen representatives and customary or other institutions. The participation of women, youth and children is preferable where appropriate.

LDN Standard 5: Labour and Working Conditions (Corresponds to IFC PS # 2)

P10:

There are 8 ILO fundamental conventions and there is only reference to ILO 138 on minimum age and ILO 182 on child labour. Why is there no reference to the other 6 ILO fundamental conventions? These are: Forced Labour (ILO 29) Freedom of Association (ILO 87), Right to Organize and Collective Bargaining (ILO 98), Equal Remuneration (ILO 100), Abolition of Forced Labour (ILO 105), Discrimination (111).

Suggestion: refer all ILO fundamental conventions in in the LDN Standard 5.

LDN Standard 6: Land Acquisition and Involuntary Resettlement (Corresponds to IFC PS # 5)

'LDN Standard 6 recognizes that Project-related land acquisition and restrictions on land use can have adverse impacts on Project-Affected Parties. Involuntary resettlement refers both to physical displacement (relocation

or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood). Resettlement is considered involuntary when Project-Affected Parties do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. This occurs in cases of:

1. Lawful expropriation or temporary or permanent restrictions on land use;
2. Negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.'

Expropriation and resettlement are most of all a legal issue, governed by ample legal guidance and jurisprudence especially from human rights law (see OHCHR on evictions:

<http://www.ohchr.org/Documents/Publications/FS25.Rev.1.pdf>). Throughout the text, there seems to be an assumption that failed negotiations can justify displacement, which is clearly not acceptable from a human rights perspective. Whether expropriation is lawful must be seen in the light of international human rights law.

We suggest to adopt Part 4 of the VGGTs give guidance regarding Transfers and other changes to tenure rights and duties. It addresses the governance of tenure of land, fisheries and forests when existing rights and associated duties are transferred or reallocated through voluntary and involuntary ways through markets, transactions in tenure rights as a result of investments, land consolidation and other readjustment approaches, restitution, redistributive reforms or expropriation. Especially 12.11, 12.12 and 12.13 are relevant:

- *12.11 Contracting parties should provide comprehensive information to ensure that all relevant persons are engaged and informed in the negotiations, and should seek that the agreements are documented and understood by all who are affected. The negotiation process should be non-discriminatory and gender sensitive.*
- *12.12 Investors have the responsibility to respect national law and legislation and recognize and respect tenure rights of others and the rule of law in line with the general principle for non-state actors as contained in these Guidelines. Investments should not contribute to food insecurity and environmental degradation.*
- *12.13 Professionals who provide services to States, investors and holders of tenure rights to land, fisheries and forests should undertake due diligence to the best of their ability when providing their services, irrespective of whether it is specifically requested.*

'Unless properly managed, involuntary resettlement may result in long-term hardship and impoverishment for the Project-Affected Parties, as well as environmental damage and adverse socio-economic impacts in areas to which they have been displaced. For these reasons, involuntary resettlement should be avoided. Where involuntary resettlement is unavoidable, however, it should be minimized and appropriate measures to mitigate adverse impacts on Project-Affected Parties should be carefully planned and implemented.'
Eviction and replacement is never "unavoidable". Eviction and replacement may be required for a project, in which case it is either jointly agreed, or it is legally permitted. If there is no joint agreement, nor legal base, then eviction and replacement are out of the question and the project can't proceed. Therefore, 'involuntary resettlement is unavoidable' is a wrong choice of words. The question to ask here is whether the eviction and resettlement is really necessary AND what are the alternatives to the proposed investment project, which will address local land users' needs?

'The government often plays a central role in the land acquisition and resettlement process, including the determination of compensation, and is therefore an important third party in many instances. Direct involvement of Project-Affected Parties in resettlement activities is encouraged because it can result in more cost-effective, efficient, and timely implementation of these activities, as well as in the introduction of innovative approaches to improving the livelihoods of Project-Affected Parties.'
The way of how to calculate compensation is extremely precarious and involves all stakeholders, which includes local people, communities who have (in)formal land (user) rights and knowledge about the land, as well as local CSOs, government and investors. Compensation should include the real costs of eviction, taking into account not only the market value, but also the indirect costs of being evicted (related to the right to food and tenure rights), as well as the emotional, social, cultural and religious value. There is also a need to look at dynamic compensation – not just returning people to the static position in which they are in, but the need to look at the prospects they have had before the project, and what these will do to them over time, including as a result of the economic changes which are being introduced by the project.

The overarching goals of Standard 6 are to:

1. To avoid, and when avoidance is not possible, minimize displacement by exploring alternative project designs;
2. To avoid forced eviction;
3. To anticipate and avoid, or where avoidance is not possible, minimize adverse social and economic impact from land acquisition or restrictions on land use by
 - i. Providing compensation for loss of assets at replacement cost; land-for-land compensation should be considered and favoured when relevant and possible, taking into account not only the quantity but the quality of the land (productivity)
 - ii. Ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of Project-Affected Parties;
4. To improve or restore the livelihood and standard of living of displaced persons; to the extent possible, to consider offering possibilities such as job creation or profit sharing plans
5. To improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement sites.'

See remark above: eviction and replacement is never "unavoidable". Eviction and replacement may be required for a project, in which case it is either jointly agreed, or it is legally permitted. If there is no joint agreement, nor legal base, then eviction and replacement are out of the question and the project can't proceed. Therefore, 'avoidance of eviction is not possible' is a wrong choice of words. The question to ask here is whether the eviction and resettlement is really necessary AND what are the alternatives to the proposed investment project, which will address local land users' needs?

LDN Standard 7: Land Tenure

The language used in LDN Standard 7 on land tenure is different from the rest of the text. The text uses in general an active tone of voice. In Standard 7 the word 'must' is copiously being used. E.g. "LDN Fund projects *must* ensure that actions affected land tenure are consistent with State obligations". The latter may suggest that the actions are not yet consistent with State obligations, while when using a more active form: "LDN Fund projects ensure that actions affected land tenure are consistent with State obligations" it is suggested that these actions are from the beginning consistent with State obligations. If the latter interpretation is the correct meaning, we would like to suggest for the sake of coherence to use the active voice throughout this Standard 7 (lines 1, 3, 5, 6, 7, 9, 12, 14, 16).

P12:

'The LDN Fund recognizes that smallholder farmers provide a large share of agricultural output in the developing world, and thus contribute significantly to food security, nutrition, poverty eradication, and environmental resilience.'

It is not only about smallholder farmers, but also pastoralists and nomadic people. In addition, the word smallholder suggests that the farmer is title holder of the land, which is often not the case.

We suggest to add indigenous peoples, small-scale farmers, women, pastoralists and nomadic people
The sentence would read: The LDN Fund recognizes that indigenous peoples, small-scale farmers, women, pastoralists and nomadic people provide a large share of agricultural output in the developing world, and thus contribute significantly to food security, nutrition, poverty eradication, and environmental resilience.

'LDN Fund Projects therefore support investments in smallholders as well as public and private smallholder-sensitive investments.'

See our comments before.

We suggest the following text to replace this sentence 'All LDN Fund Projects recognize and respect the right to food of indigenous peoples, small-scale farmers, women, pastoralists and nomadic people. The projects support both public and private investments in indigenous people, small-scale farmers, women, pastoralists and nomadic people.'