FOREIGN LAND DEALS IN AFRICA:
POLICY IMPLICATIONS FOR AGRIBUSINESS DEVELOPMENT AND POVERTY ALLEVIATION

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The views contained within do not necessarily represent those of **trapca** or its partners.

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List of Acronyms and Abbreviations

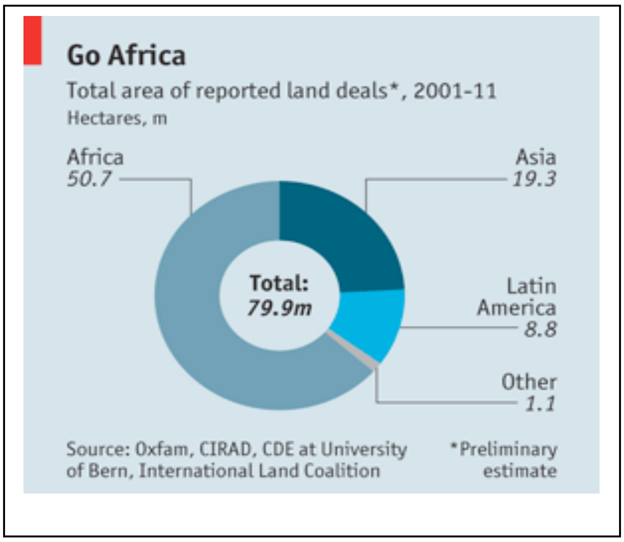
1. AGTER-Natural Resource Governance Around the World
2. CAADP- Comprehensive Africa Agriculture Development Programme
3. CAFS- Conflict Affected Fragile States
4. CAMEC-Central African Mining and Exploration Company
5. CBD-The Convention on Biological Diversity
6. DEG-German Deutsche Investitions-und Entwicklungsgesellschaft
7. DRC- Democratic Republic of the Congo.
8. EBTP-European Biofuels Technology Platform
9. EC-European Commission
10. ENI- Impresa Integrata Nell'energia
11. EU-European Union
12. FAO-United Nations Food and Agricultural Organization
13. FDI-Foreign Direct Investments
14. FIAN- FoodFirst Information and Action Network
15. GLP-Global land Projects
16. GRAIN-An International Non-Profit Organization That Works To Support Small Farmers
17. IAAASTD-International Assessment of Agricultural Knowledge, Science and Technology for Development
18. IAC-Inter-Academy Council
19. IFAD- International Fund for Agricultural Development
20. IFPRI-International Food Policy Research Institute
21. IIED- International Institute for Environment and Development
22. IMF-International Monetary Fund
23. NAIPs-National Agricultural Investment Plan
24. NDDC- Niger Delta Development Commission
25. NEPAD-New Partnership for Africa's Development
26. NGOs-Non Governmental Organization
27. RDA-RegioDev Africa
28. SCOUL-Sugar Corporation of Uganda Limited
29. TRAPCA-Trade Policy Training Center in Africa
30. UAE-United Arabs Emirates
31. UK-United Kingdom
32. USA-United States of America
33. US-United States
34. WFP-World Food Programme

List of Tables and Figures

A. THE PUSH FOR LUCRATIVE LAND DEALS IN AFRICA

Africa is being touted as the last frontier of agribusiness development. The continent boasts of vast swathes of virgin land that can be used for both agricultural intensification and extensification. The scale of the push for arable land on the continent in the recent past has been sobering. Globally, a truly extraordinary number of negotiations on the part of governments and private firms looking to sign agreements that would confer ownership of, or long-term leases on, land abroad have been witnessed since the year 2008. According to figures published by the International Food Policy Research Institute (IFPRI 2009)[2], approximately 15 to 20 million hectares of land worldwide have been acquired or are currently under negotiation in the context of the recent surge of Foreign Direct Investment (FDI) in land since 2000. Majority of the deals are being made in Africa (*see figure 1* below and *annex 1*).

Figure1: Global Land Deals



The novelty in this phenomenon lies in the direct involvement of governments on both sides of the secretive deals, conducted on scales that can be as big as 1.3 million hectares or half of Madagascar's arable land (Cropley 2009; Feon.Ny Tantsaha 2008; Wroughton 2009). Land *'grabbing'* or the *'farms race'* is not a new phenomenon in Africa. It has been described as a new neocolonial push by foreign companies and governments to annex key additional natural resources. What is new is the size of acquisitions[3] different motivations[4], a considerable *lack of transparency*[5] and public consultation and an increased involvement of governments.

Most of the biggest deals have been in countries such as Ethiopia, Mali and Sudan. The newly independent South Sudan has seen investors queuing up to exploit one of the areas of greatest potential-the under developed agricultural land. Over a tenth of the farmland of South Sudan has been leased this year (2011). GRAIN, an advocacy group, says it has seen proposals that would allow Saudi business groups to take control of 70% of the rice-growing area of Senegal.

China is acquiring land at the fastest rate, see figure 2 below. The head of China's export-import Bank, for instance, has urged Chinese farmers to move to Africa to take advantage of agribusiness opportunities. This has resulted in the mushrooming of "Baoding"[6] villages in many African countries at the expense of locals. This is true in Nigeria, Zambia, Sudan, and Kenya, which now host between 400 to 2,000 Chinese farmers (Coonan 2008; Bristow 2007)

In in Zambia alone, China has an estimated 23 farms. South Korea is not far behind. It has now set up an agency specifically dedicated to making direct agreements with farmers and landowners.

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[2] International Food Policy Research Institute (IFPRI). 2009. '*Land Grabbing' by Foreign Investors in Developing Countries: Risks and Opportunities.* Joachim von Braun and Ruth Meinzen-Dick. IFPRI Policy Brief 13. April 2009. Washington DC: IFPRI.

[3] Land investments can be large-scale with many involving more than 10,000 hectares and some more than 500, 000 hectares.

[4] from economies of scale of large-scale production to food and energy security

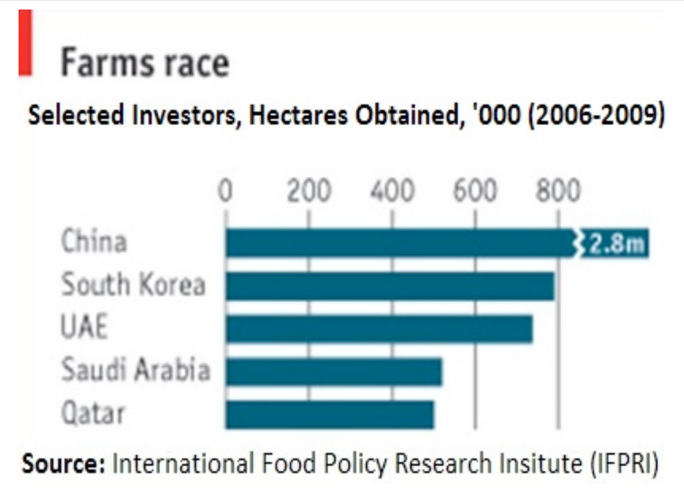
[5] That breeds corruption.

[6] "Baoding" villages are Chinese villages established in Africa. They were named after the home town of their promoter, Mr. Liu, the head of Hebei Province's Foreign Trade Bureau in China in 1998.

B. MAJOR DRIVERS FOR SECURING LUCRATIVE LAND DEALS

Key motives have driven these foreign private investors and governments stepping up foreign investment in farmland in the form of purchases or long-term leases[7].

Figure 2: Farms Race Investors & Hectares Obtained



1. ***Extremely Cheap Agricultural Land in Africa:*** Due to its relative scarcity, the value of agricultural land is increasing globally. Land in Africa is very cheap where, says the World Bank, at least 35 million hectares of land has been bought or leased.

   Land in Ethiopia can be leased for as little as US$2 per hectare per year while in Liberia for US$5. The foreign investment climate in Ethiopia has exploded as these "dirt-cheap deals" are being offered at unheard of prices.

> *"It's very good land and cheap. In fact it is very cheap. We have no land like this in India. There you are lucky to get 1% of organic matter in the soil. Here it is more than 5%. We don't need fertilizer or herbicides. There is absolutely nothing that will not grow on it"* says Karmjeet Sekhon, project manager for Karuturi[1].

In Africa, most land deals contribute little or nothing to the public purse. And because markets for land are so ill-developed in Africa and governments weak, rents are piffling. Tax and rent holidays are common. Indeed, it is not unusual for foreign investors to pay less tax than local smallholders. And upfront compensation to local farmers for use of their land is derisory. This is often just a few months of income for agreeing to a 99-100 year lease.

In comparison with many other areas of the world rents are increasing. In Poland the price for agricultural land has for example increased by about 31 percent, 16 percent in Brazil and 15 percent in the US Mid-West in 2007 (von Braun 2008).

2. ***The Global Food Crisis***: Foreign countries and transnational agribusiness corporations are keen on outsourcing food, feed, and fuel production to Africa and expect economic, political and strategic benefits from such land deals. The big investors are attracted by the increasing and shifting global demand for food, feeds which is likely to continue should fuel prices remain above historical levels. Their confidence in world markets has been shaken by two food-price spikes in four years. So they have sought to guarantee food supplies by buying farmland abroad.

When the food crisis hit world markets early in 2008, global supplies for raw resources started diminishing while prices for many essential commodities like wheat and rice skyrocketed. Growing global demand[8], unfair world trade rules, skimpy wheat harvests, speculation in the commodities markets, years of neglect in investing in agricultural sectors, climate change and increased use of farmland to produce biofuels are all playing a part. Many net food importing countries like Qatar and South Korea became more vulnerable. The global push for biofuel crops, which then take (staple) food crops out of normal production cycles, is playing a

[7] Normally up to 99 years in most countries.
[8] Particularly from large, emerging economies such as China and India

significant role in raising food prices. World Bank analysts have estimated that biofuel production has accounted for 65 percent in the rise of world food prices, while the International Monetary Fund (IMF) has concluded that biofuel production is responsible for a significant part of the jump in commodity prices.

A 2009 report by the International Food Policy Research Institute (IFPRI) argues that the food price crisis experienced in 2007 and 2008 led to *"the proliferating acquisition of farmland in developing countries by other countries"* attempting to boost the security of their food supply.[9]

Table 1. Increases in Prices of Relevant Staples Foods, January 2007-April 2008

Country	Staple food	Price increase	Country	Staple food	Price increase
Bangladesh	Rice	66%	Mexico	*Tortilla*	66%**
Burkina Faso	Rice	30%	Nigeria	Sorghum, millet	100%
Burundi	Palm oil	95%	OPT*	Wheat flour	57-90%
Cambodia	Rice	100%	Pakistan	Wheat flour	100%
Côte d'Ivoire	Rice	> 100%	Philippines	Rice	50%
Egypt	Maize, rice	>70%	Senegal	Wheat	100%
Ethiopia	Maize	100%	Somalia	Wheat	300%
Guatemala	Maize (yellow)	34%	Sudan	Wheat	90%
Haiti	Basic food	50-100%	Sri Lanka	Rice	100%
Indonesia	Palm oil	100%	Tajikistan	Bread	100%
Lebanon	Imported food	145%	Tanzania	Maize	54%
Mozambique	Maize	43%	Uganda	Maize	65%

* OPT: Occupied Palestinian Territories ** Increase between November and December 2007

Sources: Oxfam background research for Bangladesh, Burkina Faso, Cambodia, Guatemala, Indonesia, Lebanon, Mexico, Occupied Palestinian Territories, Pakistan, and Tanzania; FAO (April 2008) for other countries

The International Fund for Agricultural Development (IFAD) similarly noted that the second main driver of this global demand for land in developing countries is the recent food crisis that was bolstered by the global financial crisis.[10]

Desperate to guarantee the food security of their own populations, a number of food-importing nations have started to purchase or lease land in developing countries, sometimes through sovereign wealth funds with an aim of eventually outsourcing their own food production.

These 'treasure hunt' countries include amongst others: Saudi Arabia, Japan, China, India, Korea, Libya and Egypt. However, EU countries and European private corporations and even American Universities[11] are also involved.

3. ***Frantic Search for Scarce Water Resources:*** What is driving the land grabs is the scarcity of water. All land grabs are, in essence, water deals. Water shortages have provided the hidden impulse behind many land deals being globally. Governments in countries that lack adequate arable land and sufficient fresh water to grow what they need to feed their populations domestically are making huge investments in the quest to secure food supply. At the global level, such state-driven investments are reported for several countries, including, Japan, China, India, Korea, and those from mainly oil rich countries like Saudi Arabia UAE and Libya. Saudi Arabia used to produce a lot of wheat, but it is the decline of its aquifers that is forcing it to look abroad to secure its future food.

It is projected that two-thirds of the world's people could be subject to water stress if current trends of water use do not change. As many as 1.8 billion people will live in regions facing

[9] See 'Land Grabbing' by Foreign Investors in Developing Countries: Risks and Opportunities by Joachim von Braun and Ruth Meinzen-Dick, IFPRI Policy Brief, April 09. Available at http://www.landcoalition.org/pdf/ifpri_land_grabbing_apr_09.pdf

[10] See The Growing Demand for Land: Risks and Opportunities for Smallholder Farmers, IFAD, 18 February 2009. Available at http://www.ifad.org/events/gc/32/roundtables/2.pdf

[11] US universities are reportedly using endowment funds to make deals that may force thousands from their land in Africa. http://www.guardian.co.uk/world/2011/jun/08/us-universities-africa-land-grab

absolute water scarcity by 2025[12]. Peter Brabeck-Letmathe, the chairman of Nestlé, claims: "The purchases weren't about land, but water. For with the land comes the right to withdraw the water linked to it, in most countries essentially a freebie that increasingly could be the most valuable part of the deal." He calls it "the great water grab". For the countries seeking land or water, their attractions are clear.

4. ***The Booming Biofuels Sector:*** European development cooperation is actively supporting the introduction of agrofuel policies in African countries. As part of their reporting on *land grabbing*, several media outlets as well as NGOs have highlighted the relationship between the EU policy directives and the increasing land acquisition by European companies for agrofuels production to offset high fossil fuel prices and meet blending targets. African Biodiversity Network has for instance heavily criticized the UK and other European countries for setting targets for agrofuels that will *sacrifice* Africa's land, forests and food to satisfy their insatiable energy requirements[13].

Figure 3. Irrigated Gardens along The Niger River In Mali.

Photo Credits: Michael Fay/NG/Alamy

According to an article in media report, Sweden has set a 40 per cent target for 2020 and a new government bill requires its transport sector to be fossil-free by 2030[14]. To achieve this the country is heavily investing in research and influencing EU-wide policy that provides financial incentives for companies to buy up land in Africa for agrofuels production. Two Swedish agrofuels companies, SweTree Technologies and SEKAB, allegedly, currently sit on the industry-dominated board of the European Biofuels Technology Platform (EBTP), which has privileged access to European Commission (EC) decision-making and helps shaping the research direction and spending of public money.[15]

This is contributing to the emergence of agrofuel or biofuel republics in Africa. Examples include:

South Africa: In South-Africa, the AGTER reports a 500,000 hectares project, led by Eastern Cape Development Corporation, to product agrofuels explicitly destined to the EU[16].

Mozambique: The embassy of Italy in cooperation with the World Bank sponsored a study on the agrofuels potential in this country.[17] Informed by this study, the Mozambican government

[12] World Bank Agriculture and Rural Development Department, International Expert Consultation on Gender and Agriculture, March 16-17, 2009, available from http://ardblog.worldbank.org/ard/sites/worldbank.org.ard/files/pressuresonlanduse.pdf.
[13] See The New Scramble for Africa, Seedling, GRAIN, July 2007. Available at http://www.grain.org/seedling/?id=481#
[14] See Land-grabbing in Africa: The why and the how, Pan-African Voices for Freedom and Justice, October 2009. Available online at http://current.com/1abji4c
[15] Ibid
[16] See http://www.agter.asso.fr/article371_fr.html

has adopted its new *"Policy and Strategy for Biofuels"* with the aim of ramping-up production on a nationwide-scale[18].

Sierra Leone: European banks are also involved in promoting agrofuel production in Africa. The German Deutsche Investitions-und Entwicklungsgesellschaft (DEG) together with other international development banks are negotiating to fund a project of the Addax Bioenergy company (a subsidiary of the Addax & Oryx Group with headquarters in Geneva) to plant 20,000 hectares with sugar cane and manioc for ethanol production in the north of Sierra Leone[19]

Congo: The Italian company ENI[20] is undertaking a new multi-billion dollar investment in the Republic of the Congo to develop amongst other things oil palm for bio-diesel. This will be one the continent's largest agrofuels project, reportedly using 70,000 hectares of 'unfarmed' land[21]

Ghana: A Norwegian firm ScanFuel is launching a biofuels project in Ghana by planting 10,000 acres with jatropha (and the firm is holding another 10,000 acres for food production).

Tanzania: Tanzania despite needing more food aid has allowed several different transnational corporations to obtain large quantities of land for the production of agrofuels[22]. According to Reuters' media reports dated 20 March 2009[23] British energy firm CAMS Group last year bought 45,000 hectares in Tanzania to produce 240 million liters of ethanol a year from sweet sorghum. Another British company (Sun Biofuels) allegedly plans to grow about 5,500 hectares of jatropha in Tanzania. A Swedish firm Sekab, one of Europe's biggest biofuels producers is reported as planning to establish several plantations in Tanzania in the next 10-15 years.

Ethiopia: Germany's Flora EcoPower is investing $77 million in Ethiopia's Oromia State as part of a purchase of over 13,000 hectares for biofuels production.

5. ***Potential Benefits of Forestry-Based Carbon Sequestration Projects in Africa:*** Carbon sequestration through forestry and agroforestry can help mitigate global warming. For Africa, carbon sequestration also represents an opportunity to fund sustainable development through financial inflows. With a low share of global carbon trade, there are strong concerns that African countries are *losing out* on this valuable opportunity. Some investors are taking a cue and have started funding projects in Tanzania, Kenya and Uganda, a preferred destination for carbon investors.

C. INCONCLUSIVE, FROZEN AND CANCELLED LAND DEALS

Not all of these deals have resulted in signed contracts. Even after the contract is signed, there is no guarantee a land deal will go ahead in accordance with it. A survey by the World Bank showed that in the Amhara region of Ethiopia, only 16 of 46 projects were working as intended (the rest lay fallow or had been rented back to smallholders). In Mozambique only half the projects are working as planned.

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[17] See World Bank and Embassy of Italy, Maputo. 'Mozambique Biofuels Assessment: Final Report'. A Report prepared for the Ministry of Agriculture and the Ministry of Energy of Mozambique. Maputo: World Bank and Embassy of Italy. 2008. p. ES-1.

[18] See http://biomass4africa.net/news/viewnews.php?ID=453

[19] See Aktion: Kein Zuckerrohr für deutsche Autos! Rettet den Regenwald https://www.regenwald.org/protestaktion.php?id=521

[20] ENI is one of the top ten energy companies in the world. Thirty percent of ENI is owned by the Italian State.

[21] See Energy Futures? ENI's investment in tar sands and palm oil in the Congo Basin, November 2009. Available at http://www.oilwatchafrica.org/sites/all/files/enicongoreport.pdf

[22] See *Agrofuels in Africa –The Impacts on Land, Food and Forests with case studies from Benin, Tanzania, Uganda and Zambia,* African Biodiversity Network, July 2007.

[23] See FACTBOX-Foreign forays into African farming, Reuters, 20 March 2009. Available at: http://www.reuters.com/article/marketsNews/idUSLK10422520090320?sp=true 20 March 09

Many are still under negotiation, while others have frozen or been cancelled. Some cancellations have been as a result of a number of factors that include:

i. The recent global financial crisis that has triggered severe shortages of investment capital and a drastic fall in the prices of a number of agricultural commodities.
ii. Adverse reactions in host countries and politics of a different sort that are posing an immediate problem for investors. Biofuels deals have been specifically affected by these events.
    - Popular hostility to a deal that would have leased 1.3m hectares (half the island's arable land to Daewoo Logistics, a South Korean company), fanned the flames of opposition and contributed to overthrow of the former president Ravolamana in 2010.
    - In Zambia, the former opposition leader (now president) has come out against China's proposed 2 million hectare biofuels project. China had threatened to pull out of Zambia if he ever came to power.

D. ARGUMENTS ADVANCED FOR FOREIGN LAND "INVESTMENTS" IN AFRICA

1. ***Huge Import Bills and Poor Agricultural development:*** Despite the fact that many countries on the continent face *unsustainable* food import bills large parts of agricultural lands in Africa remain unexploited. These countries suffer from low intensification of agricultural production systems. Sub-Saharan Africa for example records:
    i. The lowest yield for major cereals, which are about a third of global averages.
    ii. The lowest milk and meat production per animal (6.8 kg of meat and 24.8 kg of milk per animal and per year in the highland mixed system),
    iii. The highest crop land area per tractor of 773.8 ha/tractor (against 58 at global level)- agriculture is not highly mechanized,
    iv. The lowest use of fertilizer in the world at 11.1 kg/ha(against 89.6 at global level), and
    v. The lowest share of irrigated area (3.7 percent of the total cropped land, compared to a global average of 17.9) (FAO 2008; NEPAD 2002).

Such dismal agricultural performance makes foreign investment *more attractive* offering a way of revitalizing agriculture in Africa.

2. ***Potential Benefits for Host Countries:*** Host governments in Africa list a number of potential benefits that will accrue to local populations. When land deals were first proposed, they were said to offer the host countries four main benefits: more jobs, new technology, better infrastructure and extra tax revenues. In detail the land deals would lead to:
    i. access to research and modern technology through technology transfer,
    ii. improved food security through surplus production
    iii. Value addition through manufacturing, packaging etc.
    iv. Development of productive infrastructure,
    v. New product development,
    vi. improved competitiveness of local products through improved standards and potentially increasing accessibility to global markets,
    vii. Better integration of the rural populations enabling them to benefit from the 'foreign experience' while connecting them to new market opportunities, additional farm and nonfarm income, direct and indirect employment, revitalization of rural areas[24] and ultimately an increase in civil safety and political stability.

In certain instances African governments have been defensive about the deals. Ethiopian President Meles Zenawi_has in the past argued that investment in African agriculture is crucial

[24] in a quest to stem the rural urban drift

to improve the continent's low agricultural productivity. He has argued that foreign investors bring in technology (mechanization) technical expertise and provide smallholder farmers with more choices, access and control which is vital for development. But is this happening in reality?

E. POTENTIAL RISKS FOR HOST COUNTRIES

Land acquisitions are on the increase in Africa pose a great risk for the poor. Potential negative impacts of foreign land deals include: political instability, land conflicts lack of social cohesion, human security, unsustainable food production, household food security, environmental degradation[25] and loss of access to valuable nonrenewable resources, expropriation without compensation and marginalization of local people[26].

The first detailed study[27] of the phenomenon by International Institute for Environment and Development (IIED) warns of impacts to rural communities. Poor people will be evicted or lose access to land, water, and other resources. It warns that while such deals can bring many opportunities (guaranteed employment, investment in rural and market related infrastructure, foreign market outlets for agricultural produce and increases in agricultural productivity) they can also cause great harm if local people are excluded from decisions about allocating land and if their land rights are not protected.

Some details of the negative spin-offs are highlighted below.

1. ***Danger of Missed Food Security Targets:*** As part of its commitment to enhance agricultural production on the continent, NEPAD through its Comprehensive Africa Agriculture Development Programme (CAADP) encourages countries to heavily invest in Agriculture to achieve a 6% annual growth. If fully funded and implemented CAADP promises to revolutionize the continents struggling agricultural sector, ensuring that countries achieve food security and ultimately sovereignty status through surplus production while meeting job creation and income generation targets. Emphasis is on value addition that takes into consideration global standards in a quest to make African agriculture more competitive. Each country that has signed the CAADP compact has a National Agricultural Investment Plan (NAIP), a strategy for diversifying and modernizing agriculture and making it more competitive. The strategies are designed to support local food systems and ensure market access and job creation through commodity specific value chains development. The future for African agriculture is not in mechanized monocultures for export on large scale plantations which most foreign investors focus on but supporting sustainable smallholder agriculture. The latter is far more likely to ensure food security for the poorest Africans. Failure of African countries to adequately invest in Agriculture can spell disaster, perpetuating the cycle of poverty and dependency on foreign aid.

   The German NGO Welt Hunger Hilfe observes "States that are dependent on food imports, in particular, are surrendering more and more land to foreign investors while failing to ensure that conditions improve income and food security for their own population."[28] The Oaklands Institute also notes that this *'shift from domestic to foreign control over food resources and*

[25] Availability and quantity of water, soil quality, erosion, biodiversity
[26] Often smallholder land owners who depend on these resources for their livelihoods.
[27] Study commissioned by FAO and IFAD. Accessible from ftp://ftp.fao.org/docrep/fao/011/ak241e/ak241e.pdf
[28] See *Land grabbing – poor people are losing the ground beneath their feet,* Welt Hunger Hilfe, In Brief, 8 April 2009. Available at *http://www.welthungerhilfe.de/fileadmin/media/pdf/Englische_Seite/Themes/IN_BRIEFNo.8_LandGrabbing.pdf*

food production' means that large corporate land deals *'reduce the poor nations likelihood of reaching food self-sufficiency'*[29].

According to a podcast by the Guardian[30] large-scale land acquisition prompts all too vividly visions of a dystopian future in which millions of the hungry are excluded from the land of their forefathers by *barbed wire fences* and daily protected by armed security guards while locally grown food is exported to feed the rich world. This is no longer just a fear for the future. In his new book World on the Edge[31], The US environmentalist Lester Brown says the world is *'one poor harvest'* away from chaos. In 2009 Saudi Arabia received its first shipment of rice produced on land it had acquired in Ethiopia, a recipient of the largest food aid operation in the world. As the Saudis exported food grown in Ethiopia, the World Food Programme (WFP) was feeding 5 million Ethiopians! Sudan another recipient of the WFP aid has leased considerable chunks of land to foreign investors. Sudan is letting investors export 70% of the crop. What a paradox!

Similarly in the Democratic Republic of the Congo, China has acquired 7 million hectares for palm oil production and yet millions of people in the Democratic Republic of Congo (DRC) are dependent on international aid for food. Brown warns that *"land grabbing is an integral part of the global power struggle for food security"*. He argues that geopolitics for several centuries have been dominated by the issue of access to markets, but increasingly in the future this will be replaced by the overriding importance of access to supplies. Food importing countries are anxiously securing their food supplies; all too aware that exporting countries can impose export bans to meet their needs like was the case in 2007 when Russia and Argentina-two major grain exporters put in place export bans sending waves of panic around the world. This probably played a big part in fuelling foreign land acquisition deals by rich but food insecure countries.

2. ***Lack of Transparency in Land Deal Transactions:*** Many of the deals are shrouded in secrecy. Few contracts have been made public, so details are sketchy. The scale of what is happening is not clear, nor is it clear who is benefiting from these deals. The secrecy element and partly the fear of who is buying up the future of Africa is generating so much attention. A report by The International Institute for Environment and Development (IIED) tries to tease out the issue in an elaborate analysis of legal contract[32]. An investigation of 12 deals by Lorenzo Cotula of IIED declares many "not to be fit for purpose". According to Cotula, the rights and obligations of each side are usually extremely vague, while traditional land-use rights are frequently ignored.

3. ***Land Deals Breeding Corruption:*** With an apparent lack of transparency there is a possible link to deep seated corruption. Seldom is there dialogue, inclusion in host government ministries and institutions[33] negotiating the land deals that are often shrouded in secrecy. Different levels of authority and competing policy and often ruling political party interests play out. The Image and reputational of host governments can be at stake when investors are increasingly being seen as dealing with or propping up corrupt regimes and

[29] See *the Great Land Grab*, the Oakland Institute 2009, page 4. Available at http://www.oaklandinstitute.org/pdfs/LandGrab_final_web.pdf

[30] http://www.guardian.co.uk/world/audio/2011/jan/28/guardian-focus-podcast-land-grabs

[31] http://www.mnn.com/your-home/organic-farming-gardening/stories/world-is-one-poor-harvest-away-from-chaos-new-book-warns

[32] http://www.iied.org/

[33] There is a probability that several ministries in the host government might be involved in negotiating such investments contracts while excluding other strategic ministries.

human rights violators (leaders). Ultimately they may be perceived as *'land grabbers'* in food insecure countries.

4. ***Potential for Renewed Conflicts and Increased Social Unrest:*** Land deals are not simply a question of increasing agricultural production for food insecure countries. It is part of a much wider trend of increasing demand for land for not only food, but also fuel, fibre, tourism, mining and ecosystem services such as carbon sequestration. Expected long-term trends in all of these sectors are promoting investor interest in land that was previously marginal to economic interest, driving rising land prices globally.

   Land is very sensitive issue in Africa. Increasing competition over such land between investors increases the threat of further marginalization and loss of livelihoods for majority of the food insecure populations. This carries high risks of conflict. Tensions over access to scarce resources can trigger conflict and civil unrest especially in politically unstable countries like Madagascar, Zimbabwe and Conflict Affected Fragile States (CAFS) that are still healing from the wounds of war such as Liberia, DR Congo, Mozambique, Sudan and Ethiopia.

   As earlier mentioned land deals are ultimately about access to sufficient water supplies. This can be a major source of future conflict within and between countries. Tanzania, Uganda, Kenya, Sudan and Ethiopia both feed water into the Nile; intensifying production in these countries could divert water, reducing upstream flow and sparking tensions with Egypt which claims use rights over the Nile waters. The Libyan lease of 100,000 hectares in Mali has involved the construction of a massive dam, diverting water from the Niger, a river on which several countries, including Niger and Nigeria, depend.

   Some investors are taking great risks by signing deals even in hot spots. According to media reports, the Nigeria's Niger Delta Development Commission (NDDC)[34] and a UK based firm TRANS4mation Agritech (T4M) signed a US$ 305million agreement for the establishment of 30,000 hectares of land for mechanized farming for rice and other agricultural products in the Niger delta region of Nigeria in December 2008. The agreement apparently '*would see both parties work together for a minimum period of 25 years to provide employment, food security and sustainable development'* in the region.[35] If the deal does not generate these opportunities it can fan unrest in the highly volatile Niger delta region with implications for the oil extraction industry.

   Where corruption prevails large scale agribusiness investments contain a potentially aggravating impact for land accessibility for local populations, fomenting social tensions, a situation that can be very explosive.

5. ***Lopsided Power Relations:*** In virtually every one of the land deals large, well connected[36], resourced[37] and highly established transnational corporations wield so much negotiating power over the host-country governments and citizens. The resulting lopsided power relations always play out in their favor, stifling the voice of those affected by the deals.
6. ***Overprotection of Investors:*** Investors are protected by stabilization clauses in the signed private that address changes in law in the host state. Stabilization clauses include 'freezing

[34] The NDDC Federal Government agency was established by former Nigerian president Olusegun Obasanjo in the year 2000 with the sole mandate of developing the oil-rich Niger Delta region of southern Nigeria.
[35] See NDDC, Agritech Sign Pact to Boost Crop Production, The Guardian, 21 December 2008. Available at: http://www.ngrguardiannews.com/agro_care/article02/indexn3_html?pdate=211208&ptitle=NDDC,%20Agritech%20Sign%20Pact%20To%20Boost%20Crop%20Production&cpdate=271208
[36] Such corporations often act with their rich state's blessing
[37] For example the Carlyle Group manages more than U.S. $85 billion worth of investments worldwide.

clauses' that *freeze the law of the host state* with respect to the investment project over the life of the project; and 'economic equilibrium clauses' that requires the investor to comply with new laws but specifies that the investor must be compensated for the cost of complying with them.[38] Investor's interests in Africa are therefore seemingly overprotected. This plus a number of other incentives offered by host governments to attract investors reinforce the disadvantages of smallholder producers and local populations. The ability of host governments to protect the rights of its citizens and speak on behalf of the local communities directly affected by these (legally binding) contracts or long term leases is compromised.

7. ***Environmental Degradation.*** Investment in industrial agriculture remains the dominant model for large-scale utilization of foreign acquired land in Africa. Commercial agribusinesses use large amounts of fresh water and deplete the soils of nutrients at unsustainable rates. Reliance on heavy machinery that guzzles thousands of tons of fossil fuels agro inputs like fertilizer, pesticides, is polluting the environment and aquifers. According to the UN land degradation affects more than 900 million people worldwide, and as much as two-thirds of the world's agricultural land.[39] The wanton destruction of pristine forests and priceless biodiversity rich and life sustaining wetland ecosystem resources in the quest to feed hungry foreign populations must be regulated.

   Ugandan President Yoweri Museveni sparked widespread social anger by proposing that 7,297 hectares of the Mabira Central Forest Reserve be allocated to, Sugar Corporation of Uganda Limited (SCOUL) a subsidiary of the Mehta Group of Companies, which is a private conglomerate based in Mumbai, India[40]. Mehta operates on four continents. The Mabira Central Forest Reserve is one of Uganda's largest ecological reserves. It is home to hundreds of species of trees, birds, and primates. Uganda has ratified the Convention on Biological Diversity (CBD) and is bound to protect the forest and its biodiversity.

   In Kenya Lake Naivasha, one of the biggest wetlands in the country is said to be *'poisoned by effluence'* from commercial flower firms[41]. The rift valley lake is rich in fish resources, flamingoes and other birdlife, a source of livelihood and major tourist attraction. Kenya has ratified the RAMSAR convention and is bound to protect the countries wetland(s) and their abundant biodiversity.

   There are critical challenges to scale up carbon sequestration investments in Africa. Most projects are non-Kyoto compliant and represent voluntary emission reductions. While envisaged project benefits such as increased local incomes and improved natural resources are promising, there are concerns that conversion of grasslands into tree plantations can harm local life sustaining ecosystems. Insecure land tenure constrains new investments and increases the risk that local communities will lose access to critical services offered by forest ecosystems.

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[38] See Stabilisation Clauses and Human Rights, a research projected conducted for the IFC and the UN Special Representative of the Secretary-General on Business and Human Rights, March 2008. Available at : http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/p_StabilizationClausesandHumanRights/$FILE/Stabilization+Paper.pdf

[39] United Nations Development Program (UNDP), "Sustainable Land Management: The Why and How of Mainstreaming Gender in Sustainable Land Management," part of UNDP paper series on Gender Mainstreaming: A Key Driver of Development in Environment & Energy, New York, 2007, available from http://www.energyandenvironment.undp.org/undp/indexAction.cfm?module=Library&action=GetFile&DocumentAttachmentID=2322.

[40] http://www.wsws.org/articles/2011/sep2011/ugan-s10.shtml

[41] Naivasha is slowly dying. The impact of flower farming on the lake is well documented. Kenya is a signatory of the CBD and RAMSAR Conventions that seek to protect biodiversity resources and wetland ecosystems respectively. See link. http://news.mongabay.com/2010/0310-hance_naivasha.html

8. ***Failure of The State to Protect Rights of the Most Vulnerable:*** Many countries do not have sufficient mechanisms for protecting local rights and interests during large scale land acquisitions. Land related FDI agreements rarely refer to human rights protection. Single purpose instruments that protect foreigners and their assets, investment agreements rarely 'impose duties or legal responsibilities on foreign investors'.[42] As a result, the rights of local people are increasingly being abused with abandon across Africa[43]. Being poorly organized, they lack bargaining power and legal advice to assert their land use rights over land greedy foreigners. Local populations, especially those who lack formal tenure over the land they use are at risk of losing their access to natural resources that they have relied on for for generations. Amongst these, peasant farmers, minorities and traditionally marginalized groups such as indigenous populations and pastoralists, and women are increasingly being disenfranchised. This raises serious concerns about the governance of foreign land related investments in Africa.

   Local elites have also played a vital role in abuse of rights and in spreading land deals. In a Tanzanian project described by Martina Locher of the University of Zurich, '*local people who refer to customary law have a very low level of knowledge [and cannot] defend their land rights.'* In contrast, she writes, *"state law* is mainly represented by district officials, who…enjoy a high level of respect by local people."

   Failure to protect the rights of the citizens is pitching citizens against their own governments. This is a tinderbox with potentially negative implications for local population's and especially the most vulnerable/marginalized groups. Land grab activism coupled with active local opposition to the controversial investment deals as witnessed in Madagascar, South Africa, Uganda, Tanzania.

9. ***Massive Destruction of Smallholder Farming****:* Notwithstanding its vast potential, agriculture on the African the continent is habitually characterized as 'stagnant' in terms of productivity (IAC, 2004). African smallholders in are often blamed for the continents stagnant agriculture. But there is no serious study of African farmers that does not show them to be innovative, entrepreneurial and eager to improve their situation (Rey and Waters-Bayer 2001; World Bank 2009).

   Without a clear strategy to sustainably develop land and natural resources in the general interest of local populations, the land grab phenomena obligatorily accelerates the disappearance of smallholder farming and reinforces the development of vast mechanized agribusiness farms using wage labor. This creates a vicious cycle of dependency, food and income insecurity among poor local populations.

10. ***Job Insecurity and Loss of Sustainable Rural Livelihoods***: A number of the incentives offered by governments to attract foreign land investors reinforce the disadvantages of smallholder producers and local populations. Some investors backtrack on the promises to pursue a *labor-intensive* business model by increasing *mechanization*. The few jobs offered in such investments are generally, temporary, low-paying and insecure. According the World Bank, when there are jobs, foreign investors often bring in outsiders to staff them, leading to *'conflict or accusations of cheating'.* One project in Mozambique had promised 2,650 jobs and it created a mere 35-40 fulltime positions. A survey by Thea Hilhorst of 99 smaller projects in Benin, Burkina Faso and Niger reported '*hardly any'* rural job creation.

[42] See Human Rights and Bilateral Investment Treaties: Mapping the role of human rights law within investor-state arbitration by Luke Eric Peterson for Rights & Democracy 2009. Available at http://www.dd-rd.ca/site/_PDF/publications/globalization/HIRA-volume3-ENG.pdf

[43] Women working in agriculture are vulnerable to *sexual abuse*, local populations are being displaced without any compensation in some cases.

If the local populations hold on agriculture fails they are left with nowhere to retreat other than urban shantytowns. This exacerbates poverty and fuels the rural urban drift problem that is already a major concern in all the countries.

F. SELECTED IMPACTS OF AGRIBUSINESS LAND DEALS IN AFRICA.

Ethiopia: Ethiopia is one of the world's largest recipients of humanitarian food and development assistance, in 2010 receiving more than 700,000 tons of food and £1.8billion in aid. Agriculture is a key sector for the economy, representing half of its gross domestic production. But it in the recent past few years the government has offered over three million hectares (7.4 million acres) of virgin land to foreign corporations for agribusiness development. Majority of investor enquiries in Ethiopia are from India but there are also Chinese, European and Middle Eastern firms operating in Ethiopia. India has invested nearly $4 billion in Ethiopia, including in agriculture, flower growing and sugar estates[44].

Sparsely-populated Gambella is at the center of the global rush for cheap land, precipitated by the oil price rise in 2007/2008. Gambella has offered investors 1.1 million hectares, nearly a quarter of its best farmland, and 896 companies have come to the region in the last three years. They range from Saudi billionaire Al Amoudi, who is constructing a 20-mile canal to irrigate 10,000 hectares to grow rice to Karuturi, the largest Indian corporation in Ethiopia that plans to operate what is expected to be one of Africa's largest farms. In the first phase, Karuturi plans to plant 20,000 hectares of oil palm, 15,000 hectares of sugar cane and 40,000 hectares of rice, edible oils and maize and cotton. And also build water reservoirs, dykes, construct roads; towns of 15,000 people. In three years' time Karuturi will have over 300,000 hectares cultivated and approximately 60,000 workers, generating enough food to feed a nation.

There is evidence that some of the lands allocated to foreign investors in some regions of Ethiopia including Benishangul Gumuz and Afar regions have taken away the livelihoods of thousands of local populations. The land was previously being used for shifting cultivation and dry-season grazing. each new land deal compromises national self-sufficiency in food.

Kenya: In 2007, the UN Special Rapporteur on the rights of indigenous peoples noted that in recent years, Kenya's Maasai herdsmen have been dispossessed of much of their vast nomadic and seminomadic grazing areas mainly by foreign commercial companies.[45] Consequently, the Maasai and other pastoral peoples, such as the Somalis and the Turkana, have suffered reduction of their herds, gradual deterioration of their standard of living, and increased poverty and insecurity associated with periodic droughts in the arid zones where they eke out a living.

Kenya's Tana River delta, a biodiversity hotspot[46], is also home to Pokomo small-scale cultivators and Oromo and Wardei pastoralists. The delta is under unprecedented threat as foreign corporations and governments scramble to exploit its riches for export crops, biofuels and minerals. So far, 40,000 hectares have been allocated for a monoculture sugar cane plantation[47]. Other proposed deals include 90,000 hectares for a Canadian-based biofuels company to grow *jatropha curcas*; 120,000 hectares to Qatar to grow food crops and 20,000 hectares to a Canadian mining company to mine titanium, among others.

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[44] Reuters, 05/11/2009:.Statement from Esayas Kebede, Director of the Government's Agricultural Investment Agency

[45] See *Report of the Special Rapporteur on The Situation Of Human Rights And Fundamental Freedoms Of Indigenous People*, (A/HRC/4/32). Available at http://daccess-ddsny-un.org/doc/UNDOC/GEN/G07/119/39/PDF/G0711939.pdf?OpenElement

[46] Habitat to endemic species of animals

[47] By Mumias sugar company.

While the delta provides immense environmental services to the country, and livelihoods to its inhabitants, these developments may lead to the collapse of its essential services and displace and disrupt the livelihood of smallholder farmers and pastoralists. One of these deals alone will displace more than 25,000 people living in 30 villages. The news is particularly devastating since Kenya is a signatory of the RAMSAR convention and the CBD and is legally bound to conserve the Tana delta at all costs.

Tanzania: A Swedish company is in the process of securing 400,000 hectares of land for sugarcane production in the Bagamoyo district. Evidence suggests that 1,000 local small-scale rice farmers will be displaced and may not be eligible for compensation since their land rights are not recognized.

Mozambique: The government of Mozambique signed a contract with the London-based Central African Mining and Exploration Company (CAMEC) for a bioethanol project, which involves the allocation of 30,000 ha of land for a sugarcane plantation and a factory to produce 120 million litres of ethanol a year. The plantation will abstract water from a dam, which also supports irrigated smallholder agriculture. Farmers downstream have expressed concerns. The deal was highly contentious since the same land had been promised to four local communities, numbering over 1,000 families, who had previously been displaced by the creation of a national park.

Sierra Leone: The farmers of Makeni, in central Sierra Leone, signed the contract with their thumbs. In exchange for promises of 2,000 jobs, and reassurances that the *bolis* (swamps where rice is grown) would not be drained, they approved a deal granting a Swiss company a 50-year lease on 40,000 hectares of land to grow biofuels for Europe. Three years later only 50 new jobs exist, irrigation has damaged the *bolis* and whatever *"development"* there is has come "at the social, environmental and economic expense of local communities", says Elisa Da Vià of Cornell University.

Uganda: In August 2001 FIAN investigated and documented a case involving the forced eviction of 401 families of smallholder farmers[48] following the Government leasing land to a German coffee trader *Neumann Kaffee Group* to establish a plantation under its local subsidiary *Kaweri* Coffee Plantation Ltd in Mubende.[49] The families affected were *not adequately consulted during the land allocation process*. Moreover during the eviction, the army demolished houses, destroyed property, and *confiscated staple crops such as cassava and potatoes*. Since the eviction, only 2% of the evictees have been compensated but not adequately. As of 2009 most of those evicted were still living on the border of the plantation they only have small plots of land for farming that are insufficient to provide their families with food for the whole year. One of the evictees notes *'having no land for us means having no food'*.

G. SOME POLICY POINTERS

Provisional policy pointers are listed below.

1. ***Better Land Deals and Articulating National Visions for Agricultural Development That Respects Human Rights.*** Well managed agribusiness related FDI could provide all kinds of new opportunities for countries in urgent need of resources and development capacities. Such investment can help them achieve food self-sufficiency within their borders, to restore the land with sustainable practices, and to promote long-term development. If the end goal is really to resolve the food and climate crises, all investment flows into Africa should be assessed based on their ability to achieve this.

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48 approximately 2041 individuals

49 See *http://face-it-act-now.org/m1/documents/dossier-the-casemubende/document*

Agribusiness land deals need to be explicit in their respect for existing human rights law. Such an approach would set the stage for a coherent regulatory framework for FDI that respects government obligations to honor, protect, and fulfill the right to food.

Peasant farmers, minorities and traditionally marginalized groups such as indigenous populations and pastoralists, and women who lack formal tenure over the land they use are particularly at risk. All UN member states must be committed to protecting and promoting the universal human right to food and Governments should articulate a national vision based on these goals.

This would require, among other things:

i. All foreign land investment measures should be transparent, participatory and accountable to those who will be most impacted, such as smallholder producers. Clearer identification of extraterritorial responsibilities that would restrict governments and corporations from implementing policies that compromise the realization of the right to food is required. A mandatory review of land use and land rights would be essential to understanding potential impacts and how to promote investment that makes sense for affected communities, their culture and environment. All national investment plans should be assessed based on international human rights obligations. Investor countries must accept responsibility for working with host countries to uphold human rights.

ii. Land rights in the local tenure system may be very complex, hotly disputed involving customary traditions. Careful assessment of *local contexts* is critical when considering foreign land investments, as well as long-term engagement with local interests.

iii. Economic policies of African countries must be consistent with this and other human rights obligations. This commitment entails an open and participatory debate on policy before decisions are made, a transparent legal system that citizens can readily access, and a commitment to protecting populations from actions that would undermine food security.

iv. Regulated trade so that countries can use tariffs and appropriate safeguards to protect domestic industries from foreign investment that might otherwise undermine domestic food security measures and jeopardize national commitments to implement right-to-food policies.

2. ***Design and Enforce Legislation That Protects Interests of Local Populations.*** Agricultural development occurs *through empowered (local)* farmers. Local communities with a considerable stake in the deals are often excluded from the negotiations. When deciding about land and water resources policy-makers forget the actual farmers whose decisions, knowledge, labor and capital determine the productive use of those resources. Hence one cannot escape working through farmers even if one does not have their interests in mind.

   Appropriate legislations and mechanisms that ensure that local population benefit from foreign investment in agricultural land must be designed. Expropriating land and water resources used by smallholder farmers and/or nomadic communities to fast-track large-scale technological intensification of Africa's productive resources is unlikely to contribute to national or international food security. It can only accentuate human rights violations.

   Unless there is some level of local satisfaction, Long-term (50-99 years) land leases are unsustainable. In this context, innovative business models that promote local participation in economic activities can make commercial sense. These include promotion of out grower schemes, ensuring that agribusiness value chains springing out of the investments have embedded services that benefit the local communities and the country at large.

3. ***Build Ecologically Sound and Resilient Farm Systems.*** Recipient governments should place sustainable development at the center of investment decision-making. Ecological sustainability is critically important. The International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD), signed by 58 governments, reflects a powerful consensus among governments, academics, and NGOs on the need to redirect agricultural science and technology to support small-scale farmers and local knowledge.

   This assessment makes clear that climate change is undermining many existing agricultural production practices and assumptions. Policy options that enable agriculture to adopt more climate-friendly practices should be encouraged. Investment in adaptive technologies must prioritize policies that give preference to the leadership of smallholder producers, including women; that emphasize the development and use of local seed varieties and farmers' ability to save seeds and that provide reliable access for small producers to local, regional and global markets through collective engagement in commodity specific agricultural value chains.

4. ***Prioritize Local Food Security Over Exports.*** African governments will need to build their capacity to identify relevant and strategic opportunities. It is important to maintain a level of pragmatism about what can work in the respective countries. To secure food security and ultimately food sovereignty status, Governments should prioritize heavy investments in agriculture and pursue *brain-fed* (technology supported) agricultural strategies that benefits smallholder farmers, a paradigm shift from *rain-fed* agriculture. Emphasis should also be given to the development of agribusiness value chains to ensure year round food production and facilitating trade in agricultural products within and between countries. Best practices elsewhere in the development of agribusinesses should provide relevant guidance in Africa.

5. ***Shun Agrofuel (biofuel) Investments for the Moment:*** African countries should push for the scraping of the energy based targets for agrofuels and freezing of all policies which encourage the use of agrofuels for the transport sector in investor countries until and unless proper and more friendly regulations are in place. Otherwise the indicated policies will serve as a major incentive for *'land grabbing'* on the continent further compromising national and continental food security initiatives. Policies that limit the use of energy in investor countries and promote non agrofuel renewable energy in the transport sector should be developed and promoted.

6. **Transparency in Investments and Consultation of Local Communities**: Clear principles for engagement are required at the local level. Local consultation is a key success factor. Before signing contracts for large investments, Governments must ensure broad-based engagement, leadership, and accountability in the various guidelines and best practice codes envisaged by the World Bank, FAO, and others. Principles and procedures for free, prior and informed consent based on inclusive consultations and full disclosure of information and terms related to contracts are required This should include NGOs and especially community-based organizations, as well as populations affected by *land grabs*. Women leaders should be at the center of developing guidelines for best practices. It is critical to develop good laws and ensuring they are implemented. This makes working with local communities and establishing norms for their involvement all the more important, so as to understand local power relationships, get local community support for any policy changes, and consider best strategies to protect against abuses.

7. ***Review Land Use and Availability In Light of Demographic Changes.*** Politicians apparently argue that the growth of food production by smallholder-irrigated agriculture is not sufficient to keep up with population growth[50].The vast resources held by smallholders in developing nations are the best option for ensuring global food security in 2050 when the world is expected to hit 'peak people' at 9 billion (IAASTD, 2009). Developing smallholder farming is seen as a key to reducing persistent rural poverty. It promises greater food security for countries that depend on volatile global markets, as well as greater resilience for countries vulnerable to climate change.

8. ***Promote Foreign Investments That Fit With Host Countries Broader Development Objectives.*** Agriculture is no longer a sector associated with poverty. As stipulated in the various national development strategies (visions) it is a major driver/pillar of economy contributing to broader and relatively equitable development in poorer African countries. Countries that have signed the CAADP compact have committed to boost agricultural production with an ambitious but achievable 6% annual growth rate. This calls for serious financial commitment from respective African countries[51] to bankroll the commodity specific agricultural development envisaged in their National Agricultural Investment Plans (NAIPs).

   Well-funded and regulated agribusiness development will ensure food security, created millions of jobs, promote intraregional and international trade and reduce poverty.

9. **Prioritizing National Security Over Foreign Investments**: National security is partly based on a stable food situation. Social stability is immediately threatened when people cannot satisfy one of their most basic needs. The lack of, or unequal access to, land is one driving force behind poverty and hunger in Africa. This inequality is a major reason for armed conflict and civil war. To ensure legal access and equitable management of agricultural land is one of the most tangible means to address poverty and hunger in Africa. Any new investment deals should contribute to long-term sustainability and be ecologically friendly, given that such qualities would reflect the emerging consensus about agriculture and development.

10. **Negotiate for Responsible Investments:** In order to prevent similar problems in other countries and to make sure that foreign investments provide positive development opportunities, proper guidelines for responsible investments in land and agriculture should be developed and enforced. Priority should be to *secure and improve the access of domestic farmers to resources for their livelihood*. Solutions for land policies which are in line with investor's obligations that respect protect and fulfill the right to adequate food and livelihood for the local communities should be found.

H. CONCLUSION

Africa, a continent plagued by incessant and chronic food insecurity, is now considered to be the future breadbasket of the world and is expected to help meet its rising food needs. The convergence of global crises in food, energy, finance and the environment has driven a dramatic reevaluation of land ownership on the continent as powerful transnational economic actors acquire lands outside their own borders to provide food and energy security at home. In the process of cashing in on the opportunities offered by cheap land and water, large-scale investors are displacing land users changing land uses and disrupting life sustaining ecosystems in ways that could aggravate the already severe challenges of rural poverty and hunger.

[50] Pers.com. Jacco Mebius, June 2010, former Royal Neth. Embassy staff member in Bamako who served as coordinator for international donor support of the *Office du Niger*
[51] CAADP proposes at least 10% of annual national Budget should be allocated to Agricultural development.

The new challenges of global food insecurity, volatility of food prices and foreign land investments in Africa should be addressed through appropriate regulations and well-informed agricultural and food policies. Urgent and substantive changes in agricultural policy are required. Responsible agricultural investment is undoubtedly one of the great challenges we are facing today. The land deals being signed are changing the map of food production and food distribution, in Africa and globally.

Urgent and concerted efforts that include all relevant stakeholders are needed in order to agree on frameworks which allow for maximum benefits for host countries and people living in areas targeted for land deals while minimizing the risks and mitigating potential negative effects of such investments.

Decisions on investments should be linked to an awareness of all implications, including social and environmental ones, in a perspective of sustainable rural development. Developing guidelines for land governance or a code to regulate international investments might be useful to improve decision making and increase negotiating power of governments and local populations alike.

What happens over the next few years will determine to a great extent the future of poverty and hunger in Africa. Governments must ensure better governance of land deals to protect the rights of the poor and vulnerable; ensuring that all land related FDI are fair and has no adverse effect on local populations.

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