



LPI

Coalition for dialogue on Africa (CoDA)

Policy Forum on Foreign Investment in Land in Africa

Tuesday, June 7 2011, 10:00 am to 17:00 pm Lisbon, Portugal

Concept Note

Introduction

Recent years have seen a significant increase in the acquisition of large amounts of land across Africa by foreign investors to grow food and agro/bio fuels, primarily for export. Much of this increased investment is from wealthy food-importing and water scarce countries in the Arabian Gulf. Some is from larger countries in East Asia with large populations and facing prospects of food insecurity in the long term. A significant amount is due also to the fast growing international agro/bio fuels industrial complex, which is a knock-on effect of the climate change response, as many key industrialized countries of the global economy seek to move away from



Land: an essential pillar for food security and self-sufficiency

their present reliance on fossil fuels. Additionally, some land deals have been brokered by international financial sector investors, e.g. hedge funds, looking for areas to invest which could perform better than their traditional areas of focus. Coming in the wake of the global food and financial crisis of 2007, this new trend, termed "land grabbing" by many critics, has raised



considerable concerns in numerous quarters and sparked a public outcry and intense media coverage in several countries.

Concerns and Challenges

These concerns have related to a number of issues, including the lack of transparency and opacity of many of the land deals, as well as the impact on the long term food security of the countries receiving the new investments if large tracts of fertile farm land are used to grow food or biofuels. Critics also highlight the potential negative effects of large scale agribusiness on the traditional farming patterns and livelihoods of rural economies, as well as its possible negative ecological impacts such as increased pollution from agricultural chemicals, potential crop contamination by genetically modified organisms and the exacerbation of the loss of biodiversity. Additionally, there are concerns that a new “scramble” for Africa’s land resources could lead to political instability and increase risks of violent conflict over land.



The purchase of African farming land poses the problem of access and management of water resources

Opportunities to be seized

Supporters of the new trend in investment in farm land in Africa, meanwhile, have pointed to the critical need for up scaling investment in the rural sector in most regions of the continent and the pressing need to radically transform the agricultural sector in order to feed Africa’s growing population as well as promote long term economic growth and development. Given the inability of most developing countries to make the necessary investments on their own, it is argued that major foreign capital invest-

ment is the only viable option for catalyzing the needed investments and promoting the transfer of modern technologies and techniques that could drive transformation in the rural sector. It has also been argued that land should not be seen in anyway different from other sectors of the economy which

The need for further dialogue

Several research reports on the increased land deals in Africa since 2007 have pinpointed the lack of transparency sur-

rounding a number of land acquisitions, the lack of adequate consultation with stakeholders before the deals, and the lack of detail regarding their potential positive/negative effects on the domestic agricultural sectors and economies as a whole. It has also been noted that the whole issue needs to be discussed more widely by various stakeholders (including civil society, the private sector, local committee and official policymakers).

CoDA-LPI Policy Forum at the 2011 Annual Meetings: Modalities and Objectives

Within that context, Coalition for Dialogue on Africa (CoDA) is collaborating with the African Union Commission (AUC), UN Economic Commission for Africa (ECA), African Development Bank (AfDB) joint Land Policy Initiative on the organization of a policy dialogue forum on foreign direct investment in Africa’s land resources during the week of the 2011 Annual Meetings of the African Development Bank (AfDB) in Lisbon. The Forum, which will convene between 10:00 and 17: 00 hrs on Tuesday 7 June, will be structured around a panel discussion, which will address issues related to the controversial debate on the sale and lease of land to foreign investors and the use of land for biofuels.



In Africa, land serves, first and foremost, for subsistent farming

Informed by the findings and recommendations of recent reports and case studies that have been published on the issue, the forum will also seek to promote awareness and discussion of the AUC-ECA-AfDB Land Policy Initiative Consortium's "Framework and Guidelines on Land Policy in Africa" (published in October 2010), a key regional policy initiative which could help countries effectively address the issue at the country level.

The 7 June policy forum is an element of a wider regional consultation process launched in 2011 by the African Land Policy Initiative, with the support of CoDA, to encourage informed discussion and the formation of a consensus on appropriate policy action on this issue. As well as expert panelists and AfDB Annual Meeting attendees, influential participants from a cross section of stakeholder groups will be invited to participate in the forum. The consultation process will culminate in a high level regional conference on land policy, in Lusaka, in October 2011.

The Policy Forum will address these questions:

- What are the facts, data and trends regarding recent foreign land deals in Africa?
- Is increased FDI in Africa a curse or a cure?
- What are the commonalities/ specificities between foreign investors and local investors, and is there any reason to specifically address the role of foreign investors?
- Who is benefiting most from the deals?

- What possible options are there to ensure a win-win situation?
- What are the opportunities, risks and challenges of attracting more FDI into Africa's agricultural sector?
- How does the private sector and African investment community view the current situation?
- What is the relevance of the concept of "land availability" which is used to legitimise the rush over Africa's land resources?
- Can regional integration offer opportunities for regional investors?
- How do the current land acquisition trends also raise issues related to the access to, and management of, water resources?
- How can the LPI "Framework and Guidelines on Land Policy in Africa" be used to help African governments take advantage of the opportunities provided by the current increased interest of investors in African agriculture, while observing sustainability guidelines and preserving the land rights of African local communities?"

Background

Coalition for Dialogue on Africa (CoDA)

The Coalition for Dialogue on Africa (CoDA) is the successor forum to the Global Coalition for Africa (GCA) and the Big Table (Africa-OECD) policy forum. It is an, independent, international, African-owned forum that identifies and discusses issues of importance to Africa's development within a global context. It is a think tank that advocates for the continent, brings together a range of

stakeholders to promote dialogue and provides a platform for African voices to be heard. It is policy-oriented, and works in collaboration with other African and international organizations addressing issues of Africa's security, peace, governance and development. CoDA is sponsored by, but is not a program of, the African Union Commission, the UN Economic Commission for Africa and the African Development Bank. It is governed by a Board of eminent African and non-African personalities and receives support from the private sector. The Chairperson of CoDA is H.E. Festus Mogae, the former President of the Republic of Botswana.

AU-ECA-AfDB Land Policy Initiative (LPI)

The AUC-ECA-AfDB Land Policy Initiative aims to garner the political will of African governments, enhance partnerships among stakeholders, increase donor commitment and support for land policy formulation and implementation. In particular, the LPI aims to advance the work that has already been started to develop benchmarks and indicators of good practice in land policy formulation and implementation in order to track progress in on-going processes that include the reform of policies, legislation as well as the upgrading of institutions of land administration. African stakeholders involved in land reforms have called for this type of monitoring, deeming it critical to drawing lessons to improve land reforms and facilitate lesson sharing among countries, many of which are at different stages in this regard.



CoDA discusses FDI challenges, risks and opportunities in the continent's farming land sector



Learning from current experiences to valorize African farming land through FDI

Activity	Timing	Details	Speaker
Opening			
Introduction	1000-1030	Welcome remarks; Objectives of side event	CoDA/ LPI-AU
Session 1: What is happening on the ground? facts and data			
Case studies	1030-1100	Foreign investors and land: case study (10 mn)	Dr Rahmato Dessalegn (Ethiopia)
		National investors and land: case study (10 mn)	Dr Mamadou Zongo (Burkina)
		Legal aspects of land deals: case study (10 mn)	Dr Moussa Djire (Mali)
Coffee break	1100-1115	Coffee break	
Discussion	1115-1200	Questions/Comments from the floor	
Session 2: Risks, challenges and opportunities associated with FDI in land?			
Analysis of the land deals	1200-1230	Why investing in land in Africa? Perspectives from an investing country (10 mn)	Mehandra Sha (Qatar)
		Risks & challenges of FDI in land (10 mn)	Philip Kiroo (EAFF)
		Opportunities associated with FDI in lands (10 mn)	Lassine Diawara (Burkina Faso)
Discussion	1230-1315	Questions/Comments from the floor	
Lunch break	1315-1430	Lunch break	
Session 3: Land policy implications			
Policy perspectives	1430-1510	How to make land play its proper role in African Agricultural revolution? (10 mn)	Mafa Chipeta (Malawi)
		Are FDI the most effective option for rapidly advancing African agricultural development? (10 mn)	Ruth Hall (South Africa)
		Addressing land related investments: a regional perspective (10 mn)	Issoufou Dare (UEMOA)
		Addressing land related investments : which perspectives for national land policy? (10 mn)	John Balami (Nigeria)
Discussion	1510-1610	Questions/Comments from the floor	
Coffee break	1610-1630	Coffee break	
Wrap-up Session: Way forward			
Conclusion	1630-1700	Key policy messages from the Forum ; way forward (10 mn)	Dr Josue Dione (UNECA)
		Call for LPI Lusaka Forum (10 mn)	Mr Ken B. Johm, (AfDB)
		Closing remarks (10 mn)	Dr Abebe H. Gabriel, (AUC) Pr Abdoulaye Bathily, (CoDA)
Press Conference	1730		