

Agricultural investment and international land deals: evidence from a multi-country study in Africa

Lorenzo Cotula · Sonja Vermeulen · Paul Mathieu ·
Camilla Toulmin

Received: 6 September 2010 / Accepted: 30 December 2010 / Published online: 10 February 2011
© Springer Science+Business Media B.V. & International Society for Plant Pathology 2011

Abstract Recent spikes in world food and energy prices have fostered renewed momentum for agricultural investment in lower and middle-income countries. Governments in some food-importing countries are promoting the acquisition of land overseas as a means to ensure long-term national food security. Businesses are recognizing new opportunities for strong returns from international investments in agriculture for food, fuel and other agricultural commodities. Dubbed ‘land grabs’ in the media, land-based investments have kindled much international debate, in which strong positions are taken on the impacts of such investments on environment, rights, sovereignty, livelihoods, development and conflict at local, national and international levels. Depending on how they are structured, agricultural investments may deliver local benefits and include small-scale producers in value chains, or carry environmental and social risks that fall disproportionately on local people. Vigorous public debate in recipient countries, effective screening of proposed investments, including robust environmental and social impact assessments, secure local land and resource rights, local voice in

decision-making, skillfully negotiated and regulated contracts and effective policy incentives for business models that favor working with local farmers over large plantations can help make the renewed momentum in agricultural investment work for development.

Keywords Agriculture · Food security · Land acquisitions · Africa · Land compensation · Ethiopia · Ghana · Madagascar · Mali · Sudan · Mozambique · Tanzania

Introduction

Over the past year, large-scale acquisitions of farmland in Africa, Latin America, Central Asia and Southeast Asia have made headlines in media reports across the world (e.g., Blas 2008; Henriques 2008; Jung-a et al. 2008; Rice 2008; The Economist 2009a). Lands that only a short time ago seemed of little outside interest are now being sought by international investors to the tune of hundreds of thousands of hectares. Dubbed ‘land grabs’ in the media, these investments have kindled much international debate, in which strong positions are taken on the impacts of such investments on environment, rights, sovereignty, livelihoods, development and conflict at local, national and international levels. Despite the spate of media reports and some published research (see, for example, GRAIN 2008; Smaller and Mann 2009), international land deals and their impacts remain still little understood. This paper summarises key findings of a study aimed to start filling this knowledge gap, focusing on Africa (Cotula et al. 2009). Unless otherwise stated data quoted in this paper was generated by the study itself.

The outcome of a collaboration between the International Institute for Environment and Development (IIED), the Food and Agriculture Organization of the UN (FAO) and the

This paper is based on a collaborative study undertaken by IIED, FAO and the International Fund for Agricultural Development (Cotula et al. 2009). The full report can be downloaded from <http://www.iied.org/pubs/display.php?o=12561IIED>, <http://www.fao.org/docrep/011/ak241e/ak241e00.htm>, or www.ifad.org/pub/land/land_grab.pdf

L. Cotula (✉) · S. Vermeulen · C. Toulmin
Natural Resources Group,
International Institute for Environment and Development,
3 Endsleigh Street,
London, England, UK WC1H 0DD
e-mail: lorenzo.cotula@iied.org

P. Mathieu
Food and Agriculture Organization of the United Nations,
Viale delle Terme di Caracalla,
00153, Rome, Italy

International Fund for Agricultural Development (IFAD), the study investigated key trends and drivers in land acquisitions, the contractual arrangements underpinning them and the way these are negotiated, as well as the early impacts on land access for rural people in recipient countries. The study considered large-scale land acquisitions, broadly defined as acquisitions of land rights (whether through purchases, leases or other) for land areas over 1,000 ha. While international land deals are emerging as a global phenomenon, the study focused on sub-Saharan Africa.

Research methods used in the study included a) a literature review; b) qualitative interviews with key informants internationally; c) quantitative national inventories of approved and proposed land acquisitions since 2004 in four African countries (Ethiopia, Ghana, Madagascar and Mali), with additional data from Sudan kindly provided by FAO through a separate study; d) qualitative case studies in Mozambique and Tanzania, later published as separate reports (Sulle and Nelson 2009; Salomão and Nhantumbo 2010); and legal analysis of national law and of a small sample of investor-state contracts. The national inventories involved recording all land acquisitions over 1,000 ha from 1 January 2004 to 31 December 2008 in Ethiopia, Ghana, Madagascar and Mali. The inventories relied primarily on host government sources (such as investment promotion agencies and ministries for agriculture), cross-checked through multi-stakeholder interviews.

While the national inventories may be particularly useful for understanding trends and drivers, it is important to recognize the limitations of this work. In many African countries, there is very little formal documentation of land ownership and occupation; the World Bank estimates that, across Africa, only between 2 and 10% of the land is held under formal land tenure (Deininger 2003). The ability of government institutions to keep track of land deals varies across countries. All country datasets are incomplete due to gaps in the information about specific investments available at government agencies. Some land deals may not have been recorded at all. In Madagascar, for example, constraints on access to data on domestic investment, mainly due to political reasons, are likely to have skewed the dataset towards foreign investment. In Ghana, research relied heavily on data from the Free Zones Board, which may not capture all land acquisitions—and indeed some acquisitions reported in the media had not been registered with the Board. More generally, official government statistics are likely to lag behind real-world negotiations for proposed deals—and much of the ferment highlighted by media reports is likely not to be fully captured in publicly available government data.

This paper lays out key trends, drivers and main features of large-scale land acquisitions in Africa, discusses the risks and opportunities involved, and outlines how to make the

renewed momentum in agricultural investment work for sustainable development and avoid the pitfalls of exacerbated political tensions.

International land acquisition: trends and drivers

Trends

Exact quantitative assessments of the scale, geography, trends and players in the so-called ‘land grab’ phenomenon are not yet available. Some aggregate estimates of scale, based on media reports of land deals, are available. For instance, the International Food Policy Research Institute (IFPRI) estimated that between 15 to 20 million hectares of farmland in developing countries have changed hands since 2006 (The Economist 2009a). But a high level of uncertainty and the limited reliability of some media reports mean these figures must be treated with caution.

Quantitative inventories of documented, approved land allocations in Ethiopia, Ghana, Madagascar, Mali and Sudan help to shape an evidence-based picture of trends. Like media reports, these results should be treated with caution, given the limited timeframe of the study and the reliance on formal governmental sources of information which, as noted above, are partial and often months or years behind the actual situation.

Allocations in Ethiopia, Ghana, Madagascar and Mali from 2004 to 2008 total some 2 million ha, including allocations to foreign investors for over 1.4 million ha, with the remainder having been allocated to national investors. This excludes allocations below 1,000 ha and those pending negotiation. Unpublished FAO data suggests that levels of acquisition in Sudan are considerably higher—3,782,000 ha, though over a longer period of time (2000–2008). Many approved deals have not yet been implemented on the ground, partly because the deals are very recent. In Sudan, for example, unpublished FAO data suggests that no more than 10% of approved land deals are being implemented.

Evidence from Ethiopia, Ghana, Madagascar and Mali suggests that there has been a cumulative increase in land investment, but not necessarily an acceleration in the rate of land allocation. In other words, the past 5 years have seen an accumulation in the number of projects and allocated land areas in the four countries. But year-on-year trends vary among the countries and do not show any net acceleration in the numbers of deals going through. Further growth is anticipated, however, particularly given recent announcements by some large investment funds to acquire lands in Africa, and recent media reports about ongoing negotiations for major land acquisitions. Host country efforts to attract investment may also result in higher

volumes of land acquisitions in future. For example, in July 2009 the government of Ethiopia reportedly marked out 1.6 million ha of land, extendable to 2.7 million, for investors willing to develop commercial farms (Reuters 2009).

The size of single land acquisitions can be very large. Documented acquisitions include a 150,000 ha livestock project in Ethiopia and a 100,000 ha irrigation project in Mali. But even in these cases, production is only starting on a much smaller scale, and is phased up to full capacity over relatively long periods of time. In addition, the average sizes of projects above 1,000 ha are much smaller: in Ethiopia a mean of 7,500 ha (median 2,000 ha) and in Mali a mean of 22,000 ha (median 10,000 ha).

Private sector deals account for about 90% of allocated land areas in Ethiopia, Ghana, Madagascar and Mali. Government-owned investments make up the remainder. But the home country governments of investors may play a major supportive role, providing diplomatic, financial and other support to private deals, as will be discussed later. Equity participations in investment projects by home country governments, through state-owned enterprises, development funds or sovereign wealth funds, may also be growing and the picture may change if some major deals reported in the media as being under negotiation do come to fruition.

In aggregate terms, foreign investment accounts for three-fourths of the total allocated land area in Ethiopia, Ghana, Madagascar and Mali. While media reports have focused on acquisitions by Middle Eastern and East Asian investors, the quantitative inventories suggest that key investor countries are in Europe and Africa as well as the Gulf and South and East Asia. For example, in Madagascar, European investors account for 70% of allocated lands, while investors from South and South-East Asia account for 19% and Middle Eastern operators for 11%. Land acquisitions by domestic investors are also significant, however, and account for the majority of allocated land areas in Ethiopia. Unpublished FAO data from Sudan reinforces this finding: of the 3,782,000 ha allocated since 2000, only 713,000 ha relate to foreign investment (with significant investments from the Gulf), while 706,000 ha concern joint ventures with nationals and the remainder 2,363,000 ha concern land acquisitions by nationals alone.

Drivers

Several factors evidently underpin these land acquisitions. Food security concerns in some investor countries, particularly in the Gulf, are a key driver of government-backed investment. These concerns relate to both supply of and demand for food at national and global levels. On the supply side, bottlenecks and uncertainties are created by the diminishing agricultural production in some areas, linked to negative environmental externalities affecting soil quality and

water supply. For example, until recently, extensive subsidies and water-intensive production made Saudi Arabia self-sufficient in wheat. However, imports resumed in 2007 and, following a recent policy change, wheat production will be phased out completely by 2016. Progressive depletion of non-renewable fossil water in the country was a key factor in this shift (Woertz et al. 2008). Governments in countries heavily dependent on food imports, including both Gulf and East Asian states, have been questioning the capacity of global markets to provide food reliably at predictable prices.

On the demand side, population growth, increasing urbanization rates (which expand the share of the world's population that depends on food purchases) and changing diets (such as growth in meat consumption in industrializing countries) appear among the factors pushing up global food demand. For example, while cereal agriculture in the Gulf countries is in irreversible decline, the population of the region is expected to double from 30 m in 2000 to nearly 60 m by 2030. Dependence on food imports, now at 60% of total demand, will grow as a result (Woertz 2009). Food inflation has been a serious issue in several Gulf countries, with higher food prices driving inflation in the wider economy. Price rises are particularly problematic in relation to the large migrant blue-collar workforce in smaller Gulf states, and there are concerns about social unrest. It must be remembered that social unrest associated with food has affected at least 33 countries around the world during the recent food price spikes (World Bank 2008). As a response to these challenges, some Gulf countries have adopted policy tools that explicitly promote acquisitions of farmland abroad. For example, Saudi Arabia's "King Abdullah Initiative for Saudi Agricultural Investment Abroad" supports agricultural investments by Saudi companies in countries with high agricultural potential, with a view to promoting food security. Strategic crops include rice, wheat, barley, corn, sugar and green fodders, in addition to animal and fish resources (Ministry of Foreign Affairs 2009).

Government-backed land acquisitions are also driven by investment opportunities rather than food security concerns, however. For example, China adopted its "Going Global" policy in 2004. The policy encourages Chinese firms to invest abroad, firstly to create business opportunities for Chinese firms abroad and secondly to secure access to non-food resources where Chinese demand outstrips domestic supply. A range of incentives such as tax breaks, credit, low-interest loans and customs preferences, allied to high-level diplomatic support, support the policy. Notably, acquisition of foreign land for domestic food security is not part of China's policies for national food security. In 2008, a draft policy document drawn up by China's Ministry of Agriculture did make the case for the acquisition of foreign land for food security purposes. This proposal was intensely debated in China, but

ultimately was not adopted, due to the high political risks perceived to be involved in depending on outsourced agricultural production for domestic food security (Anderlini 2008; Xinhua News Agency 2009).

Europe, by contrast, has lacked recent direct policies on foreign land acquisition for agriculture. The predominant policy driver for large-scale land investments has been the EU renewable fuels target, which specifies that 10% of transport fuels be supplied by renewables by 2020. With the expectation that 80–90% of this target is likely to be met by biofuels, European firms have responded to the promise of a guaranteed market with widespread investment in production of biofuel feedstocks, not only in the EU and Europe more widely, but also in Asia, Africa and South America. The US Renewable Fuel Standard provides an equivalent mandate and set of financial incentives for US firms, which are sourcing feedstock predominantly from the US and Brazil. Such renewable fuel targets provide a commercial incentive for investment in biofuel feedstock production and associated land acquisition that would not be driven by market forces alone (Dufey et al. 2007). In the longer term, expectations of returns linked to rising oil prices are likely to be a key driver for biofuel investments.

In addition, rising food prices make agriculture an increasingly attractive investment option. In recent decades, agricultural value chains have tended to concentrate returns in food processing and distribution, while the risks fall mainly on primary production, acting as a disincentive for investment in agriculture. Now the upward trend in commodity prices is tipping the balance by increasing the downstream risks to processors and distributors, concerned about sourcing raw materials, and boosting returns from production (Selby 2009). This increases the attractiveness of agricultural production as an investment option, including the acquisition of land as such, but also of shares in companies holding land, producing fertilizers, providing management services or otherwise involved in upstream agricultural activities (The Economist 2009b). Some agribusiness players traditionally involved in processing and distribution are therefore pursuing vertical integration strategies to move upstream and enter direct production—a rationale explicitly mentioned by Lonrho as justifying its recent land acquisitions in Angola, Mali and Malawi (Lonrho 2009). Entering direct crop production enables agribusiness firms to avoid needing to buy from the market (where market prices include a share for traders), and to secure their supply (especially when market price rises and export restrictions reduce supply to world markets). This may offset the high risks typically involved in holding large areas of land in countries that are foreign and often politically unstable, with poorly defined property rights.

Improved prospects for returns from agriculture also encourage speculative investment in land. Given projec-

tions for rapid growth in food demand linked to population growth, changing diets and urbanization, and concurrent decline in productivity linked to climate change and environmental degradation, prevailing prices of agricultural land seem cheap, particularly in Africa, and likely to rise. This circumstance has an enhanced contemporary relevance given that the global financial crisis has resulted in a collapse in equity and bond markets, reducing the appeal of these asset classes and precipitating a resurgence of interest in land and commodities (UNCTAD 2009).

The nature of the land deals

Land deals are embodied in one, or several, contracts. Such contracts may range from a framework agreement outlining the key features of the overall deal, in which the host government commits itself to make the land available to the investor on certain terms (such as unencumbered), to more specific instruments (contractual or otherwise) that actually transfer the land or subsections of it. The extent to which contracts are negotiated or standardised varies across countries and the different stages of negotiation—with instruments to allocate land tending to be more standardized (as for the lease contracts in Mali's Office du Niger). Importantly, these contracts must be read in conjunction with other legal texts defining their broader context, including national law (on land, water, tax, investment promotion and environmental protection, for instance) and international law (particularly bilateral investment treaties). Considerable further analysis is needed to properly understand the structure of land deals, identify trends in contractual practice and assess the role of national and international law in setting the terms for content, process, accountability and remedy.

Parties

In their basic form, land deals involve two parties. On one side is an acquirer, generally a private or government-owned company. As outlined above, private sector deals account for the bulk of land areas acquired in Ethiopia, Ghana, Madagascar and Mali. But government support is a crucial ingredient of much recent land acquisition. Some governments have established funds that provide financial services such as subsidies, soft loans, guarantees and insurance to private companies engaged in land-based investments abroad (e.g., the Abu Dhabi Fund for Development, or the above-mentioned King Abdullah Initiative for Saudi Agricultural Investment Abroad). In addition to finance, government agencies may provide a range of informational, technical, bureaucratic and diplomatic support to the private sector. Government-to-government framework agreements on the

protection of foreign investment (bilateral investment treaties, increasingly common in Africa; see UNCTAD 2009) and on mutual cooperation in agriculture can also pave the way for private sector-led land deals.

The boundaries between “state” and “non-state” enterprises may be fuzzy, as illustrated by the Chinese case. There are two aspects to this discussion: state ownership and state influence. In China, corporations emerging from the centrally planned economy such as COFCO (China National Cereals, Oils and Foodstuffs Import and Export Company) are clear state-owned enterprises: senior staff are appointed by the state, and CEOs have ministerial level rank. In other cases, however, it is less easy to distinguish whether a Chinese firm is “public” or “private”. Many companies do not disclose clear information on equity structure, which makes it difficult for outsiders to be precise about ownership. An apparently private company may be controlled by a state-owned, unlisted parent company. In addition, there is likely to be significant state influence over strategic private firms, or put another way strategic companies flourish because of their formal and informal links to key state agencies. Such companies benefit from access to special credit lines, tax breaks, and possibly favourable interpretation of regulations and priority in allocation of key contracts.

Where governments do play a more direct role as acquirers of land abroad, this is usually through investment vehicles that are not under direct civil service or parliamentary control, such as state-owned enterprises and sovereign wealth funds. More rarely, governments have acquired land abroad directly. For example, a specific area of land was transferred under a “Special Agricultural Investment Agreement” signed in 2002 between Syria and Sudan, with the Ministries of Agriculture as signatories. Again in these cases, the border between public and private investors may be fluid, as the implementation of deals signed between governments may be driven by private operators. Indeed, the Syria-Sudan contract enables the government of Syria to delegate implementation to the private sector, subject to this being cleared with the government of Sudan (article 14). Government-to-government land agreements may be part of broader deals involving bundles of development aid, non-financial assistance and business opportunities. While such bundled deals are attractive to governments, they carry the risk that if one component fails, other sectors will lose out too, with potentially serious implications for food security.

On the other side of the deal is a land provider. While in some countries targeted for land investments, notably Brazil, private landholders are significant providers of land, in Africa governments dominate, not least because they formally own all or much of the land in many African countries. For instance, land is nationalised in Ethiopia, Mozambique and Tanzania. In these cases, outright purchases are outlawed. Other countries do allow private land

ownership, which may be acquired through land registration procedures (e.g., Madagascar and Mali). In Ghana, part of the land is owned by the state but 80–90% of all undeveloped land is held under customary tenure, under chieftainships that have the capacity to act as legal entities (Kasanga and Kotey 2001). Certain countries have introduced private ownership where this was previously ruled out (e.g., Burkina Faso), or enabled transfers of “underdeveloped” state lands even if radical title ultimately remains vested with the state (as in Tanzania, under article 6 of the Land (Amendment) Act 2004).

With some country exceptions, private land ownership tends not to be widespread even where it is formally recognised, particularly in rural areas. As mentioned, very little land in Africa is held under formal land tenure, and this is mainly urban land (Deininger 2003). The limited spread of private ownership is partly due to the long and cumbersome procedures required to acquire it, particularly land registration (Djiré 2007). In addition, where customary tenure systems are functioning and perceived as legitimate, local resource users may feel they have sufficient tenure security under these systems without needing to seek formal title.

Local people’s land rights in many African countries entail use rights that are acknowledged but not necessarily protected within national law, mediated by customary tenure managed at the local level. The extent to which national legal frameworks protect local land claims varies among countries, but is often limited because customary tenure is subservient to state land title within the law. Acknowledging the shortcomings of the law in protecting the interests of their rural majorities, some African countries have recently taken steps to strengthen the protection of local land rights, including customary rights—even where land is state-owned or vested with the state in trust for the nation. Customary rights are protected, to varying degrees, under Mali’s Land Code 2000, Mozambique’s Land Act 1997, Tanzania’s Land Act and Village Land Act 1999, and Uganda’s Land Act 1998.

But even here legal protection may be conditioned to “productive use”, such as under “*mise en valeur*” conditions specified in the legislation of much of Francophone Africa (including Mali) and under similar requirements elsewhere, such as Tanzania. Lacking a clear definition of what constitutes “productive use” and given the ensuing broad administrative discretion, these requirements may open the door to multiple interpretations and space for abuse, and undermine the security of local land rights. This is particularly so for those groups, particularly pastoralists, whose resource use is often not considered as “productive enough” due to widespread misconceptions about the nature of pastoral livestock systems. More fundamentally, the enactment of legal provisions may not alter entrenched perceptions among key decision-makers about the value of

local land rights. This is illustrated by an interview with a government official from the national land commission of an African country that does legally protect customary land rights, who referred to local land users on state lands as “squatters”.¹

Given this legal context, government leases are the main source of land for prospective investors. In Ethiopia, all projects documented by the national inventory for 2004–2008 involve allocations of (or applications for) government leases for diverse durations of 10, 30 or 50 years, while in Mali all projects involve government leases, the majority of which (7 out of 13) are for 50 years renewable.

Other providers of land in Africa may be communities, whether acting collectively as legal entities in Tanzania and Madagascar, or through customary leadership in Ghana, but even these cases usually entail separate contracts with government. For instance, a recent contract from Madagascar entails a combination of lease and contract farming arrangements, including through a direct deal with 13 associations of local landholders.

Many African countries have developed sets of formal procedures for land acquisition, which tend to combine procedures at both national and local level, and are overseen by a specific national-level agency. These procedures entail a considerable level of institutional and legal complexity. Each deal may involve multiple contracts and legal instruments, from a framework agreement outlining the key features of the overall deal, whereby among other things the host government commits itself to making the land available to the investor without encumbrance (a particular feature of government-to-government deals) through to more specific instruments, contractual or otherwise, that actually transfer the land or subsections of it. These contracts may in turn be framed by higher-level legal agreements, such as bilateral investment treaties.

Also, each deal typically involves a wide range of government agencies and other parties through the multiple stages of preparing, negotiating, contracting and operationalising the project. Some countries have streamlined the process by establishing a central point of contact (“one-stop shop”) for prospective investors, usually an investment promotion agency. But even in countries where the investment promotion agency plays a proactive role throughout the land transfer process, this agency alone will not deal with all aspects of the land deal. In Tanzania, for instance, the Tanzania Investment Centre (TIC) is mandated with identifying available land and providing it to investors, as well as with helping investors obtain all necessary permits, but multiple ministries must provide approvals and the investor will also need to engage independently with several government agencies at local level (Sulle and

Nelson 2009). Due to the complexity and sensitivity of the process, consultants and NGOs may also be involved.

Consultation and consent: mechanisms and reality

The central role of host governments in allocating land raises a number of issues, particularly with regard to the extent to which these governments take account of local interests in land, water and other natural resources. Importantly, host governments may contractually commit themselves to providing land before any consultation with local land users has taken place. Also, lack of transparency and of checks and balances in contract negotiations encourage corruption and elite capture of benefits.

Some level of interaction with local and affected people is usually incorporated in the approval process for land deals (Table 1). The most basic level is assessment, in which affected people are the subjects of evaluations of socio-economic impacts of the land transfer and project development. At this most basic level, several countries require an environmental impact assessment (EIA) or an environmental and social impact assessment (ESIA) to be carried out prior to project approval, on which the land transfer is contingent (Table 1). Observers note, however, that the criteria for approving or failing land deal applications on the basis of the ESIA may not be explicit and the results of these assessments may not be available for scrutiny by the public. ESIA necessarily involve interactions with local and affected people as the primary subjects of the social assessment, but in its simple form this constitutes simply a scientific study in which the subjects are passive respondents. In some countries, the required procedures for ESIA specify consultation with communities, in other words eliciting and reporting their opinions as well as researching their socio-economic status. Examples include Ethiopia and Madagascar. Consultation provides greater voice for affected people within the process but does not confer any authority to veto or shape the terms of the investment—it is far short of consent.

However, even where policy frameworks are well developed, practice may be less satisfactory. In Tanzania and Mozambique, which have arguably among the most progressive legislation in Africa regarding community consent to land transfer, relevant procedures are implemented partially rather than fully. What is defined as community consultation may be confined to discussions with village elders, officials and elites. While it should not be contingent on an investor to resolve issues of local governance, there is little sign that efforts are made specifically to include significant social groups, such as women, or user groups, such as pastoralists. Indirectly affected communities, for example those affected by migration out of project areas, have not been included to date. Where community-level meetings occur, they tend to be

¹ Interview with government official, 18 February 2009.

Table 1 Examples of policy and practice with respect to assessment, consultation and consent of local and affected people in six African countries

Country	Requirement for EIA and SIA	EIA and SIA in practice ^a	Requirement for local consultation	Requirement for local consent	Local consultation in practice ^a
Ethiopia	EIA	Data not available	Yes—within EIA	No—only from government at district level	Consultation largely confined to clan leaders and sub-national government bodies—no evidence of community consultation in 6 of 6 cases
Ghana	ESIA	ESIA completed in 11 of 11 cases; ESIA publicly available in 11 of 11 cases	Yes—to develop social responsibility agreement	Partial—from stool (customary leadership) or private landholders	Good—evidence of local consultation in 5 of 5 cases
Mali	EIA or risk assessment (<i>Etude d'impact sur l'environnement ou notice d'impact sur l'environnement</i>) depending on risk level	EIA completed in 6 of 13 cases; ESIA publicly available in 2 of 13 cases	No formal requirement	No—from legally recognized landholders only	Mixed—no evidence of community consultation in 3 of 3 cases, but better record in development-oriented agricultural projects
Madagascar	EIA (MECIE: <i>Mise en compatibilité des investissements avec l'environnement</i>)	MECIE completed in 5 of 10 cases; ESIA publicly available in 1 of 10 cases	Yes—evidence within MECIE	No—from legally recognized landholders only	Fair—evidence of local consultation in 7 of 10 cases
Mozambique			Yes	Yes—from resident communities	
Tanzania	EIA		Yes	Yes—from resident communities for designated village land	

EIA environmental impact assessment, SIA social impact assessment

^a Assessed on the basis of available investment cases

dominated by community leaders (traditional chiefs, local party leaders), who have often participated in preliminary meetings with the investor to promote the investment (Salomão and Nhantumbo 2010; Sulle and Nelson 2009).

In addition, information flows to communities are poor. They tend not to receive full information on the proposed investments and the terms of land deals prior to formal consultation meetings with government agencies or companies. Records of meetings are often incomplete and vague about timeframes, targets and responsibilities. Communities do not usually have the opportunity to approve minutes before they are shared with other agencies. Finally, agreements on social investment, benefit-sharing, guaranteed resource access or other arrangements between the community and the investor are generally not documented in formal documents or legally binding contracts (Salomão and Nhantumbo 2010; Sulle and Nelson 2009).

The underlying problem seems to be not so much a reluctance by local government agencies and investor companies to act responsibly, but mainly a lack of experience and guidance to shape better practice. Additionally, government agencies are under enormous pressure to deliver on investment targets, yet also to defend local rights. National economic priorities may mean that district authorities have more incentive to promote the interests of investors over local communities. Since the actual legal

weight of community consultation processes is unclear and not yet tested, none of the parties involved (investor, government agencies, affected people) may be concerned with ensuring that due process is followed.

Recompense: direct compensation and dispersed benefits to local people

Land transfers invariably involve a set of fees and other forms of compensation payable by the investor to those relinquishing their rights to occupy or use land during the lease period (or in perpetuity in the case of sales). Where land is owned by the state, as is typical in Africa, formal lease payments and royalties tend to be captured at the national level. These, however, may be very low, as the explicit policy of an increasing number of African countries, including Tanzania, Ethiopia, Madagascar and Sudan, is to attract foreign investment through nominal rental fees, tax holidays, duty exemptions and other financial incentives. Governments consider the direct value of investment projects to come, not through direct financial gain, but rather through broader economic benefits, such as employment generation and infrastructure development.

A small number of African countries have provisions for land rental fees to be shared at the local level. This may involve payments to decentralized arms of government, for

example in Madagascar, where fees are payable at Commune or Region level, or direct payments to community institutions or affected individuals. Ghana, for instance, has an established system of rent-sharing between government and landholding chieftainships (stools). More commonly, however, legal requirements for compensation at the local level are commonly limited to recompense for loss of harvests and improvements, without any specific payment for loss of access to land or other resources, such as water (Table 2).

Compensation in kind is possible in several of the countries covered by the research study. This may be advantageous in contexts where cash compensation is unlikely to restore local livelihoods, for instance due to limited local land markets, banking services and experience with handling relatively large amounts of cash. A large-scale irrigation project in Mali's Office du Niger area, affecting some 800 households, is reported to involve compensation in the form of irrigated land: five ha per household, of which two are free and three paid for over a 20-year period. The Varun contract in Madagascar has an equivalent arrangement to provide for 30% of produce to be paid to local landholders.

It is not clear yet how enforceable investors' promises on local benefits are in legal or practical terms. However, compliance with regulations on compensation seems to be mostly considered effective (Table 2). On the other hand, levels of compensation are not always considered adequate. In particular, cash compensation for improvements and non-land assets may not be enough to provide access to alternative land where demographic pressures are growing

and land markets are not fully developed. Recent experience in Tanzania illustrates that levels and terms of compensation are seldom straightforward (Sulle and Nelson 2009). In formal terms, compensation is payable by the government, but in practice it is the investor that negotiates and pays compensation directly to local land rights holders and users. There are substantial differences in opinion and confusion over the amount of compensation and the entitled beneficiaries. Improvements and resources are difficult to value in the absence of active monetarized markets.

Recompense in terms of infrastructure for local communities may not be well targeted towards those who have rescinded their land and resource rights. High-capital infrastructure, such as irrigation equipment, typically returns to government at the end of the project lifespan and does not provide direct benefits to rights' holders or their communities. Sometimes land deals may involve infrastructure unrelated to the agricultural project itself. According to media reports, the government of Qatar plans to lease 40,000 ha of land on the north coast of Kenya in return for a loan of several billion dollars to construct a deep-sea port elsewhere (Mathenge 2009).

In formal terms, compensation is payable by the government, but in practice it is the investor that negotiates and pays compensation directly to local land-rights holders and users. There are substantial differences in opinion and confusion over the amount of compensation and the entitled beneficiaries. Improvements and resources are difficult to value in the absence of active monetarized markets.

Beyond formal compensation, other benefits from agricultural investment projects are more dispersed and

Table 2 Examples of policy and practice with respect to compensation of landholders and other rights holders in six African countries

Country	Landholders eligible for compensation	Paid by	Assets compensated	In-kind compensation allowed?	Compliance ^a	Deemed sufficient to restore livelihoods ^a
Ethiopia	All legally recognized rights holders	Government in theory, investor in practice	Value of improvements and 10-year harvest	Yes	Mostly	No
Ghana	All legally recognized rights holders	Investor	Loss of land and improvements based on national rates	Yes	Yes	No—the values used by the Land Valuation Board are usually the minimum rates; higher rates sometimes negotiated with investor
Mali	All legally recognized rights holders	Government in theory, investor in practice	Loss of improvements and harvests; also loss of land if ownership	Yes	Yes if ownership, otherwise dependent on negotiation	Yes for ownership, not for other rights
Madagascar	All legally recognized rights holders	Government in theory, investor in practice	Loss of land if ownership, loss of improvements	Yes	Mostly	Yes, but problems experienced in resettlement
Mozambique	All legally recognized rights holders	Government in theory, investor in practice	Loss of improvements	Yes	Mostly	Not yet clear
Tanzania	All legally recognized rights holders	Government in theory, investor in practice	Loss of improvements	Yes	Yes	No—some protracted disputes

^a Assessed by in-country researchers

indirect. There is no guarantee that benefits will accrue to those dispossessed of their land, but broader communities may gain, particularly in three areas: employment, supply chain involvement and infrastructure. Jobs are prized as the key local benefit. The deal in Madagascar does not involve rental fees for the farming rights over 450,000 ha, but instead promises to bring local development benefits and local employment, with around 4,500 part-time workers in the field at various times (Benetti 2008). However, these jobs tend to be unskilled, short-term and small in number relative to the size of the investment. Out of 150 Ethiopian land deals recorded in the quantitative study, 130 offered fewer than 50 full-time equivalent jobs (the lowest recordable level on the records sheet; most are likely to offer significantly fewer than 50 full-time equivalent jobs) and there was no trend towards higher levels of employment with higher capital investment.

A growing trend among African governments is to require that investors contribute to local development through direct involvement of local farmers and small-scale businesses in the supply chain. New policy in Sierra Leone requires that 5–20% of the shares be held by Sierra Leoneans and inclusion of outgrower schemes (MAFFS 2009). Provisions for small-scale farmers can also feature in contracts. The Varun deal in Madagascar combines contract farming with lease arrangements, and also includes a clause on ‘local content’ in which the company agrees to conduct a certain proportion of business with local enterprises and the local workforce. Most outgrower schemes and other inclusive approaches to production are, however, voluntary rather than a response to government regulation. The biodiesel company Diligent in Tanzania is sourcing jatropha from a network of small-scale farmers under loose contractual terms.

Economic benefits to the host country as a whole

Land fees and other monetary transfers from investor to host country government are generally absent or small, due to the latter’s efforts to attract investment, perceived low opportunity costs and a lack of well-established land markets. This alone does not mean the deal is unbalanced: benefits to host countries may include investor commitments on levels of investment and development of infrastructure, such as irrigation systems, though the extent to which these compensate for losses to displaced local rights’ holders is questionable (Vermeulen and Cotula 2010a).

Given the prominence of investment commitments in the economic equilibrium of land deals, specificity and enforceability are particularly important. Government land allocations are usually subject to the investor’s compliance with investment plans for the first few years of the project, after which the allocation is confirmed. But in the past

African governments have rarely used this lever to hold investors to account. The wording of contracts may not be specific enough to be enforceable. Furthermore, one-off assessments at an early stage of implementation do not enable continued monitoring and sanctioning of investment performance over a project’s lifespan. In several key respects, the contracts reviewed by our study tend towards the unspecific, particularly compared to contracts in other sectors, such as mining and petroleum. With considerable variation among cases, the contracts tend to lack robust mechanisms to monitor or enforce compliance with investor commitments, guarantee benefits to local people, promote smallholder participation in production activities, maximize government revenues, or balance food security concerns in home and host countries.

International treaties may compound imbalances in individual deals. Investment treaties between home and host states usually protect investment against adverse host government action (e.g. expropriation, unfair treatment), strengthen the legal value of individual contracts by making their violation a breach of international law, and give investors direct access to international arbitration in case of disputes with the host government. Over the past few decades, these mechanisms have proved effective at holding governments to account for the way they treat investors. Rulings issued by international arbitrators have granted investors substantial compensation for host state breaches of contracts or treaties; investors can enforce these rulings internationally, for instance by seizing assets held by the government abroad. These international legal devices tend to be much more effective than those available to local people for protecting their land rights, for instance under human rights treaties. So when local people challenge governmental land allocations and seek protection for ‘customary’ rights, national and international institutions will probably offer little comfort, while the investor may rely on much more effective legal protection to discourage adverse changes to the land acquisition (for more on these aspects, see Cotula 2008).

Mitigating risks, seizing opportunities

Large-scale land acquisitions create major risks as well as opportunities for both home and recipient countries. In recipient countries, the major risks relate to losses of land, water and natural resources for local people in the areas where investments take place. This can have major repercussions for local food security, given the high level of dependence on natural resources for food security in much of rural Africa. Allocations account for relatively small shares of total land suitable for agriculture in any given study country (ranging from 0.6% in Mali to 2.3% in

Madagascar²). The temptation might be to dismiss the impacts of recent land acquisitions on grounds of geographical scale, but there are many reasons for caution. The simplest are to do with constraints of data: some approved deals are bound not to have been recorded, and figures on allocations are therefore conservative; they are also much higher if deals still under negotiation are considered.

More importantly, while there is a perception that farmland is abundant and under-utilized in certain countries, in many cases land is already being used—yet existing land uses go unrecognized because people using the land have no formal land rights or access to the relevant law and institutions. In Ethiopia, for example, all land allocations recorded at the national investment promotion agency are classified as involving “wastelands” with no pre-existing users, but the likelihood is that some, if not most, of these lands have been used for shifting cultivation and grazing. In addition, properly assessing the implications of land takings for agricultural investments requires a good understanding of the broader context shaping pressures on land in a given country or locality. Many parts of Africa have experienced strong demographic growth over the past few decades, and projections suggest that population increases are likely to continue over the next few decades, albeit at slower rates (United Nations 2008). This will lead to substantial increases in population densities, though such population changes may not be concentrated in rural areas alone.

Another key issue is that not all land is equally suitable. Investors focus on higher-value lands: those with greater rainfall or irrigation potential, better soils and superior access to markets. In Mali, for instance, where only a relatively small area of suitable land has so far been allocated, investor interest has focused on the more fertile lands of the Office du Niger area (Fig. 1). If land quality issues are considered, allocating even small shares of the best land can have disproportionate impacts on access to resources, food security and livelihoods. Additionally, non-agricultural demands on land exert additional pressure. In the Massingir district of Mozambique, for example, a 30,000 ha biofuel project has exacerbated land scarcity by using land promised to people being resettled from a new national park, with knock-on effects on neighboring communities.

Climate change is a central element that distinguishes the current spate of large-scale land acquisitions from previous developments of plantations and concessions during the nineteenth and twentieth centuries. As the global climate changes, water is likely to be an increasing constraint in many parts of Africa, and competition for water may prove a

source of conflict (Brown and Crawford 2009). Very large-scale agricultural projects may impose further stress on the capacity of local ecosystems and people to be resilient to climate change, through a fall in groundwater and surface water supplies, losses to wild and domesticated biodiversity, and access to seasonal resources, for example. Impacts and conflicts might be local, or manifest downstream and in the wider vicinity. For instance, the rise in large-scale irrigation projects upstream in the Office du Niger area of Mali will impinge on water availability to downstream users—including downstream irrigators in the Office du Niger area, farmers, herders and fishers in the seasonally flooded Inner Niger Delta of Mali, and users in neighboring Niger. It is not yet clear how local institutions and transnational river basin bodies (in this case the *Autorité du Bassin du Niger*) will cope with increased water demand (given land-based investment) and increased vulnerability of water supplies (with climate change).

The fact that only a small proportion of net suitable land has so far been allocated for agricultural investment should not give grounds for complacency. Equally, it might be argued that the benefits of large-scale agricultural projects have the potential to outweigh local costs. Not only will such projects increase the total global supply of food (or fuel or fiber) but their positive impacts at local level could also be significant. Along with compensation and tax revenues, investors bring capital, technology, know-how, infrastructure and market access. In these ways they can catalyze economic development in rural areas and plug the pronounced investment gap that agriculture has experienced through the 1990s and early 2000s (World Bank 2009). Rather than threatening local food security, higher farm productivity could improve food security in the host countries of large-scale agricultural investments, not just the home countries of the agribusinesses.

Several host countries currently import food; some receive food aid. This makes addressing the issue of local food security all the more important, particularly through agreements on allocation of supply between the two countries. Most land investment contracts and overarching agreements do not yet incorporate clear agreements on import and export quotas. The current investment guidelines for the King Abdullah Initiative for Saudi Agricultural Investment Abroad provide for a “reasonable percentages” of produce to be exported, so as not to exacerbate food insecurity in host countries; but what such “reasonable percentages” may be is not defined in the guidelines.³ A deal in Madagascar is more specific in that it provides for 30% of produce to be paid to local land-

² Based on FAO definitions and estimations of land suitable for agriculture.

³ Although what such ‘reasonable percentages’ may be is not defined in the guidelines (available online at <http://www.mofa.gov.sa/Detail.asp?InSectionID=3981&InNewsItemID=88796>).

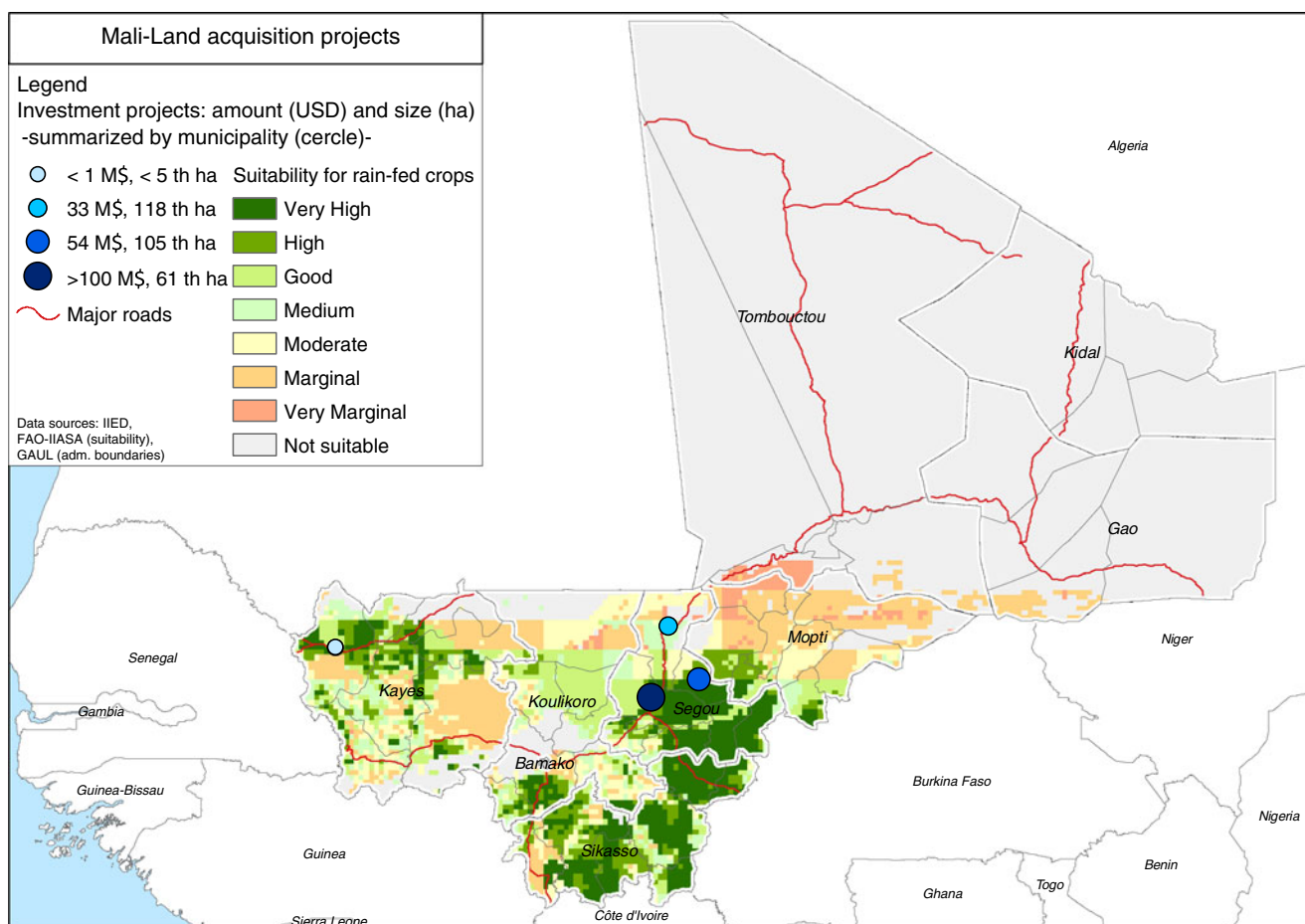


Fig. 1 Approved land acquisitions in Mali, 2004–2009. Source: Mali national inventory; FAO unpublished data

holders, and determines percentages for export and local markets. But even here it is not clear to what extent the agreed percentages are adequate to meet local food security, and what would happen in times of food shortage.

From the investor country's perspective, the opportunities linked to land-based investment overseas relate directly to efforts to promote domestic security, particularly in the light of the phasing out of subsidized agriculture in some Gulf countries. Large-scale land acquisitions are also associated with major risks, however. For a start, commercial risks should not be underestimated. Running a plantation on the scale involved in some recent land deals is a major challenge for experienced agribusiness with long track records of working in Africa, let alone for newcomers in African agriculture, given the mixed results produced by earlier experiences with large-scale, mechanized agriculture in Africa.

In addition, the acquisition of long-term rights over large areas of land creates significant political risks. Once the bulk of the investment is made (once the irrigation infrastructure is developed, for example), the investor effectively becomes a "hostage" of the host state. The

returns on investment depend on the successful implementation of the project over a long period of time, yet the investment may be negatively affected by adverse and possibly arbitrary host state action. It is not uncommon for newly elected governments to renegotiate large foreign contracts. This risk is particular acute given the high political and socio-cultural value of land in much of rural Africa, which increases the likelihood that land-based investment may be exploited by the political opposition during electoral campaigns.

The experience of Daewoo in Madagascar illustrates these issues. In November 2008, the South Korean firm announced that it had secured a 99-year lease for some 1.3 million ha of land in Madagascar. Public opposition to the deal contributed to riots that culminated in a change in government. When the new government came to power in March 2009, the incoming president cancelled the deal.

A different type of political risk may arise where the host government imposes export restrictions on food supplies. These restrictions were among the factors that triggered the wave of land acquisitions reported in the media since 2008.

Investor countries hope that by acquiring land abroad and producing food directly, and by obtaining contractual commitments from the host government not to impose export restrictions, they will be better able to ensure their food security than through relying on open markets. But experience with the food crisis of 2008 shows that food shortages may trigger street protests and even riots. Under these conditions, a host government may well give in to public pressure from its own citizens, and impose export restrictions to protect local food security and political stability—even if it has contractually committed itself to deliver food to the investor. In such an event, liquidating land-based investments and seeking alternative options may prove difficult and time-consuming. Finally, investor countries should not underestimate the international-level reputational risks linked to a perception of their being associated with corrupt regimes or poor business practices.

Taking all these different commercial, political and reputational risks into account would seem to favor business models that involve privileged, long-term relationships with local suppliers, rather than outright acquisition of long-term land rights. In many parts of the world, family farmers have proved to be highly dynamic and responsive to market forces. There are many ways in which investors can work with local farmers. Some of these models are well tested—such as contract farming, where local farmers cultivate land with support from the company, which then purchases produce at guaranteed price. There is also growing experimentation with a wider range of models, such as joint ventures or land leases with local communities. In Mali, for example, a biofuel project buys jatropha nuts from the local farmers it supports. The farmers own 20% of the business and sit on the company's board—a strong incentive for them to provide reliable supplies of good-quality nuts (Vermeulen and Cotula 2010b).

Where properly implemented, these models can offer opportunities for local farmers—though none of them is perfect. Most involve partnerships between players with different negotiating powers, resources, information and skills. Therefore, sustained support to farmer groups is key to making these models work. Also, the devil is in the detail. Depending on its specific terms, contract farming may be a vehicle for supporting farmers and improving their market access—or an exploitative relationship where farmers are effectively providers of cheap labour, and expected to carry production risks. Similarly, joint ventures with farmers can enable greater local control of the business—but, if inappropriately designed, they can deliver only nominal influence over key decisions, and no or low dividends as profits are siphoned off through transfer pricing (Vermeulen and Cotula 2010b).

Not just any investment: promoting good long-term deals

The land investment story currently unfolding reflects deep global economic and social transformations with profound implications for the future of world agriculture. Decisions taken now will have major repercussions on the livelihoods and food security of many people for decades to come. Today's choices should be based on strategic thinking about the future of agriculture, the place of large and small-scale farming within it, and the role and nature of outside investment—bearing in mind that in many parts of the world, small-scale farming has proved remarkably economically competitive and able to respond to changing challenges. Therefore, while land deal negotiations are unfolding fast, there is a need for vigorous public debate and government responsiveness to public concerns in recipient countries. As the Daewoo case in Madagascar shows, the risks of not doing this are high for both investors and host governments.

Outside agricultural investments maybe a useful strategy to promote national and local development, where a number of factors are in place: greater transparency, land information accessible to the public, effective regulation, skillfully negotiated contracts, and robust social and environmental impact assessments and management systems. Some recent, very large investments seem unrealistic, and host governments should carefully scrutinize investors' capacity to deliver on very ambitious projects. More economic analysis is needed to compare the performance of different production models. But at least in terms of political risk management and impacts on local livelihoods, the more promising investments are those that involve supporting local smallholders, rather than large plantations. Rather than uncritically endorsing large plantations, host governments should use policy incentives to promote inclusive business models that share value with local enterprises, including small-scale farmers, processors and service providers.

As interest in land grows, many countries should step up efforts to secure local land rights. Measures may include stronger legal recognition of local (including customary) rights; collective land registration where appropriate; providing legal aid and assistance; and improving governance of land and related resources. Adequate representation and protection of local interests in water allocation decisions are also key.

Securing local land rights is not just a means to avoid arbitrary dispossession—it can also provide local groups with a valuable asset to negotiate with. Much experimentation with more inclusive business models is happening in countries where government land policy has created strong incentives for business to work with local groups. In South

Africa, for example, the land restitution process has started to bite in rural areas. As land changes hands from companies to local communities, companies are forced to work with communities to keep their business going. Land policy can be used as a lever in other ways too: secure land rights for local farmers would help avoid arbitrary dispossession and give farmers an asset to negotiate with; while governments giving away land virtually for free creates no incentives for investors to explore alternatives to land acquisitions (Vermeulen and Cotula 2010b).

Where investment design is based on direct investor—government negotiations, governments should also seek more specific and enforceable commitments from investors on the scale and phasing of investment, job creation, infrastructure development and public revenues, along with effective mechanisms to hold investors to account, for instance through contractual provisions that empower the host government to impose penalties or terminate the deal in case of non-compliance. Some recipient countries are themselves food-insecure, and workable arrangements must protect local food security, particularly in times of food crisis. These improvements to contract negotiation and enforcement can be achieved, and experience with improving transparency and contractual terms in other sectors such as oil provides useful lessons.

While some governments in Africa may be reluctant to impose greater requirements on investors out of fear of missing investment opportunities, from a host country perspective attracting investment is not a goal in itself but a means to an end: promoting broad-based sustainable development so as to improve local livelihoods. Attracting investment under poor terms and without strategic vision may well fail to deliver that goal. Properly structuring agricultural investments may mean that some opportunities are missed, but also that benefits from opportunities seized are maximized to their full potential.

Acknowledgments This paper is based on a collaborative study (Cotula et al. 2009) undertaken by IIED, FAO, and IFAD.

References

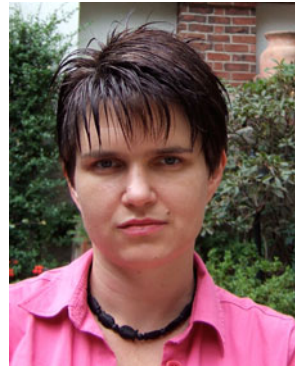
- Anderlini, J. (2008). China eyes overseas land in food push. *Financial Times*, 8 May 2008.
- Benetti, P. (2008). The critical importance of feedstock. In: *Proceedings of the Conference on Biofuels Markets in East Africa*, 17–18 September 2008, Dar es Salaam, Tanzania.
- Blas, J. (2008). Land leased to secure crops for South Korea. *Financial Times*, 18 November 2008.
- Brown, O., & Crawford, A. (2009). *Climate change and security in Africa*. Winnipeg: International Institute for Sustainable Development.
- Cotula, L. (2008). International law and negotiating power in foreign investment projects: comparing property rights protection under human rights and investment law in Africa. *South African Yearbook of International Law*, 33, 62–111.
- Cotula, L., Vermeulen, S., Leonard, R., & Keeley, J. (2009). *Land grab or development opportunity? Agricultural investment and international land deals in Africa*. IIED, London, UK: IIED; and Rome, Italy: FAO and IFAD.
- Deininger, K. (2003). *Land policies for growth and poverty reduction*. Washington: World Bank.
- Djiré, M. (2007). *Land registration in Mali—no land ownership for farmers? Issue Paper No. 144*. London: International Institute for Environment and Development.
- Dufey, A., Vermeulen, S., & Vorley, W. (2007). *Biofuels: strategic choices for commodity dependent developing countries*. Amsterdam: Common Fund for Commodities.
- Grain (2008). Seized! The 2008 land grab for food and financial security. Briefing Paper. www.grain.org/go/landgrab. Accessed 22 January 2010.
- Henriques, D. B. (2008). *Food is gold, so billions invested in farming*. *New York Times*, 5 June 2008.
- Jung-a, S., Olivier, C., & Burgis, T. (2008). *Madagascar farms lease—Daewoo to pay nothing for vast land acquisition*. *Financial Times*, 20 November 2008.
- Kasanga, K., & Kotey, N. A. (2001). *Land management in Ghana: Building on tradition and modernity*. London: International Institute for Environment and Development.
- Lonrho (2009). Substantial progress at Lonrho Agriculture. Lonrho plc press release, 13 January 2009. [www.lonrho.com/Press/News_\(RNS\)/RnsNews.aspx?id=779&rid=2066343](http://www.lonrho.com/Press/News_(RNS)/RnsNews.aspx?id=779&rid=2066343). Accessed 28 November 2009.
- MAFFS (2009). *Investment policies and incentives for private sector promotion in agriculture in Sierra Leone*. Ministry of Agriculture, Forestry and Food Security (MAFFS), Freetown, Sierra Leone: Government of Sierra Leone.
- Mathenge, O. (2009). *Kenya defends plans to parcel out 40,000 hectares to Qatar*. *Daily Nation*, 11 January 2009.
- Ministry of Foreign Affairs (2009). Custodian of the two holy mosques receives Minister of Commerce and Industry. *Government News*, 26 January 2009. Ministry of Foreign Affairs, Riyadh. <http://www.mofa.gov.sa/Detail.asp?InSectionID=3981&InNewsItemID=88796>. Accessed 28 November 2009.
- Reuters. (2009). *Ethiopia sets aside land for foreign investors*. *Reuters*, 29 July 2009.
- Rice, X. (2008). *Abu Dhabi develops food farms in Sudan*. *The Guardian*, 2 July 2008. London: The Guardian.
- Salomão, A., & Nhantumbo, I. (2010). *Biofuels, land access and rural livelihoods in Mozambique*. Maputo, Mozambique: Centro Terra Viva and London, UK: International Institute for Environment and Development.
- Selby, A. (2009). Institutional investment into agricultural activities: potential benefits and pitfalls. In: *Conference on Land Governance in Support of the MDGs: Responding to New Challenges, 9–10 March 2009*. Washington, DC, USA: World Bank.
- Smaller, C., & Mann, H. (2009). *A thirst for distant lands: foreign investment in agricultural land and water*. Winnipeg: International Institute for Sustainable Development.
- Sulle, E., & Nelson, F. (2009). *Biofuels, land access and rural livelihoods in Tanzania*. London: International Institute for Environment and Development.
- The Economist. (2009a). *Outsourcing's third wave: Buying farmland abroad*. *The Economist*, 23 May 2009.
- The Economist. (2009b). *Green shoots—no matter how bad things get, people still need to eat*. *The Economist*, 19 May 2009.
- UNCTAD. (2009). *World investment report 2009: Transnational corporations, agricultural production and development*. Geneva: United Nations Conference on Trade and Development.

- United Nations. (2008). *World population prospects: The 2008 revision*. New York: Population Division, Department of Economic and Social Affairs, United Nations.
- Vermeulen, S., & Cotula, L. (2010a). Over the heads of local people: consultation, consent and recompense in large-scale land deals for biofuels projects in Africa. *Journal of Peasant Studies*, 37, 899–916.
- Vermeulen, S., & Cotula, L. (2010b). *Making the most of agricultural investment: A survey of business models that provide opportunities for smallholders*. Rome, Italy: Food and Agriculture Organization of the UN; Rome, Italy: International Fund for Agricultural Development (IFAD); London, UK: International Institute for Environment and Development (IIED); and Berne, Switzerland: Swiss Agency for Development and Cooperation (SDC).
- Woertz, E. (2009). *Gulf food security needs delicate diplomacy*. Financial Times, 4 March 2009.
- Woertz, E., Pradhan, S., Biberovic, N., & Jingzhong, C. (2008). *Potential for GCC agro-investments in Africa and Central Asia*. Dubai: Gulf Research Center.
- World Bank. (2009). *World development report 2008: agriculture for development*. Washington: World Bank.
- World Bank. (2008). *Sovereign wealth funds should invest in Africa, Zoellick says*. Press Release No. 2008/255/EXC, 2 April 2008. Washington: World Bank.
- Xinhua News Agency. (2009). Fagaiwei: wu haiwai duntian jihua (NDRC: China has no plan to acquire land overseas), Xinhua News Agency, 13 November 2008 (in Chinese). http://news.xinhuanet.com/fortune/2008-11/13/content_10351772.htm. Accessed 18 January 2010.



Lorenzo Cotula (lorenzo.cotula@iied.org) is a Senior Researcher at the International Institute for Environment and Development (IIED), a policy research institute based in the UK. Lorenzo leads IIED's portfolio on land rights, and works on investment contracts in agriculture and extractive industries. Before joining IIED in 2002, Lorenzo worked on several assignments with the Food and Agriculture Organization of the UN. He holds a Law Degree

(cum laude) from the University "La Sapienza" of Rome, an MSc in Development Studies (Distinction) from the London School of Economics, and a PhD from the University of Edinburgh.



Sonja Vermeulen is Deputy Director (Research) of the program on Climate Change, Agriculture and Food Security, a joint initiative between the Consultative Group on International Agricultural Research (CGIAR) and the Earth Systems Science Partnership (ESSP). Her early career was at the University of Zimbabwe, in policy research for forestry and farming. From 2000 to 2009, Sonja was at the International Institute for Environment and Development (IIED), where she worked on, for example, company–community partnerships, approaches for better policy influence by marginal social groups, and socio-economics of biofuels. She has particular interests in the role of the private sector in development and the institutional dynamics that link consumption and production.



Paul Mathieu is Senior Officer in the Land Tenure Team, Climate, Energy and Tenure Division, of the Department of Natural Resources and Environment, Food and Agriculture Organization (FAO) of the United Nations, since 2002. An economist with a Ph.D in environmental studies, he was earlier a professor and researcher in the Institute of Development Studies of the Catholic University of Louvain-la-Neuve, Belgium, between 1990 and 2002. He was visiting professor and researcher at the Land Tenure Centre, University of Wisconsin in Madison (1993). He has collaborated with and lectured in many universities and research centers in Asia and West Africa, and worked as a consultant for several international organizations and development agencies. His current work deals mainly with large-scale land acquisitions, tenure policies and institutions, land tenure governance and rural development.



Dr Camilla Toulmin is Director (CEO) of the International Institute for Environment and Development (IIED), a policy research institute based in London. An economist by training, she has worked mainly in Africa on agriculture, land, climate and livelihoods. Her work has aimed at understanding how environmental, economic and political change impact on people's lives, and how policy reform can bring real change on the ground. This has combined field research, policy

analysis, capacity building and advocacy. It has involved engaging with people at many different levels from farmers and researchers, to national governments, business, NGOs, donor agencies and international bodies.

As Director of IIED since 2004, Camilla has focused on developing the institute's strategy and communications. IIED's mission is to build a fairer, more sustainable world, using evidence, action and influence, in partnership with others. The institute has grown under her leadership from £5 m turnover per year in 2005 to more than £12 m in 2008–09. IIED's new strategy 2009–14 focuses on four principal goals that bring together the diverse areas of work on climate change, human settlements, natural resources, sustainable markets, and governance.

Camilla studied Economics at Cambridge and London, before gaining her doctorate in Economics at Oxford. Camilla is fluent in English and French. She is trustee of ICARDA (Syria), and a member of the International Advisory Boards for the Grantham Institute, and the Mary Robinson Foundation for Climate Justice. Her latest book is *Climate change in Africa* (Zed Books, 2009).