Large-Scale Land Acquisition trends, Globally and in Africa

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Cirad / University of Pretoria

Conference on Agricultural Investment, Gender and Land in Africa
Stellenbosch (Cape Town), South Africa
5 March 2014 to 7 March 2014
Outline

1) Large-scale land acquisitions globally and in Africa - State and features
   Quantitative, based on the Land Matrix and other available data

2) Implications, trends, practices...
   Qualitative, based on the main literature
Large-scale land acquisitions, globally and in Africa
- State and features
## LSLA globally

<table>
<thead>
<tr>
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African countries are among the most affected in the world.
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- Important concentration – top 20 countries, 74% deals, 80% size
- Top 20 – 9 African countries
African countries – in particular east African ones - are among the most affected

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<tr>
<td>Central</td>
<td>11</td>
<td>454 406</td>
<td>23</td>
<td>3 979 344</td>
</tr>
<tr>
<td>East</td>
<td>39</td>
<td>3 115 102</td>
<td>122</td>
<td>6 763 774</td>
</tr>
<tr>
<td>North</td>
<td>2</td>
<td>45 000</td>
<td>8</td>
<td>819 952</td>
</tr>
<tr>
<td>Southern</td>
<td>45</td>
<td>1 382 271</td>
<td>114</td>
<td>4 305 144</td>
</tr>
<tr>
<td>West</td>
<td>31</td>
<td>1 656 237</td>
<td>113</td>
<td>7 762 817</td>
</tr>
<tr>
<td>TOTAL</td>
<td>128</td>
<td>6 653 016</td>
<td>380</td>
<td>23 631 031</td>
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![Graph showing affected areas and cases]
African countries – in particular east African ones - are among the most affected

Operational cases in Africa - top 20

- South Sudan
- Madagascar
- Mozambique
- DRC
- Sudan
- Guinea
- Ethiopia
- Sierra Leone
- Liberia
- Ghana
- Uganda
- Tanzania
- Congo
- Morocco
- Cameroon
- Côte d'Ivoire
- Kenya
- Zambia
- Senegal
- Mali

Legend:
- Blue: Project not started
- Red: Startup phase (no production)
- Brown: Project abandoned
- Green: Unknown
- Grey: # cases

Chart shows the number of operational cases in Africa for the top 20 countries, with a bar chart and line graph indicating different statuses of projects.
African countries are among the most affected
Western countries are still the main investors in Africa, Emerging and Middle Eastern countries are upcoming.
The rush for land is triggered by a wide range of drivers, food becoming a main driver.
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Jatropha hype for pure and mixed biofuel deals - Data as of 1 November, 2013
The rush for land is triggered by a wide range of drivers, food becoming a main driver.

AFRICA

- Unknown
- Tourism
- Renewable Energy
- Livestock
- Industry
- Forestry
- Conservation
- Agriculture
Little effective production

AFRICA

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Slowing down overall, but evidence of long-term trend of growing commercial interest in land

Reasons: Credit crunch, high failures, less media focus, civil awareness, countries are getting better prepared
Implications, investment models and agrarian change - Towards new opportunities for Africa?
Different LSLA with different outcomes

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<th>Asset management and Investment funds model</th>
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High failures

- Uncertain institutional environments and the difficulty of doing business
- Technicality of the projects
- The lack of markets
- Lack of financial services
- High settling and transaction costs
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**High failures**
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**Increased integration**
- To overcome high risks related to settlement in less developed agrarian economies
- Focus on core business

**Few inclusive models**

Strategy change
Implications for agrarian development and restructuration

- Corporatization of agriculture
- Closed value-chains and foreign powers
- Concentration and dualization within the agricultural sector
- Proletarization of the agricultural society
Towards more equitable LSLBI in Africa? Initiatives and lessons learned…

1. Policies and governance
   1. Investment policies
   2. Land policies

2. Transparency
   1. Liberia decided to publish the land allocation contracts

3. Monitoring instruments
   1. Ex: Cameroun Land Observatory

4. Challenging investment protection regimes, with some countries terminating BITs (Cotula, 2013).

5. Development of more inclusive instruments
   1. Inclusive Business Models (Contract farming, outgrower schemes)
   2. Community Partnership Programmes

6. Better international and continental guidance
   1. VGs, RAI, AU Declaration on Land, Framework and Guidelines for Land Policy in Africa (F&G)
Towards more equitable LSLA in Africa?
Initiatives and lessons learned

• Instruments/policies/initiatives are to be promoted
• They remain very limited
  o In scope
    • Very few countries/initiatives
  o In effect
    • Few are effectively implemented
    • Many are voluntary
    • Very little enforcement

• Danger of legitimising LSLA as sole model
Concluding thoughts

• Agrarian change in Africa?
  o Yes, probably
  o Very little # - With very few ‘positive’ results
  o But enduring model/paradigm – tipping point
    • Long term marginalisation...
    • Externalisation of norms and regulatory mechanisms
    • ...
  o Change not there where expected/announced, by the promoters of LSLA

• Lack of LT reflection, “alternative” development trajectories
  o Inclusive of sectors and actors
  o Roles of different actors
Thank you

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