

Land Transactions and Investment in West Africa:

A regional perspective on principles for responsible agro-investment

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Overview

1. Land acquisition and investment in West Africa
2. Who are foreign investors in West African land?
3. Limits of formal rules and laws that regulate land transactions and investment.
4. A regional perspective on principles for responsible agro-investment.
5. SWAC/OECD Regional initiatives to address land transactions and investment in West Africa
6. Conclusion.



1. Land acquisition and investment in West Africa

1. Land transactions have increased in many West African countries over the past 10 years. In some countries large scale land acquisition is not new and was even more important in the 70's.
2. National populations are the most important investors in land in West Africa.
3. The scale of land acquisition by foreign investors varies between West African countries:
 - Ghana and Mali have many significant transactions on land by foreign investors. Several investors have more than 100 000ha
 - Burkina Faso has one significant land transaction (200 000 ha)
 - Niger and Senegal have relatively small land transactions

Ghana	Mali	Burkina Faso	Niger	Senegal
600 000 ha	410 000 ha	213 000 ha	16 000	12 000

Table 1: total land transactions (> 50 ha) in 5 West African countries



2. Who are foreign investors in West African land?

Countries of origin of investors (selective list)	Example of Companies / Investors
France	Agroed
Germany	Flora EcoPower
Norway	Biofuels Africa and Scan Fuel Ltd
India	Hazel Mecantile
Sweden	Svensk Etanol kemi AB (Sekab)
Italy	Agroils
China	N Sukala
South Africa and UK	SOSUMAR/CANCO; LONHRO
Saudi Arabia	FORAS, Al Tamini Khaled Alhil International, Groupe Bin Taleb international,



3. Limits of formal rules and laws that regulate land transactions and investment.

- Incomplete land laws: laws without finalized legislation.
- Lack of synergy between land programs and services.
- Weak capacity in some nations to enforce laws.
- Poor integration of local agreements in land transaction process. Local agreements are not legally binding in some countries (e.g. Senegal).
- Little public awareness on laws related to land.
- Some countries lack regulation on compensation for expropriated land.
- Governance issues: in some cases, regulations are not respected by the states responsible for enforcing land laws.
- Acquired land is not always developed. A very low percentage of land acquired by the Office du Niger has been developed.
- Rights of users on state-owned land are not always respected.



4. A regional perspective on principles for responsible agro-investment:

- Regional land Charter (CILSS)
- Regional land Observatory (UEMOA)
- But Difficulties in the application of regional settlement rights of West African citizens in ECOWAS member states



5. SWAC/OECD Regional initiatives to address land transactions and investment in West Africa

1. Freedom of investment process (FOI), March 2010 . The FOI process seeks to support recipient countries' efforts to further international investment and to design effective responses to genuine concerns raised by international investment, including investment on land.
2. Land Investment in West Africa: Regional perspectives and global challenges (26 may 2010, initiative in cooperation between SWAC/OCDE and the UN special Reporter on the right to food) . The meeting aims to explore :
 - Existing international and regional principles on investment in land as they relate to the specific challenges of West Africa;
 - The use of OECD investment instruments to assist the international community in developing policy based on existing guidelines; and
 - The potential to address land investment from three angles: human rights, land tenure policies and investment frameworks.



5. SWAC/OECD Regional initiatives to address land transactions and investment in West Africa (cont'd)

3. Policy Framework for Investment in Agricultural sector in Burkina Faso.

The assessment aims to:

- Analyse the investment environment in the agricultural sector , enhanced production capacities and policy coordination; and
- Study investment trends in the agricultural sector in order to recommend action to increase investment in agriculture.



Conclusion

- Analyses shows that land transaction can potentially encourage investments, but rights of land-users need to be protected.
- Land legislation differs from nation to nation. Some laws contradict regional agreements (e.g. settlement rights) within ECOWAS member states. Regional principles would ensure coherence between national and regional levels.
- West Africa can build on existing instruments like the west African charter on land within ECOWAS. The regional observatory promoted by UEMOA can be an important tool to feed the charter.
- Regional organisations (UEMOA in particular) have established regional funds to finance agricultural investment. A special budget line should be set up for land planning (*aménagement foncier*).
- Equal access to land can be promoted throughout the region by drawing on Mali's example: The Law on Agricultural Orientation indicates that a quota of state land will be reserved for women and youth.



Thank You

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