

**LAND OUTSOURCING AND AGRO-INVESTMENT IN AFRICA**

**REBUILDING CAPACITY FOR POLICY ANALYSIS AND 'PRO-  
POOR' POLICY MAKING IN AFRICA**

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## 1.0 Introduction

The acquisition of large land areas for the production of agricultural commodities, forest, mining and provision of environmental amenities by large investors has recently attracted considerable interest. The phenomenon has been described as “land grabbing” when large-scale acquisitions of land in Africa, Latin America, Central Asia and South East Asia have been undertaken as forms of investment in land-related developments by, both international and domestic investors (Cotula, et al., 2009; FAO, IFAD, UNCTD and the World Bank Group, 2010). Various terminologies have been thrown around in the media on the phenomenon of land outsourcing in Africa. Terms such as “commercialization”, “colonization”, “new imperialism”, “land grabbing”, “agro-investments”, “new land invasions” have been used. Large-scale land acquisitions can be broadly defined as acquisitions (whether purchases, leases or other) of land areas over 1,000 ha (Cotula, et al, 2009). The land acquisition include not only purchase of ownership rights, but also the acquisition of use rights, for instance through leases or concessions, whether short or long-term. Cotula et al, (2009), then characterized the land deals in their basic form as deals that involve at least two parties, “On the one hand, there is an acquirer. In the African context, this is generally a private or joint equity company, but it can also be a foreign government acquiring land directly. On the other side of the deal is a land provider, either a government or, much more rarely, a private land-owner”.

The terms ‘grabbing or invasion’ has been used to draws attention to impacts on local communities and the potential for dispossession (Hall, 2010; Cotula, et al., 2009). Yet, when contextualized in Africa, it deflects attention from domestic policies and politics, where African states have used land as a basis for politics than the development of the people. However, dispossession of local land users is the most extreme outcome, but not only incorporation of communities can happen in adverse terms (Matondi, 2010). The current agro-investments are not informed by local needs and interests, creating a situation where a few elites partnering foreign investors and are the major beneficiaries.

RUZIVO TRUST is in the process of developing a project that is intended to systematically address the nature of land outsourcing in Africa. The research and capacity building project is aimed at lodging the issues within the African intellectual arena, as there are a few debates around land outsourcing phenomenon, when its impact (real and potential) will have wider implications in terms of food security, economic progress, political and social relations. Land related conflicts in Africa have been consistent problem in terms of inequities, poor land rights, inadequate land registration, poor legal framework and even lack of land policy. The land out sourcing process by external investors is coming at a time Africa has a weak capacity to meaningfully craft policies at national, regional and continental level that would be beneficiary to its own people. In fact, the principles being engaged on responsible investments are derived from international organisations with limited grounding or research in Africa by Africans.

## **2.0 Scope and background**

In sub-Saharan Africa 70% of the population lives in the rural areas and relies largely on working small farms for their sustenance. Agriculture remains the most important sector for the majority of countries. The living conditions under which this majority population on the continent are deteriorating and leading to a variety of conflicts between and among these small farmers as well as between them and other interest groups. As a result there has been renewed academic interest in struggles and conflicts around land within the context of land grabbing in Africa (Cotula, 2008; Cotula, 2009; World Bank, 2010). Where as current studies have looked at continent and country wide tendencies, the global level analysis strips them of much of their content and mutes the realities at the micro-level given the multiple factors leading to a rush to 'control' Africa's land by external forces.

Africa's land question cannot be understated from the perspective of the mistaken perception that the continent has an abundant and not a scarcity of land resources (Cotula, 2009; . In terms of the agrarian basis of the land question, it is notable that the extent of developed arable land and irrigable land available for agriculture on the continent is limited despite the continent's large size. Despite the apparent consensus on the centrality of land to African livelihoods and the dismantling of colonial rule in Africa, land ownership systems still remain skewed in favour of big commercial interests and marginalize the indigenous populations (Lund, 2001). The modern day land question is characterised by the extensive degradation of fragile land resources and increasing elite control of the prime lands under conditions agricultural land scarcity, and exclusion of the majority from land.

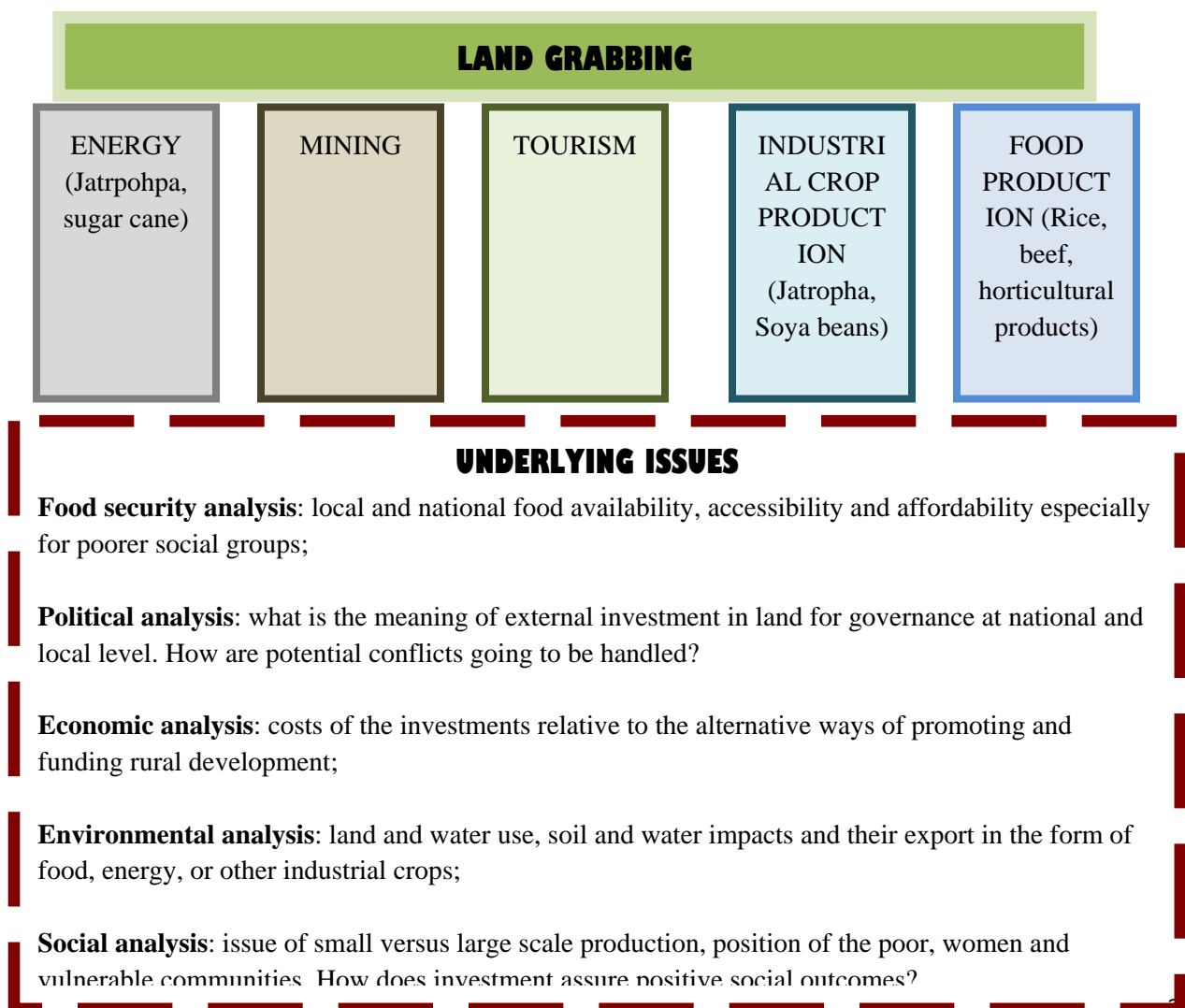
Africa's challenge today is that of worsening conditions of poverty and an increase in conflict largely caused by the lack of or limited access to natural resources such as land and water. In the post independence era many African states have generally failed to redistribute land and protect existing rights of the indigenes especially in the face of competing interests for land from the foreign investors. These weaknesses have contributed towards the general failure of African states to effect sustainable natural resource exploitation policies that benefit the majority of the populations.

In sub-Saharan Africa, there is widespread poverty and growing inequality in Africa's countryside, which is leading to increasing conflicts over land. Yet, Africa has become the destination of choice for land seekers. While, the African crisis is one of the reproduction of labour i.e. social relations in agriculture and the forms of organization of agriculture and its contributions to livelihoods, this seems to be miniature compared to the risks that new land outsourcing provide. Already, it would seem that there is a competition for land by outsiders in all parts of Africa. This is linked to intensification of generalized commodity production (under neo-liberal structural adjustment programmes) and a generalized crisis of reproduction, as well as dominant global security concerns. These reforms are changing the structure of agricultural production and land holding and natural resource use patterns and in instances exacerbating the conflict situation.

### 3.0 Complexities of global discourses on land outsourcing

A combination of higher and more volatile global commodity prices, demand for bio-fuels, population growth and urbanization, as well as globalization and overall economic development are likely to imply that such investments will be of great importance in the future (von Braun, et al., 2006; ABN, 2007). In many contexts, large-scale acquisitions of land highlights renewed interest in plantation-based agriculture that is fuelled by skepticism regarding the effectiveness of market mechanisms to guarantee access to basic food supplies and the belief that large-scale production can help modernize the agricultural sector. A wave of press reports illustrates the magnitude of these trends and recent World Bank documents refer to tens of millions of hectares being considered for potential acquisition for agricultural production or other forms of natural resource based use other than mining. The major programmes for land acquisition relate to the area of food security, particularly in the investor countries, bio-fuels for markets in the developed world as well as good rates of return in agriculture due to rising commodity prices. The sectors also include agribusiness, forestry, tourism, mining and petroleum industries.

Figure 3.1 Strategic choices in land outsourcing



Land grabbing is a form of globalization, responding to the insecurity generated by globalised agro-food, fuel and financial systems. Critics charge that “rich countries are buying poor countries’ soil fertility, water and sun to ship food and fuel back home, in a kind of neo-colonial dynamic” (IPS 2009). There are multiple pressures towards commercialisation of land in Africa is historical and need to be differentiated somehow with the current wave of land outsourcing. There are counter arguments that agro-investment is sorely needed, and the challenge is to regulate and channel it (Hall, 2010). However, there is little discussion on the framework of investment that would work for the development. In addition, such a framework should not just be about development for African people, but should be conceptualized and implemented with the African people.

In many instances, following the acquisition or leasing of land, communities are confronted by huge investments in infrastructure, external experts brought in to manage operations, and the mass of the people are promised, or given shop floor jobs in many cases on a temporary basis. With this observation, Vidal (2010) wrote:

*“The farm manager shows us millions of tomatoes, peppers and other vegetables being grown in 500m rows in computer controlled conditions. Spanish engineers are building the steel structure, Dutch technology minimises water use from two boreholes and 1 000 women pick and pack 50 tonnes of food a day. Within 24 hours, it has been driven 320km to Addis Ababa and flown 1 600km to the shops and restaurants of Dubai, Jeddah and elsewhere in the Middle East”.<sup>1</sup>*

While the quote above provides the international dimension of land grab, where African people do not feature much, the subject of global ‘race’ for farmland is complex. African governments are “seeing” so to speak the economic benefits of external investments in their countries as offering opportunities to help their people escape from poverty. However ‘land grabbing’ or the ‘farms race’ in Africa (and elsewhere) described in the media as a new neo-colonial push by foreign companies and governments to annex key natural resources has and will have much deeper impact on Africa people. The concessions being made to large areas, often as part of wider agreements for investment in infrastructure, provision of services, job creation, as part of economic growth and ‘development’ of Africa requires much in-depth analysis. Certainly, Africa requires investments in many areas (economic, social, infrastructure) for the benefit of its own people. The question is whether, land outsourcing and the agro-investments provide the scope for the development of Africa or could lead to its further impoverishment?

#### **4.0 Analytic framework of land outsourcing in Africa**

##### **4.1 *The global and local discourse***

In the era of globalisation, liberalization of markets and promotion of “good governance” models have been part of the package that was sold to Africa by multi-lateral and bilateral institutions since

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<sup>1</sup> Vidal J., 2010. Food, water driving 21st-century African land grab, guardian.co.uk © Guardian News and Media 2010

the 1980s. Without exception African countries have been subjected, to these ‘development’ models, without question. It would seem then that Africa is central in economic model experimentation, yet today through land out sourcing, development is not subsumed in land-investments. Notwithstanding the fact that land ownership and use in Africa and elsewhere is a highly emotive subjects, it is also a contested issue as it is central to “identity, livelihoods and food security”. The driving force for the “land grab” is usually economic with a view to derive maximum rates of return on land perceived or considered to be underutilized in the present period (Matondi et al, *forthcoming*). Yet behind the economic motives, there are stronger global political forces spurring land grabs in Africa. Western nations through their governments, sovereign funds and private companies seem to be encouraging the land grab phenomenon. Not to be outdone, the Asian countries such as China, South Korea, as well as Middle Eastern countries such as Saudi Arabia, Kuwait have generated inordinate interest in Africa’s land (Horta, 2008). Therefore land has now turned to a strategic security resources strongly being sought.

**Table 4.1 Summary land investments in Southern Africa**

Country	Jatropha	Sugar (ethanol) Food (Beef and wheat)	Mining (different kinds)	Cotton	Rice	Tourism export of wildlife products	Hydro-electric	Forest plantation
Angola			X				X	
Madagascar	X				X			
Malawi				X				
Mozambique	X	X	X		X	X	X	X
Namibia			X			X	X	
South Africa	X	X	X			X		
Tanzania	X		X			X		
Zambia	X		X					
Zimbabwe	X	X	X			X		

Source: PLAAS, Cape Town Conference (24-26 March 2010)

There is a need to holistically understand the historical and contemporary causes of contestations and conflicts around land and natural resources in Africa, the actors and interests involved, the many forms that the conflicts take, the extent of such conflicts, the many layered strategies engaged in to handle the conflicts, and their effects. Attempts have to be made to understand conflict from a range of significant issues in the functioning of Africa’s nation-state macro-economies that impinge on agriculture and land holding and land use patterns such as economic and fiscal policies that affect the supply and demand for agricultural commodities. Such economic conceptions need to be balanced with a broad understanding of other older or newer global forces that are driving changes in landholding patterns, land tenure and land use and the concrete forms that they take within nation-state contexts.

The new forces entail ideas, discourses and prescriptions on what basis land should be held and how disputes should be adjudicated and the institutional frameworks that should underpin such systems. Thus, holistically viewed, land outsourcing has to be understood from above (global, national, meso levels) and from below (local farmers' level and their intermediary administrations). There is need to especially to understand the nuances at the intersections of the two to establish what is exactly going on with the land outsourcing phenomenon. Notwithstanding the preponderance of globally determined models, the importance of counter-hegemonic internally driven policies and processes which may serve to mediate and transform conflict over land and natural resources need to be given due attention. This is also because, elite elements at the nation state level may be persuaded to support land grabbing for their personal benefits. In other words the issue of poverty, food insecurity, underdevelopment, inequalities and so on will continue, if not scaled due to the new dimension of land outsourcing.

#### ***4.2 Dimensions of Conflict at Micro Levels***

In many countries in the Africa, there is competition and conflict around land resource, the new forms of land outsourcing creates a new force spurring the conflicts at the local level. There are examples from Zimbabwe (Matondi, 2010), Madagascar (Ramiamanana, 2010), Mozambique (Duvane, 2010), Tanzania (Sulle, 2010) happening at the local level at intense proportions. Macro determinants of micro behaviour (competition, conflicts) have to be located at two levels: first in terms of the macro economic frameworks and policies that significantly affect how agricultural production and natural resource use is organized (economic, fiscal, etc) and second, in terms of the extra-economic re-configuration of the policy frameworks and rural social organizations which govern how land is held and used. These frameworks are changing under the onslaught of land outsourcing, which serve to change the structure of production in Africa's countryside in the general direction of greater commoditization and competition.

The greatest fear of the push towards agro-investments is that smallholders in Africa, who are the majority producers (at least 60 to 70% living and working on small family farms) would be pushed out of their land. This may have negative implications on small producers who traditionally are dependent on their land for their own food production. One can simply picture the current spectra of poor farmers most without access to the necessary resources (land, credit, infrastructure, and inputs) and already struggling to feed themselves being lured into bio-fuels crops (Oxfam International, 2007). Yet we know that most poor rural households are actually net consumers, not producers, of food. When the price of food rises, they tend to be worse off because they have limited supply, there is little food retail competition in rural areas that would make food affordable in rural areas (Matondi, 2008). At the same time governments have weak rural development programmes. In turn markets that usually drive the bio-fuels movement have a motive of resource capture rather than development.

## **5.0 Elaboration on land outsourcing as contested issues**

### **5.1 Land acquisition trends**

Many observers indicate that Africa is considered as a continent having abundant land suitable for large-scale crop production. For instance it has been estimated that 80% of the world's reserve agricultural land is found in Africa and South America (Fischer et al, 2002, cited in Cotula et al, 2008). According to Cotula et al (2008), since 1994, there is likely to have been an increase in land under agriculture in Africa, plus a decline in available agricultural land due to competing land uses. In order to expand agricultural production in Africa a lot of companies from outside Africa are taking significant size of land tracts. For instance, various non-African countries have been taking over huge tracts of farmland in Africa by lease or purchase, to produce food or biofuels to be used mostly outside Africa (Dyer, 2009). The scale of land grab based on potential land targeted has fueled fears of new recolonisation of Africa.

The land in question ranges from a few hundred hectares to thousands of hectares. There are many cases in Africa, with a failed attempt to lease 1.3 million hectares in Madagascar, during the previous government even though the current government has brought the issue back on the agenda (Ramiaramanana, 2010). It has been observed that considerably significant levels of activity are taking place across Africa with estimates of some 2.5 million hectares of approved land allocation since 2004. (FAO, IIED, IFAD) Some of the notable single acquisitions include a 452,500ha biofuel project in Madagascar, a 150 000 ha livestock project in Ethiopia, and 100,000 ha irrigation project in Mali. Considerable amounts of agricultural land were made available in Zambia, Nigeria and Mozambique to displaced commercial farmers who left places like Zimbabwe (von Braun Joachim and Ruth Meinzen-Dick, 2009). The transactions in land deals show the dominant role of the private sector, though often with strong financial and other support from governments or government-owned entities. There is also a notable increase in dominance of foreign investment, though domestic investors are playing a major role.

According to Dyer (2009), China acquired 2.8 million ha in the Democratic Republic of Congo to create the world's largest oil-palm plantation and is negotiating for two million ha in Zambia to grow *Jatropha*. British firms have secured big tracts of land in Angola, Ethiopia, Mozambique, Nigeria and Tanzania. In Madagascar, attempts to negotiate a 99-year contract to lease 1.3 million ha to South Korea's Daewoo Corporation to grow corn helped trigger a revolution and the deal was cancelled. However, after the revolution, it turned out that another 465,000ha of land in Madagascar had been leased to an Indian company, Varun International, to grow rice for consumption in India. Meanwhile elsewhere, the acquisition of huge tracts of African land by Asian and European governments and companies goes ahead almost unopposed (Dyer, 2009).

There is a widespread policy preference for biofuels crops to be planted on "marginal" lands rather than prime agricultural land (Cotula et al, 2008). It has been indicated that for Africa, unforested marginal land amount to 154 million hectares (ibid). Meanwhile, growing evidence on the subject

raises doubts about the concept of “idle” land. According to Dufey et al, (2007) in many cases, lands perceived to be “idle”, “under-utilized”, “marginal” or “abandoned” by government and large private operators provide a vital basis for the livelihoods of poorer and vulnerable groups, including through crop farming, herding and gathering of wild products (ibid). In Africa, livestock production forms the backbone of rural economy in the agriculturally marginal areas (Engström, 2009).

Even though policy preference indicates to plant biofuels on marginal lands, in contrary many land deals are on fertile lands in Africa. For instance, in Ethiopia, the spatial distribution of land deals tend to concentrate in regions with more fertile lands and/or closer links to markets (Cotula, et al, 2009). In Tanzania, an area provisionally identified for sugar cane plantations in the Wami Basin is being used for rice production by thousands of smallholders, there have also been reports that a thousand rice farmers may be evicted as a result of the project. Other ongoing or planned large land allocations in Tanzania have been reported to involve the displacement of local farmers (ABN, 2007, cited in Cotula, et al 2008).

## **5.2 *Investment policy and strategies in Southern Africa***

Private investment in the agricultural sector offers significant potential to complement public resources, and many countries with reasonably functioning markets have derived significant benefits from it. Investment in land could have significant implications for land use and access in producer countries. It is also obvious that increased investment may bring macro-level benefits (such as GDP growth and improved government revenues), and may create opportunities for economic development livelihood improvement and create opportunities for raising local living standards in rural areas. In line with this, it is also believed that for poorer countries with relatively abundant land, incoming investors may bring capital, technology, know-how and market access, and may play an important role in catalyzing economic development in rural areas (Cotula et al, 2009). In Africa, the investment in land involve the following:

- Massive clearing of land for export production;
- Investments in dams for supporting new agro-investments;
- Externally driven commodity production;
- Intensification of exploitation of minerals and timber hence need to set aside land for such enterprises;
- New investments in energy projects.

At the same time, there is evidence that, if rights are not well defined, governance is weak, and those affected lack voice, such investment can carry considerable risks. These include displacement of local populations, undermining or negating of existing rights, corruption, food insecurity, local and global environmental damage, loss of livelihoods or opportunity for land access by the vulnerable, nutritional deprivation, social polarization and political instability. In the past, many large farming ventures have been unsuccessful. Mistaken beliefs in economies of scale in agricultural production

rather than value addition have historically saddled several countries with subsidy-dependent large farm sectors that provided few economic or social benefits.

### **5.3 Contestation over land tenure and rights of local people**

Most countries in southern Africa have an agrarian structure largely composed of a large-scale commercial farming sector and a smallholder-farming sector. In the large-scale sector, there are ranges of farm ownership arrangements. These farms practice agriculture at different scale, have different access to resources, are found in different regions, have different historical experiences, and have different forms of state support. Therefore the possibilities for innovation and creativity in scaling up production are much greater in this sector, because governments in southern Africa wish for an expanded agriculture to meet the food needs of the people. Yet, the introduction of bio-fuels offers the large sector a new window of opportunity to make money, without worrying much about what happens when the crop leaves the farm. It is important therefore to understand the large-scale farming sector, for it provides important complementarities to the smallholder sector. Agriculture cannot easily succeed to meet its objectives, when one of the sectors underperforms.

However, land grabbing in Africa will escalate the volatile land conflicts, because the possibilities for expanding large scale commercial farming areas is great. Yet, today, such large-scale commercial farms have exclusionary tendencies not only on land ownership terms, but also on the expected benefits from the investments. As long as the indigenous people feel and experience economic exclusion, they are more likely to protest politically about their lack of access to land much more vehemently. Smolker (2008, p. 524) found land and tenure conflicts to be pervasive, she writes:

*Land grabbing is rapidly escalating. For example, a recent project in the Kisarawe region of Tanzania slated to displace over 11,000 people living in eleven villages. A project in Mozambique involving 30,000 hectares of land has raised concerns that it will monopolize water flow from the Limpopo River, thereby impacting farmers downstream. The project will displace over 1,000 families who were offered compensations that have not been forthcoming. In Ghana, a Norwegian company offered unfulfilled promises and otherwise attempted to bully inhabitants off of 38,000 hectares of land. In Uganda, conflict over a proposed cane ethanol project in the Mabira Forest is ongoing. In Burma, a government decree imposed jatropa cultivation upon citizens resulting in forced labour, land grabbing and elevated food insecurity.*

The violent driven land reform in Zimbabwe is illustrative of how difficult it is to ring fence the commercial sector, when the majorities of the indigenous are poor and have a weak asset base. Even the economic spin-off expected from investment in land may not be enough to offset the demands for equity in land rights and access to land. Therefore without fully addressing the historical claims to land, any move towards land purchase and consolidation may be resting on a weak political footing for the drivers of bio-fuels production. It therefore remains a priority that the issues of historical land inequities and weak tenure systems for the majority be addressed in the context of new land grabbing. This will give indigenous people and external investors an opportunity and breathing space to focus on using the land to achieve economic prosperity for all.

## **6.0 Capacity building in Africa on Land Governance Issues**

### ***6.1 Building an indigenous knowledge base for modern land management***

#### **6.1.1 Africa's capacity challenges**

As land deals have been happening, there has been muted response by African based institutions and intellectuals. The media globally picked the issue about three years ago, yet in Africa where the land deals are being made there has been muted and very little response. This is because capacity in Africa is weak and compromised because of the lack of platforms/opportunities to refine issues as they emerge, thereby compromising the quality of the interventions, if they do happen to ensure that deals on land benefit Africa. The economic decline that characterizes present-day Africa has translated into limited research opportunities thereby impacting upon the development of an African body of knowledge. Such a scenario has been compounded by the 'brain drain' from the South to the North leaving African public institutions under-capacitated and also failing to contribute towards national policy development. Ironically, the environment shaping livelihoods has undergone considerable strain and changed significantly.

In parallel with the acknowledgement of the complex socio-cultural, economic and political societal context in rural Africa, theoretical approaches have been improved and modified. New theoretical constructs have been developed enhancing the understanding of processes of rural change. However, still theoretical and methodological approaches, although becoming more comprehensive, are to a large extent disconnected. Using the case of land grabs, this programme will explore whether and how key theories and methodological approaches, notably connected with livelihoods, natural resource tenure, governance and environmental sustainability, can be interconnected to provide deeper insights about constraints and possibilities for sustainable rural development and poverty reduction in an era of land outsourcing. The programme will investigate thoroughly the relevant theoretical and methodological constructs with a view to identify spaces, areas and concepts of interconnections and inter-linkages.

The research strategy in the context of land outsourcing is to encourage and support positive change. This means providing technical inquiries, commissioning research projects, as well as developing a voice from within Africa. The issue is about determining what works, do more of what works, and make what works work better. This requires that knowledge should be mastered, shared as packages of options, as well as points of entry, are developed aimed at improving and propagating successes to other sectors and countries. Africa will need to identify actions to spread benefits as broadly as possible, particularly among the poor and marginalised. Supporting positive change therefore requires more targeted approaches to research, focusing on learning from successful experiments and experiences on the ground, particularly related to critical success factors, including institutional innovations.

### 6.1.2 A new generation of action-research is required

It is evident that the “land grab or contracts farming” are happening in a policy environment which has not been sufficiently developed and as such national governments are muddling through these murky waters without much guidance or capacity from any body of knowledge /institution from either within or without the continent. The lack of clarity on land negotiations, calls for action-research to build a knowledge base of many dimensions of land outsourcing and agro-investments. There is growing consensus within Africa on the need for alternative development frameworks, as well as the need to develop poverty reduction and food security enhancing strategies. This is underpinned by renewed and increased interest in addressing Africa’s land and agrarian reform questions and is also coupled with the recognition of the importance of agriculture to rural livelihoods and general economic development. However this recognition is yet to be turned into firm policy programmes; and agriculture as a sub-sector still remains underfinanced, while land reform programmes are not yet coherently formulated.

Through action-based research, the aim is to promote and support the formulation of appropriate models of socio-economic development, sustainable and peaceful development processes, pro-poor development focusing on rural populations and the development of effective and balanced civil society formations. Through these processes RUZIVO TRUST and its networks will use research to contribute towards the following:

- Promoting the realisation of the land rights of the poor especially in rural areas;
- Reducing land conflicts, disputes and misinformation;
- Promoting effective land policy management systems (policy formulation, implementation and monitoring);
- Promoting land rights in selected priority areas (smallholder rights, farm workers, land tenure, financing land use, etc)

The expectation is that through action-based research, African institutions will be able to profile knowledge in some of the following areas of land dealings:

- Trend analysis existing practices: How much quantitative versus qualitative shift? What is new and not new and where the projects are being implemented or proposed?
- Agrarian change and the politics of land, food and control of natural resources: What structural changes are emerging and what does this mean for rural poverty and food security?
- Outcomes and impacts: class formation, gender in/equality, and other dimensions of social differentiation (beyond ‘local community’)?
- Implications for governance: Not only governance of land rights, but privatisation of public functions, e.g. infrastructure and social services? What does this mean for the state and the people?

- Implications for a ‘land rights’ approach: More urgency to implement and enforce existing laws and policies, or new strategies needed? Alternative agenda?

A conceptual framework for the studies has the following elements: quantification of the land grab; review of current policy environments in case countries and in particular the investment policy and strategy; guidelines for responsible agro-investment and securing land tenure for vulnerable groups; prevailing legal and political economy frameworks; guidelines for social and economic investment appraisal; environmental impact analysis; and risk analysis. Guiding principles for the studies include: respecting land and resource rights; ensuring food security; strengthening good governance; consultation with vulnerable groups; responsible agro-enterprise investments; social sustainability; and environmental sustainability.

#### 6.1.3 Action based policy research

African states generally have weak policies, and continue to be sidelined by the international community resulting in a poor recognition of African perspectives at various international platforms. Therefore it is important for African institutions such as RUVIVO TRUST and others to provide information and to develop policy proposals and create space for dialogues in order for African governments to develop sound policies that see it playing a more active role within the international arena. There is a need for action research to identify growth focused potential investment options and make initial assessment of the political, economic, social, technical, legal, and environmental implications of the options. For instance there would have to be review of weak policy reforms, investment treaties and codes (sectoral legislation on land, banking, taxation, customs regimes or other aspects).

The intended practical result of the project is to inform the thinking and practice of policymakers at national and international levels who are involved in land and resources management. By joint research with young scholars in universities and policy research institutions, and across continents, this programme will help build land policy oriented constituencies and to ground the issues with respect to land and livelihoods. The important gains made by indigenous communities in securing recognition of their rights in international instruments and agreements is leading to a shift in attitudes, advocacy efforts and even changes in national laws and policies. This programme is aimed at supporting institutional capacities for policy analysis through the creation of close-knit research teams, national and international networks, and a record of publications and policy engagement. The long-term agenda is for policy analysis and advocacy agenda on land and resources management. The research programme aims to support institutions in achieving an in-depth knowledge base, focused expertise, policy research and analysis cooperation and networks, and effective links to the policy process.

#### 6.1.4 Research networking of African based institutions for a common voice

Land deals in Africa should provide latitude for African based institutions to network and build a common voice to establish a vantage for poor people. The cross-fertilisation of ideas through action

based knowledge will also be the basis upon which African institutions can collaborate and confront forces that can potential lead to the underdevelopment of African people. RUZIVO TRUST and others want to provide technical and intellectual leadership in the development of network programmes around the land deals. The aim is to mobilize researchers in various networks, institutions and disciplines (economists, sociologists, geographers, regional planners, environmentalists, agriculturists, political economists, land use specialists, engineers/irrigation specialists) to conduct, exchange research and policy analysis in the specific area on land grabbing. Through this programme, the expectation is that there should be targeted support in the form of developing policy advocacy materials such as Policy Briefs and Issue Papers across a range of issues on land deals. These materials will also be available to policy makers and practitioners.

## **6.2 *Rationale for building capacity for responsible policy making***

### **6.2.1 National level capacity development**

In Africa, governments tend to play a key role in allocating lands for large-scale investment. According to the study made by Cotula, et al (2009) on five selected countries in Sub-Saharan Africa, there are some breadths of arrangements by host governments. The spectrum of government backing behind land transactions such as for direct investments, support through loans and guarantees, and overarching support through policy and bilateral agreements needs to be analysed. However, there are serious knowledge and skills gaps within the continent especially in the area of land and agrarian policy, which need to be addressed through a capacity development, and training programme that equips policy makers with adequate knowledge to analyse policy and formulate effective alternatives. Increasingly the policy making process has been privatised partly due to the dependence on external technocratic support at the expense of local knowledge and public participation.

In many cases, the capacity of governments to see beyond the economic promises is limited. Hence, they tend to take hook-line-and-sinker the promises and possibilities they see in land and agro-investment. Yet, there is very little risk assessment done on some of the deals in terms of whether they are beneficial to the local people or not. Therefore this requires the development of capacity on land management and deal making in African institutions. The gaps that require attention include:

- Absence of clear policies and strategies for guiding external investments and land managers at the national and local level;
- Lack of a supportive and well coordinated institutional framework, because many countries do not have land policies;
- Existing policies and strategies cut across different government sectors (e.g. energy, forestry, environment, agriculture, trade & industry) and hence difficult to coordinate their roles when external investors target land for acquisition;

- Lack of proper channels for sharing and disseminating lessons and experiences of different players within and outside governments, as well as in different countries facing similar problems.

#### 6.2.2 International and regional level networking

There is need to develop a strategic policy framework on land grabbing that will inform national and regional institutions (like COMESA.AU, NEPAD, SADC etc) by way of preparing documents and reviewing policies so they aligned and can be promote the interests of the poor as land deals are being made. RUZIVO TRUST and its networks will contribute intellectual and technical inputs to multilateral institutions and bilateral bodies such as World Bank, Africa Capacity Building Foundation (ACBF), and UNDP around community building and land policy. In addition, the knowledge emerging from this work will be used for lobbying donor agencies active in Africa such as the EU, SIDA, Oxfam Novib, and CIDA.

### 6.3 *Rationale for capacitating civil society organizations on land outsourcing issues*

#### 6.3.1 National activism for pro-poor advocacy

In the past there has emerged a growing number of land and natural resource advocacy groups (e.g. in Zimbabwe, Zambia, Kenya, Tanzania, South Africa and Mozambique). However their capacity to effectively analyse policy and design effective alternative policy option is still limited. The civil society organizations will need to be identified and nurtured so that they play a gate keeping role watching governments and external investors on land deals. After being identified, these organisations will need to be strengthened through policy analysis courses and provision of regular platforms for policy dialogue. Evidence-based research on land deals in Africa will be key for policy advocacy and also to facilitate networking amongst like-minded organisations. To improve participation and ownership of both the processes and the outcomes, there is a need for:

- Developing the capacities of civil society organisations in land policy advocacy;
- Improving research and policy analysis capacities;
- Promoting meaningful public knowledge based on sound and objective analysis;
- Advancing inclusive governance processes in policy process (balanced public participation, fair representation, effective articulation of interests, accountability, etc); and
- Promoting public dialogues and the engagement of opponents as a tool of peace building and consensus formation.

#### 6.3.2 Building a civil society voice in Africa through partnerships

The ultimate objective is to bring researchers and land activist together so that they better understand and intervene on land ‘dealing’ matters. This means strengthening the voice of advocacy organizations through the participation of non-state actors. Such strengthening will mean that the activists will not rely entirely on sensational media reports, but evidence generated by researchers that they should work with. This project should increase the opportunities for civil society

organizations to input into policy for the benefit of the poor. Increased collaboration will be sought with existing organizations that have been playing a critical role on land, agriculture, and food security issues. Some of these include, PLAAS and Legal Resources Centre in South Africa, Land Rights Research & Resources Institute (HAKIARDHI) in Tanzania, RECONCILE in Kenya, AIAS, Farm Community Trust of Zimbabwe etc, Zambia Land Alliance in Zambia, LAC in Namibia, FOFIFA in Madagascar, WOLREC in Malawi Forum Terra Kwanza-SUL in Angola.

Strong operational and strategic partnerships are a critical aspect of the Africa strategy in terms of supporting positive change and the learning and adoption process. In addition, partnerships need to be expanded to encompass a wider range of agents, including practitioners and policymakers as this will broaden the learning and replication process of successful practices. This means linking together, regional economic communities, parliamentarians, leading farmer organizations, private-sector professional associations, and local governments. The relative weakness of policy research institutions in Africa implies a greater need for policy communications and targeted capacity building.

#### **6.4 *Developing principles for responsible investments***

Africa through its regional blocks such as SADC, ECOWAS, as well as COMESA will need to push for the development of guidelines for responsible agro-investment and securing land tenure for vulnerable groups. Such guidelines should make it a necessity to carry out in a transparent manner social and economic investment appraisal, environmental impact analysis and risk analysis. To be able to arrive at this desirable position, there is a need for understanding of current realities and future trends in the structure and magnitude of effective demand for agricultural products. In this regard, African governments must intensify and deal with agricultural policy reforms and market restructuring processes. Therefore putting in place institutional, legal and financial frameworks that deal with private investment in agribusiness and agro-industrial enterprises especially are critical. The most critical policies have to do with realigning institutions to monitor the sector through setting standards and policies.

The following principles were drafted as part of an informal dialogue by World Bank analysts and we can start with these and expand them in developing the policy frameworks for African governments.

- Principle 1: *Existing rights to land and associated natural resources are recognized and respected.*
- Principle 2: *Investments do not jeopardize food security but rather strengthen it.*
- Principle 3: *Processes for accessing land and making associated investments are transparent, monitored, and ensure accountability by all stakeholders, thereby improving the business, legal, and regulatory environment and in general part of good governance.*
- Principle 4: *All those materially affected are consulted and agreements from consultations are recorded and enforced.*

- Principle 5: *Investors in agro-enterprise behave responsibly by ensuring that projects respect the rule of law, reflect industry best practice, are viable economically, and result in durable shared value.*
- Principle 6: *Investments generate desirable social and distributional impacts and do not increase vulnerability thereby contributing to social sustainability.*
- Principle 7: *Environmental impacts due to a project are quantified and measures taken to encourage sustainable resource use while minimizing the risk/magnitude of negative impacts and mitigating them.*

## **7.0 Conclusion**

The issues of land outsourcing in Africa raise a lot of political and economic questions. Whereas it may sound easy to do rough calculations of the economic and environmental benefits, these may not be enough to convince local people that land outsourcing has greater benefits. There is need to build the research capacity of African institutions to collect a lot of information about land outsourcing and its impact as a basis for informing pro-poor policies and strategies. This means not simply relying on the calculations done in the north, mostly aimed at convincing a skeptical public, but to ground the research in local African institutions. Clearly, the conditions (economic, political and social) in Africa differ in many ways, which requires that precise local knowledge be developed. This is because land outsourcing affects local people's livelihoods, their food, and their assets. Therefore, there is a need for collecting evidence on impact, but much more importantly on public education about the pros and cons of agro-investment. This has not been done, and private international companies are coming into Africa timidly trying to push governments to enact legislation to make it easier and faster for them to venture into large-scale commercial production of agro-crops. A few large-scale farmers with the knowledge of new innovations such as bio-fuels production, but with an eye to make money for themselves have been willing partners in pushing governments to adopt agro-investments.

Apparently, in many countries the shortage of agricultural land will prove in the next decades to be an obstacle to launching an ambitious programme of sourcing land in Africa. However, for strategic reasons and the security of developed nations and emerging developed nations such as China, India and Brazil will make governments push strongly to gain control of natural resources and land in the South. However, much will depend on the pace and direction of technological progress in production in agriculture for food, bio-fuels, and industrial crops and, even more, on the ability to design integrated food production systems, imitating natural ecosystems, instead of juxtaposing monocultures. The main difficulties are likely to arise in the realm of land tenures, of access to land for small farmers and of devising production functions that are knowledge and labour-intensive (while eliminating painful manual work), and, at the same time, being capital and resource-saving. These are the issues that researchers and activists will need to watch as land grabbing escalates in scale across the African continent and elsewhere in Africa.

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