



———— Large-Scale ————
Land Acquisition
———— in Africa ————

Large-Scale Land Acquisition in Africa

By 2013, international large-scale land transactions amounting to 46 million hectares had been successfully transacted worldwide.

Africa is the main target of these transactions: transactions accounting for 50 percent of the verified land deals have been reported in Africa.

Ethiopia, Sudan, Madagascar, Tanzania, Mozambique, and Cameroon in particular, have been the primary focus of land acquisition.

Who is Involved

- Ninety percent of land transactions can be attributed to private-sector investors; ten percent are government-owned investments, through sovereign wealth funds, state-owned enterprises, and less frequently government-to-government transactions.
- The prosperous and emerging economies of the West, the Gulf States, South America, and Asia are active in acquiring land overseas.
- South Africa, Egypt, Libya, Sudan, and Nigeria are also actively involved in regional investments in Sub-Saharan Africa.

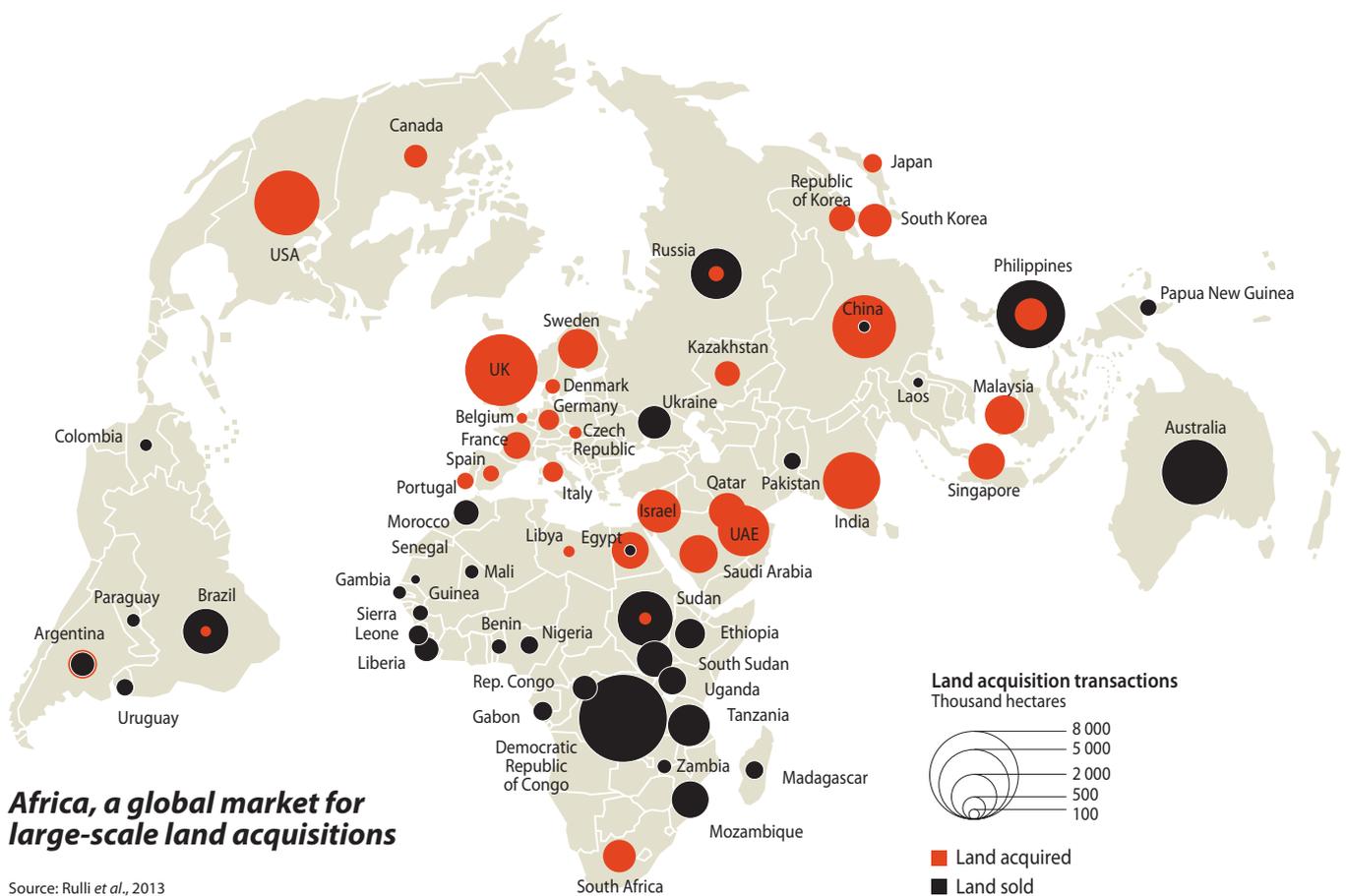
Incentives for Large-Scale Land Acquisition

Land acquirers are motivated by:

- Domestic food insecurity, exacerbated by burgeoning populations and limited access to water and arable land;
- Demand for natural resources because of rapid industrialization;
- Demand for biofuels due to concerns about greenhouse gas emissions and rising oil prices;
- Public interest in climate change mitigation through forest conservation and reforestation projects;
- Reforms to land, banking, taxation, and customs policies, which have made investment in Africa more attractive to potential investors.

Host countries are motivated by:

- Incoming capital for job creation and technology and infrastructure development;
- Foreign direct investment promoting economic growth and stimulating rural economies;
- Initiatives such as the Comprehensive Africa Agriculture Development Programme which aims to boost food security and nutrition by increasing annual agricultural productivity by an average of 6 percent annually.



Environmental Concerns

- Industrial mono-crop agriculture:
 - damages natural resources and ecosystem services;
 - depends heavily on fossil fuels for machinery, fertilizers, pesticides, storage and transportation and leads to land degradation and water pollution;
 - threatens African agrobiodiversity, contributing to food insecurity.
- Access to land often also grants access to local water sources for free and without restriction. This may have negative implications for transboundary water management, and could ultimately lead to the draining of Africa's rivers.
- Biofuel production may actually generate emissions through the filling of wetlands, the clearing of forests, and the destruction of species' habitats.
- Conservation efforts aimed at protecting wildlife and ecosystems have been known to displace local populations.

Socio-Economic Concerns

- The land in question is often used for shifting agriculture and as communal grazing grounds and is vital to local livelihoods.
- Transactions often do not involve the free, prior and informed consent of local populations, typically occurring where land is poorly demarcated and local land governance and property rights are informal or customary in nature.
- Affected communities are at risk of losing access to traditional food supplies and livelihoods through increasing marginalization and eventual dispossession from their land.
- Many host countries are themselves food insecure, relying heavily on aid.
- The negative socio-economic impacts of large-scale land transactions are not adequately compensated.

Key Drivers of Large-Scale Land Investments

Recent trends in large-scale land investments are likely to continue in the long-term as a result of these key drivers. More research is needed to assess the long-term environmental impacts of these activities.

- **Investment climate:** Growth in Africa and the sense that it is economically viable has made the region attractive to outside investors. Recent studies have found a higher rate of return on investments in Africa than in any other developing region.
- **Concerns about food security:** Dramatic increases in grain and commodity prices in 2007-2008 caused many food-exporting nations to ban the export of food products. Food prices have since dropped and bans on exports are no longer in place, but food prices remain high and markets continue to be unpredictable, spurring many food-importing nations to secure alternative sources for food.
- **Demographic change:** The world's population is expected to reach 9.6 billion by 2050. Population growth, increasing urbanization, and changes in diet of the world's emerging economies will place further stress on food insecurity, particularly in the face of

limited availability of water, decreasing agricultural productivity, and climate change.

- **Demand for biofuels:** Rising levels of fuel consumption coupled with high oil prices and a public desire to reduce greenhouse gas emissions, has encouraged many industrial nations to increase their use of renewable energy, particularly biofuels.
- **Climate change mitigation:** Pollution-rights markets and the use of carbon credits as mechanisms to reduce or offset carbon emissions has motivated international companies to acquire forested lands or, alternatively, deforested lands for reforestation. The Forest Carbon Partnership Facility and the REDD+ initiative, which compensate tropical and sub-tropical countries for reductions in deforestation and forest degradation, have also stimulated international investment in forests.
- **Demand for timber, minerals and other raw materials:** The recent surge in industrialization worldwide has led to an increased demand for timber, minerals and other raw materials such as oil, gas, and rubber.

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