

# Land Grab in Africa: A Review of Emerging Issues and Implications for Policy Options

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The intensity and magnitude of large-scale land acquisition in Africa over the past decade is putting severe pressure on the demand for land and the quality of land available for less powerful users. The most heavily targeted countries are DRC, Ethiopia, Madagascar, Mozambique, Sudan, Tanzania and Zambia (see Table).

There appears to be some divergence of interest between Africans and foreign investors in the demand for African land. African governments' use of land as a commodity is shaped by their quest to transform the agricultural sector with a view to raising productivity, increasing food supply, reducing poverty and expanding livelihoods. However, the motivation for most foreign investors includes investing in countries' food supply chains and security, meeting demand for bio-fuels, mineral resource exploration etc. The exportation of almost all food produced to investors' countries, and non-implementation of agreed contracts, including compensation for displaced people, among other issues, tend to confirm this divergence of objectives and the dichotomies it creates between intentions and reality.

That there are potential benefits in a well-managed land distribution system is undeniable. These can include foreign capital and economic infrastructure, promoting livelihoods, facilitating access to markets and technology, generating tax revenues and foreign exchange, and raising the productivity of smallholder farming. However, a number of significant risks, mentioned above, also make these potential benefits elusive.

These risks are driven by a number of structural realities, including:

- (i) weak land governance and a failure to recognise, protect and properly compensate local communities' land rights;
- (ii) lack of country capacity to process and manage large-scale investments;
- (iii) foreign investors' proposals that are inconsistent with local and national visions;
- (iv) resource conflict with negative distributional and gender effects; and
- (v) inadequate capacity to assess the social, economic and environmental impact of the project on local communities.

Addressing these complex challenges requires bold and focused policy actions. The paper suggests a 10-point agenda:

1. African government must address certain structural issues that make African land very attractive to foreigners but render associated benefits marginal to local people (e.g. neglect of technology, infrastructure and of existing local land rights).
2. There is urgent need to review existing land laws and ensure that large-scale land acquisition aligns with local development aspirations.
3. The design of regulatory frameworks to monitor progress on how local people are benefiting from land acquisition is ineluctable.
4. Africa should urgently improve land governance to enhance efficiency and to protect traditional land rights.

**Top 10 Targeted Countries Globally (2000 to April 2012)**

Rank	Country	Volume of land acquired (ha)	No. of deals	Average deal
1	Indonesia	9,527,760	24	396,990
2	Democratic Republic of Congo	8,051,870	10	805,187
3	Ethiopia	5,345,228	83	64,400.34
4	Philippines	5,182,021	46	112,652.6
5	Malaysia	4,819,483	20	240,974.2
6	India	4,628,578	113	40,960.87
7	Sudan	3,923,430	18	217,968.3
8	Brazil	3,871,824	61	63,472.52
9	Madagascar	3,779,741	39	96,916.44
10	Zambia	2,273,413	9	252,601.4

Source: Author's compilation and computation from Land Matrix Database, April 2012 (accessed May 2012).

5. It is important to promote welfare-enhancing and transparent land transfers through enhanced beneficiary participation and objective public scrutiny (e.g. a transparent auction system and outsourcing approach).
6. African countries must design strategies to reduce the large power imbalance between foreign investors and current landowners, with seasoned experts being involved in the negotiation process.
7. There is urgent need to invest heavily on land titling and registration, as is currently being done in Benin, Ethiopia, Rwanda etc.
8. Governments need to explore alternative business models to land acquisition, such as joint ventures, contract farming and out-grower schemes.
9. Policy measures to increase smallholders' productivity should be effectively promoted.
10. A regional framework and guidelines for development-oriented, large-scale land acquisition should be developed.

Foreign investors' objectives must be consistent with local and national development visions. For large-scale foreign land acquisition to lead to social and economic transformation, it must ensure adequate compensation of displaced communities, raise smallholders' productivity, promote livelihoods and accelerate food security for Africans. Strong political buy-in is central to implementing the 10-point agenda that will make land acquisition beneficial to Africa.

**Reference:**

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