



**Global
Forum**
on Food Security
and Nutrition

HLPE Consultation on Land Tenure and International Investment in Agriculture

Summary



HLPE
High Level
Panel of Experts



Global Forum on Food Security and Nutrition

About the Document

This document summarizes the results of an online discussion held on the Global Forum on Food Security and Nutrition <http://km.fao.org/fsn>

Please refer to the complete proceedings document which can be found online at:
http://typo3.fao.org/fileadmin/user_upload/fsn/docs/HLPE/PROCEEDINGS_Land_tenure.pdf

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I. Background

The Steering Committee of the High Level Panel of Experts on Food Security and Nutrition (HLPE) held an online consultation on Land Tenure and International Investments in Agriculture requesting feedback from a broad and interested audience on the work being carried in line with the CFS mandate. Members of the Global Forum on Food Security and Nutrition and many other experts were invited to comment on a draft framework of the terms of reference for the study and policy recommendations to address the issue of Land Tenure and International Investments in Agriculture¹.

The online consultation took place from 24th January to 10th February 2011 and attracted 62 contributions from experts in 47 organisations based in 34 countries.

This summary provides a brief overview of the issues raised by the contributors. For a complete record of the forum proceedings and the list of participants, please refer to the proceedings².

II. Assessing the current situation of Land Tenure and International Investment in Agriculture

In order to properly assess current international investments in agriculture it is necessary to avoid a one size fits all approach and to be aware of the differences among both the investments objectives and typologies (e.g. fostering domestic food security or growing of cash and fuel crops, type of policies and production systems promoted) and the target countries (e.g. production systems, land uses patterns, biodiversity, social structure and legal system).

Due to these differences it is difficult to compare investments across space and time. In order to understand their role and impact it is ultimately necessary to look at how these measures affects the lives of the local people and farmers and at whether the production models promoted are suitable for a particular area and society.

The mapping of land employed to assess the extent of investments already in place and opportunities for future operations was also highlighted by participants as being a delicate issue. Land that might seem to be unused could very well be laying fallow as part of crop rotation or could be used for traditional usages such as growing of medical herbs, firewood or pasture.

1 A parallel consultation has been carried out on Price Volatility.

2 http://typo3.fao.org/fileadmin/user_upload/fsn/docs/HLPE/PROCEEDINGS_Land_tenure.pdf

III. Nature and Drivers of International Investment

It is important to see what reasons lay behind investment policies as their impact can be quiet drives depending on the type of investment.

In cases in which investment takes place in order to get unproductive land into the production cycle effects will be very different from cases in which investments are made in order to gain control over already productive foreign land and to diverting its produce from the domestic market. As for the latter scenario, participants raised concern about negative impacts on national food security within developing countries hosting investments.

Drivers for international investment in agriculture can be varied and include both food security and commercial motivations. While the outsourcing of agricultural production to developing countries constitutes one reason for engaging into investment operations, bioenergy policies of certain rich regions also play a role in driving investment. Studies need to take these policies into consideration. National and regional policies for access to natural resources, trade and investment, the economic interest of private companies and the general financing of commodities trading also play a role in determining the volume of investment.

IV. The role of stakeholders: their rights, obligations and responsibilities

Great emphasis was given to the issue of the different actors in investment. While the study outline focused only on international investments, the role of national investment was identified as potentially carrying similar implications for issues related to land tenure and national food security.

In the case investment is done by the private sector, it should also be looked at their role as employers, including the obligations arising from corresponding international and national labour rights. There was an overall consensus about the importance of the role of governments as main guarantors of people's rights. Investment might have direct repercussion on livelihoods. Local communities might be forced and evicted from their land and their land rights might be seriously affected by such investment contracts. Participants raised concern about the need for transparency, participation and accountability from governments and private actors. While a margin of negotiation is required to put in place a favourable environment for the private sector, a core of rights must be respected, protected and fulfilled.

It was suggested to include international human rights instruments, in particular legal frameworks concerning the right to adequate food (International Covenant on Economic, Social and Cultural Rights), indigenous people's rights (ILO 169 Convention) and women rights (Convention on the Elimination of all Forms of Discrimination Against Women).

Beyond a simple mapping of international legal instruments, participants suggested to analyse the operationalization of human rights obligations in the context of land tenure and food security governance. Ensuring food security was mentioned as a driver behind investments but also as a potential risk for hosting countries which are already affected by national food insecurity. The discussion underlined the need to develop impact assessments focusing on food insecure population as it should provide valuable elements to analyse positive and negative outcomes of large scale land investments. Mechanisms to monitor such outcomes should help

in the elaboration of a policy that contributes to the progressive realization of the right to food. There was agreement on the fact that investments should be known and consulted with all actors involved in the process. Participants mentioned the need to focus on the rights of vulnerable groups who depend on land to ensure their livelihoods. Indigenous peoples, pastoralists and women should be meaningfully represented in those consultations defining the conditions for investments as they are directly affected by such agreements. Transparency and accessible information for all actors concerned was mentioned as a key aspect for economic and sustainability.

V. Potential impacts of investments in agriculture

The impact of investments on local agriculture will be very different according to the type of farming systems in place. Effects of land acquisition will differ between larger farms and small scale producers and information on this should be disaggregated when carrying out assessments.

Consensus however emerged, that potential negative impacts can take place due to the widespread insecurity of land tenure in many developing countries. People living on marginal lands can be coerced into leaving their lands to the investor. Evictions without due compensation or land restitution affect ownership and user rights that are not protected by titling land tenure systems. In the case of investments done in a speculative manner, these might be drawn off once the envisaged profits do not materialize. Measures have to be in place to avoid livelihood disruption through such practices.

Moreover, it has to be assessed whether investments are aligned with national and regional food security policies or if recipient countries adapt or waive their policies in order to accommodate investment regardless of the negative repercussions on food security. It should also be evaluated what countries do with the savings stemming from the investments, whether these are, for example, invested in the social sectors, thus creating a positive impact for the society as a whole. Another aspect of large scale investments in agriculture identified as important is that such investments in general tend to favour large scale industrialized production. It should therefore be assessed whether this production systems is the most adequate, taking into consideration its social and environmental implications and the traditional role of the smallholder farmers which beneficial integration into the global market should also be thoroughly examined. Issues to be explored include: (i) employment creation in rural areas; (ii) raising incomes and providing livelihoods options, including for women; (iii) improving food security and nutrition at the national, sub-national level and regional levels; (iv) impacts on the environment in the long run, including impacts on soil fertility, water quality of rivers and aquifers; (v) contribution of both models to resilience to natural and socio-economic shocks.

VI. Legal issues

Legal and regulatory frameworks were attributed great importance by participants as they greatly influence both the nature and the impact of international investments in agriculture.

Including the legal aspects into the assessment of existing land use practices with special emphasis in customary tenure systems was highlighted as a key aspect. It would also be important to review the instruments available to safeguard the above rights and practices for the indigenous local population. In general, fair remedies for loss of rights should be analysed in the context of the enforceability of contracts having being consulted with local communities through transparent procedures.