

FSN FORUM DISCUSSION No. 44
LAND GRAB OR DEVELOPMENT OPPORTUNITY?
FROM 29 SEPTEMBER TO 20 OCTOBER 2009

Dear Forum Members,

My name is Denis Drechsler and I am the coordinator of the [Policy Brief](#) series of FAO's Economic and Social Development Department. Our goal with the briefs is to explain technical issues to a non-expert audience, especially focussing on the policy implications of certain findings in the area of hunger reduction and agricultural development

One of our recent briefs, covering Foreign Direct Investment in the agricultural sector of developing countries, was quite controversial and certainly deserves further discussion. I therefore thought that it could benefit from the knowledge and expertise of the members of the FSN Forum.

As you may know, foreign acquisitions of developing countries' farmland have recently become a focus of concern. Many observers consider them a new form of colonialism that threatens food security of the poor. Others argue that acquisitions could be good news if the objectives of land purchasers are reconciled with the investment needs of developing countries.

Indeed, the agricultural sector in developing countries is in urgent need of capital. FAO calculations show that at least US \$30 billion of additional funds are required annually in order to meet international objectives such as the Millennium Development Goals or the World Food Summit target. **International investments in agriculture could thus offer a welcome supplement to other capital flows – but how can their impact be optimized?**

I would like to invite you to share your views on this phenomenon by considering following questions:

- **Do international investments in agricultural land constitute a “land grab”, as reported by the international press, or do they instead offer development opportunities?**
- **Do you know of any land deals and their development impact in your country?**
- **Apart from land acquisitions, what other types of foreign investment in agriculture exist? Which ones have worked in the past and which ones have failed?**
- **Should investments be regulated and how? Which international best practices could offer guidance? Is an international code of conduct a viable solution?**

The brief "[From Land Grab to Win-Win](#)", which you may want to read as a background document for this discussion, is based on work done by David Hallam of FAO's Trade and Market Division. I look forward to a stimulating exchange of experiences and opinions.

Denis