

GLOBAL FORUM ON FOOD SECURITY AND NUTRITION
**HLPE CONSULTATION ON LAND TENURE AND INTERNATIONAL INVESTMENTS IN
AGRICULTURE**

DISCUSSION No. 66 FROM 24 JANUARY TO 6 FEBRUARY 2011

In October 2010 the newly reformed Committee on World Food Security (CFS) requested its High Level Panel of Experts on Food Security and Nutrition (HLPE) to conduct a study on land tenure and international investments in agriculture and to present the findings at its next session in October 2011. You are hereby invited by the Steering Committee (StC) of the HLPE to give your views to finalize the Terms of Reference for the HLPE Project Team (the team of experts that will be established immediately after the TOR is finalised by the StC following this online consultation) that will prepare the study and policy recommendations. HLPE studies are intended to facilitate and inform the policy decision-making of CFS members.

Introduction

There are many drivers of the increased interest in investing in land and agriculture over the past several years. The global increase in demand for food, due to population increase and more importantly diet change will affect the need for land and other resources. During the last century the increase in agricultural production has been mainly achieved through increased productivity per ha and for less than 30% through expansion of agricultural areas. Future necessary increase in agricultural production will however require to produce “more with less” but also an expansion of agricultural areas.

Sustainable intensification needs to bridge the yield gap between potential and attainable yields and the gap between present and attainable yields. Future food needs may also consider the waste in food, as well as the impacts of changing diets, such as obesity.

The expansion of agricultural land is a reality in many places around the world. Not only food and feed production but also the increase of the bio-based economy and in various places the government policy-driven production of bio-fuel (first and second generation) require substantial increase of land and other resources for agricultural activities. The way that it is done may depend on the context where it takes place: differences between continents and countries are very large and the role of governments may vary considerably. Food and feed needs of countries with relatively low availability of agricultural land, for example China (with less than 10% of world's land and 20% of world's population) could require investments and development of agricultural land use in other countries. Investments of land in other continents such as Africa and Latin America are already taking place.

Other drivers of the increased investments in land and agriculture include – but may not be limited to – speculation in land and the volatility of commodity prices which has prompted many food-importing countries to seek to replace the purchasing of food on global markets with securing agricultural land in other countries.

While the foreseen future magnitude of foreign contracting in third parties' lands and agricultural sectors is still uncertain and needs to be assessed, the current trend has raised considerable public attention, political debate and controversies. Calls were made for everything from a moratorium on “land-grabbing” to the regulation of “large-scale land acquisitions” through responsible investment principles and codes of conduct to make investments in land profitable for local development and performance of local agriculture, be it small or large scale farmers.

Governments stand at this crossroads where on the one hand, as many studies and analysis demonstrate, appropriate investments, efficient and effective use of natural resources and land may have both economic and ecological advantages under certain conditions but where, on the other hand, there are also typical examples of land grabbing with very negative effects for sustainable development, including social effects on small scale farmers, ecological effects such as decreased efficiency and effectiveness of the use of natural resources and the mining of soils.

In the study, various elements will be considered in an analysis and diagnosis to pave the way for recommendations.

Feedback sought

The study of the HLPE is bound by the mandate received from the CFS in October 2010, and its purpose is therefore to undertake analysis and formulate policy recommendations in the following three areas:

- (i) Roles of large-scale plantations and of small-scale farming, including economic, social, gender and environmental impacts
- (ii) Tools allowing the mapping of available land
- (iii) Tools to align large scale investments with country food security strategies

Through the present online consultation, and within this mandate, the HLPE seeks feedback on the following first draft of a detailed scope of the study.

In particular, do you think the scope is appropriate?

Have important elements been omitted?

Should any of the elements, below, be left out?

In your opinion, what would be the main points to emphasize in the report?

Please be as specific as possible

The HLPE intends to take into account the very wide variety of models of agricultural production and marketing, and to address the diversity of social, economic, political and environmental contexts, not restricting the analysis to large scale agricultural investments, but trying to assess what kind of investments are needed to achieve development objectives, giving particular attention to poor farmers, women, indigenous peoples, pastoralists, forest-dwellers, and other marginalized groups etc.

We look forward to your kind response. The electronic consultation will held in English, French and Spanish and is open to public comment between the 24th January and 6th February 2011. The consultation is kindly hosted by the Food Security and Nutrition (FSN) forum, found at <http://km.fao.org/fsn>.

Yours sincerely,

The Steering Committee of the HLPE.

Proposed scope of the HLPE study on land tenure and international investments

1. Framing the drivers of the revived interest in investments in land and agriculture

a - Explorative land use options at various scales: global, continental, regional.

- How can objectives, economical, social, ecological, best be fulfilled within the technical and biological constraints? What explorative studies are available or should be done to address this issue?
- Investigation and analysis of the dominating aspects of land use on water and natural resources. How do land use and use of external inputs and water interrelate and what perspectives may be envisaged?

b - Role of food security strategies at country and at regional levels

- Explicit policies oriented to accessibility to food
- Role of economic blocks such as European Union, African Union
- Investment policies/principles
- Price volatility of commodities

c - Role of the private sector in land use

- Feed and food producers
- Bio energy producers
- Finance sector
- Speculation in land

2. Existing use and trends of land and natural resources

a – Mapping of available and used land

- What are the definitions of “idle”, “waste”, “available” or “reserve” land, as well as land that is not in “agricultural use”?
- What are the existing mapping tools and what do they map (what definitions of idle, etc. land do they use)? How do they take into account customary tenure systems and collective rights systems that are not titled?
- Perspectives for land use and sustainable development as a result of investment in agriculture by countries (foreign) or corporations.

b – Use and overuse of land, unsustainable development due to wealth or due to poverty

- What regional differences in potential self sufficiency?
- How important is the part of available lands under claims of collective rights or under customary use?

3. Role and effects of scale (larger scale plantations or small scale farming)

- What is meant by “large-scale plantations” and “small-scale farming”? Specifically, where does contract farming and integrating small farmers into global markets fit?

- Under each of these models of production, what crops are produced and for what markets? Who among the various actors benefits from the added value generated in field production and the various stages of processing?
- What are the trends in investment in large-scale plantations and in small-scale farming? Who are the investors under each model? What are the drivers of investment? What rates of return are expected?
- What are the economic, social, gender and environmental impacts of each of these models? e.g. on rights, conflicts and political unrest, employment, migration, biodiversity, nutrition, etc.

4. **Mapping of instruments (technical, political, corporate) that influence land use and of their use at different aggregation levels.**

inter alia:

Land policies, property rights, land lease, use of external inputs

Instruments related to the Right to Food

RAI Principles

“Minimum human rights principles applicable to large-scale land acquisitions or leases” suggested by the UN Special Rapporteur on the Right to Food

Draft Voluntary Guidelines on Responsible Governance of Land and Natural Resources

Final Declaration of the International Conference on Agrarian Reform and Rural Development

United Nations Declaration on the Rights of Indigenous Peoples

International standards on the right to housing and prevention of forced evictions

Tools related to Corporate Social Responsibility

Taxation tools and policies

Direct and indirect Subsidies

5. **Expected Recommendations**

- What policies are possible and which instruments can be applied to align large scale investments with country food security strategies?
- How do they account for scale?
- What are the necessary conditions for making each of these models (small scale and large scale) a success (e.g. policy environment, tax system, direct and indirect subsidies, etc.)?
- What evidence exists to show that win-win scenarios are possible i.e. that both development and profit objectives can be achieved at optimum levels?
- How to break unsustainability trends?
- Recommendations for research and development?