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Regional Forum on Accelerating Food Systems Transformation in the Arab Region

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Spotlight segment 3

Re-thinking foreign land investments in the Arab region: towards food security and environmental preservation

Ms. Maria Pilar Ouro Paz, Economic Affairs Officer,
Climate Change & Natural Resource Sustainability Cluster, ESCWA

Developing countries are in pressing need for investments to achieve the SDGs, particularly SDG2 on zero hunger. Harnessing the potential of foreign land deals is crucial.

- Theoretically, foreign land investments in agriculture could be used to channel resources from developed to developing countries, leading to the creation of productive assets, technology transfers, and capacity building, improving food security for all parties involved.
- Wheat yields in the Arab region are 63.7% of their potential, highlighting an opportunity to boost productivity in existing cultivated areas.
- However, the impact of land investments **remains controversial**.



Foreign land deals in the Arab region:

- Foreign land deals in the Arab region: **1,765,902.4 ha** = over 2 million soccer fields
- Top destinations: Sudan, Egypt, and Morocco
- High intra-regional investment, particularly from public sources from GCC countries. 73% involve at least one Arab investor, and almost 40% of investments made by Arab countries stay within the region.
- Focus on agricultural production (82% of deals).
- However, **data availability is limited.**



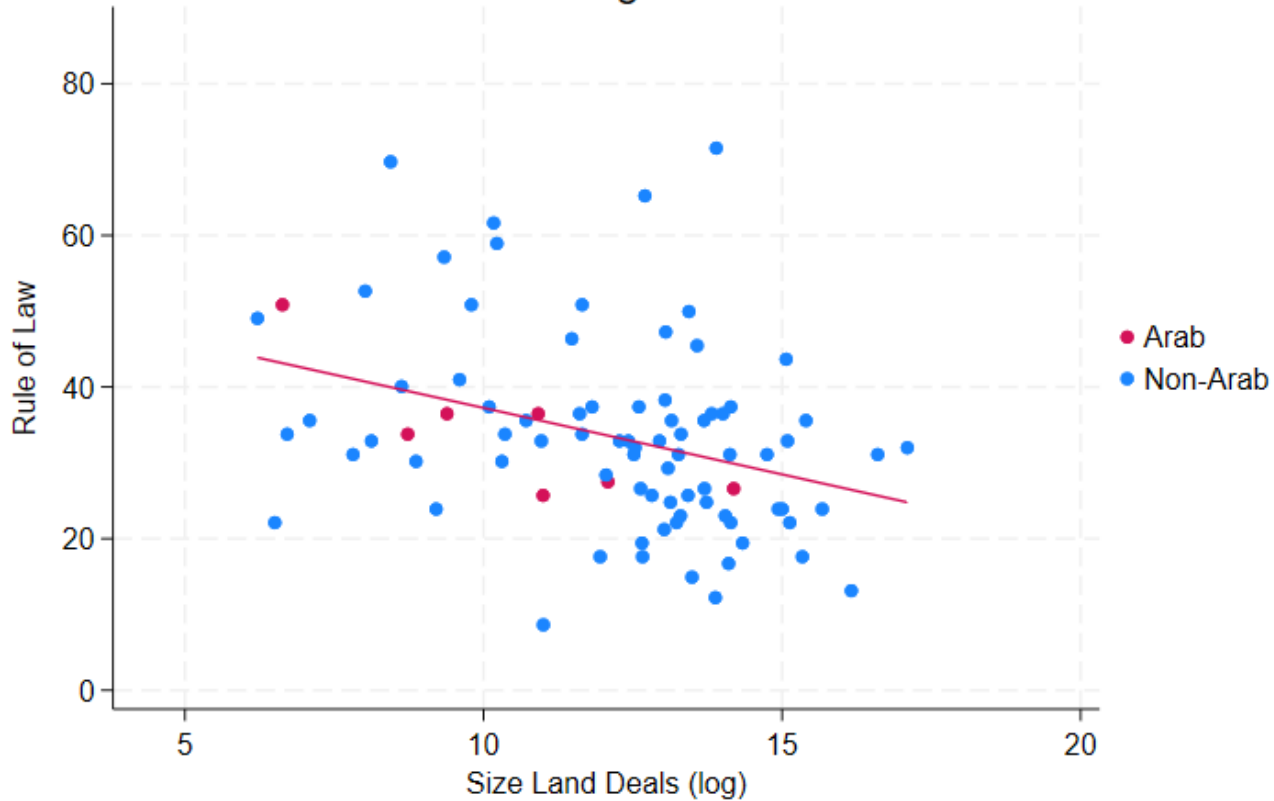
Why are land deals controversial?

- Land deals occur within the broader context of global and local inequalities and frequently lack transparency, raising concerns.
- Activists denounce potential issues: lack of accountability, land rights violations, environmental degradation, and unsustainable resource use.
- Benefits to poorer countries and local communities should be prioritized, yet challenges arise, especially when deals target fertile land for biofuels or speculation.
- Government Role: Essential to enforce laws and protect vulnerable communities, especially when dealing with communal lands.
- Of 78 land deals analyzed, only 5 involved community consultations, with just 1 implementing Free, Prior, and Informed Consent (FPIC).

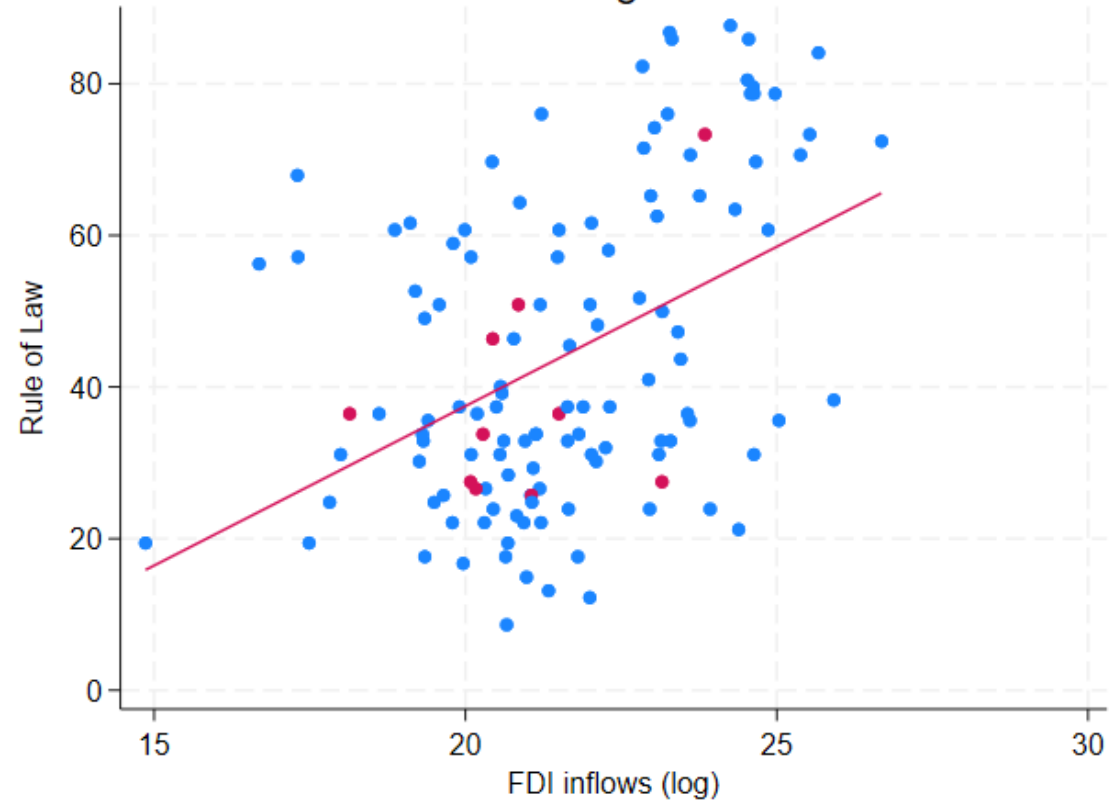


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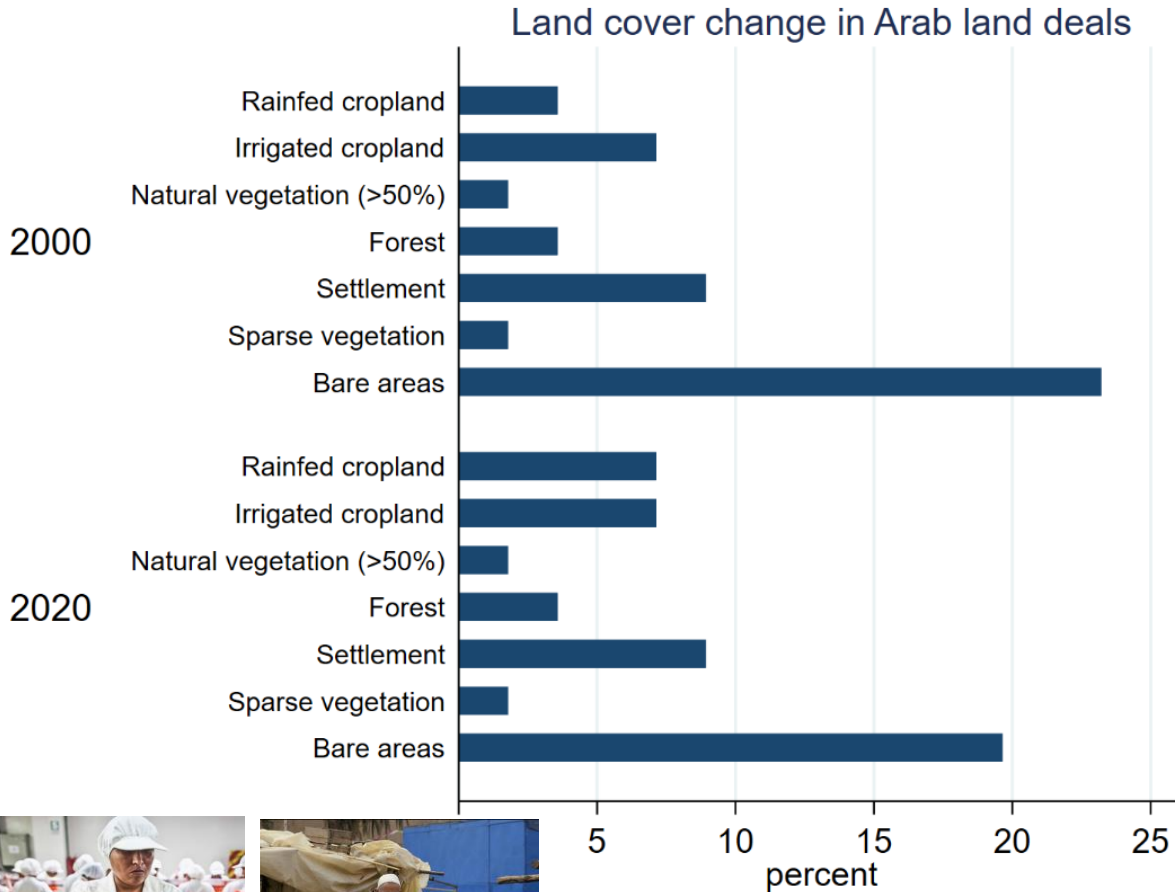
Rule of Law and Foreign Land Investments



Rule of Law and Foreign Direct Investments



Environmental Outcomes of Foreign Land Investments: land use change



The environmental impacts of land-use change depend on several factors. Converting natural habitats or small-scale farms to mechanized agriculture can cause biodiversity loss, deforestation, soil erosion, and increased use of inputs.

However, highly productive systems can reduce land requirements, while repurposing degraded land can improve carbon sequestration, biodiversity, and soil health.

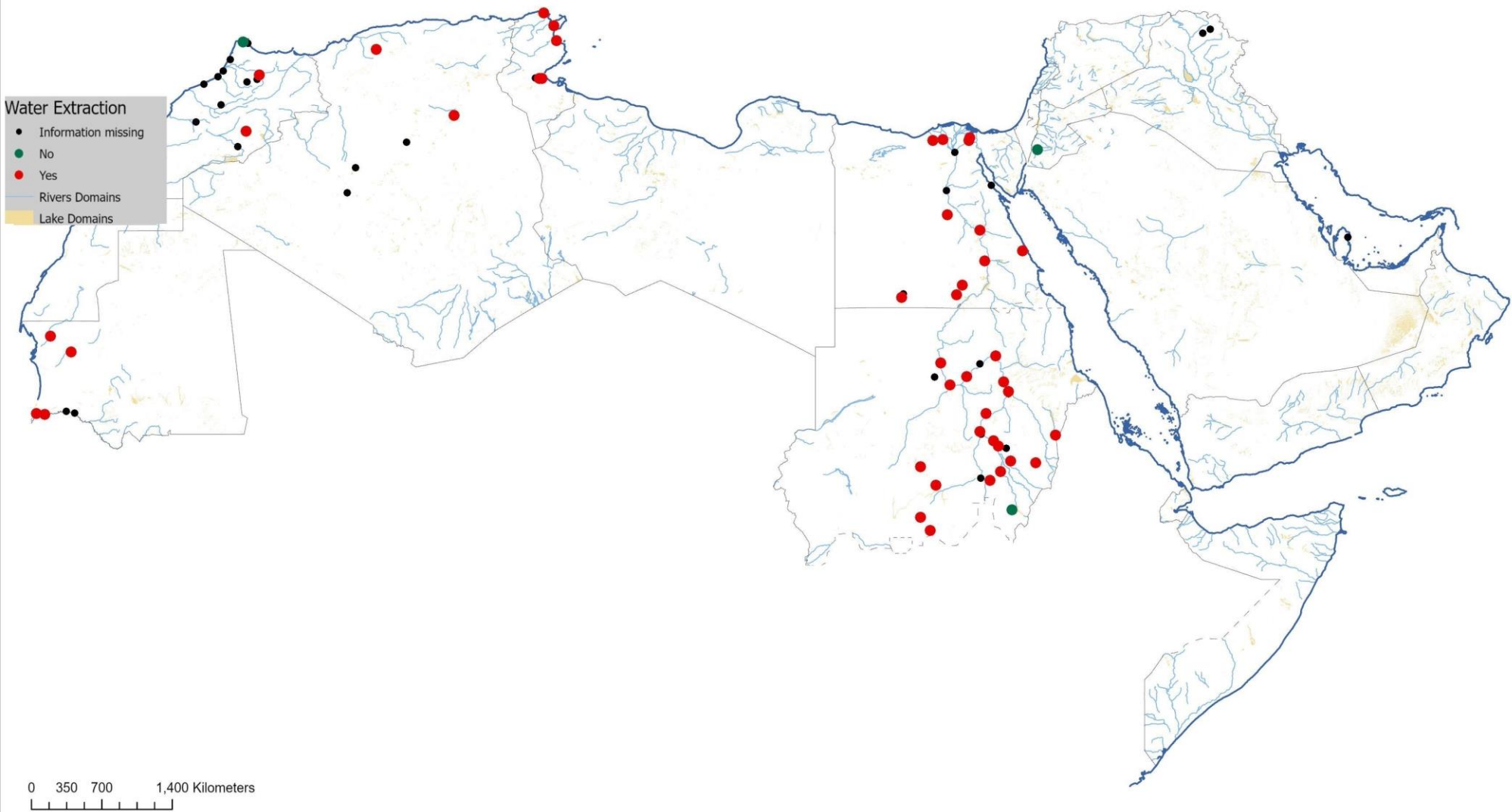


Environmental Outcomes of Foreign Land Investments: Water use

- Water-scarce region: 13 countries below the absolute water scarcity threshold (500 cubic meters/person).
- Only 58% of deals provide information on water use, but among those, the vast majority (42 out of 45) include plans for water extraction.
- Water use is rarely stipulated in contracts
- **Ultimately, the environmental impacts depend on several factors.**
 - Risks to water bodies include excessive extraction, salinization, reduced natural runoff, and pollution from fertilizers and pesticides, leading to ecosystem damage and eutrophication.
 - However, large-scale land investments can lead to water savings through modern irrigation technologies or rain-fed agriculture and can encourage more efficient water use locally.

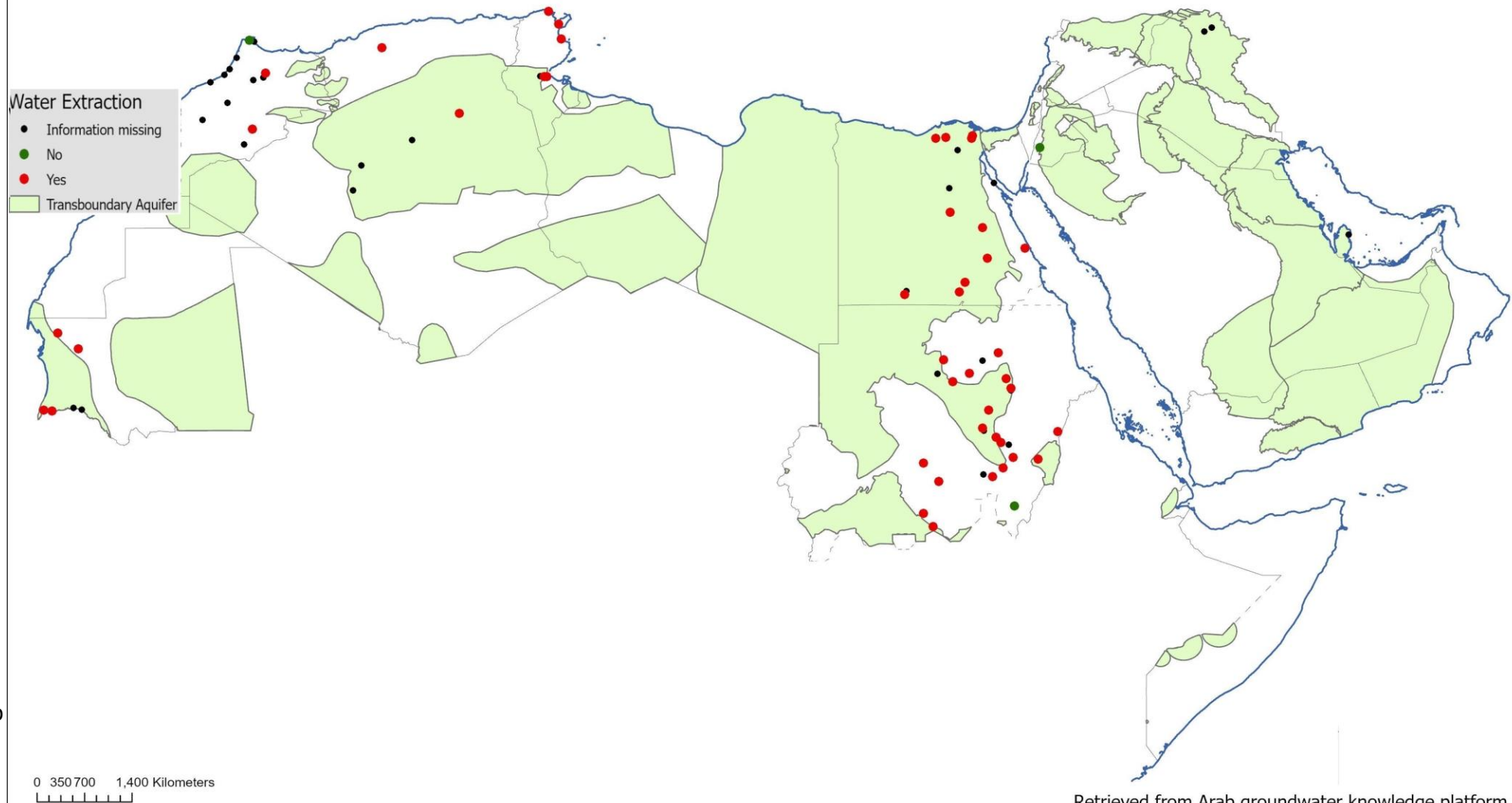


Water Extraction in Foreign Land Investments in Relation with Lakes and Rivers



**The boundaries and names shown, and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Transboundary Aquifers in Relation with Foreign Land Investments



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Environmental Outcomes of Foreign Land Investments: Other dimensions

- Large-scale land deals can result in changes in **greenhouse emissions**, mainly due to **deforestation** and land cover change, and related to agricultural practices such as fertilizer application.
- Effects on **biodiversity** due to land use change - losses in one region cannot be offset elsewhere, due to many species being endemic to their habitats.
 - Agrobiodiversity - plant diversity and the use of native seeds.
- Effects on **soil quality**, including the risk of land degradation and desertification or the power to restore barren land.



Recommendations

- **Implementing Global Guidelines:** Adhere to Principles for Responsible Agricultural Investment (PRAI) and Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries, and Forests (VGGT).
- **Improving Land Allocation & Valuation:** Select appropriate land for investments, accurately value land and water resources, and implement safeguards to minimize speculative investments.
- **Strengthening Environmental Safeguards:** Conduct pre-investment environmental studies, include environmental dimensions in contracts, and encourage sustainable agriculture or forest conservation.
 - Overlooked dimensions, such as biodiversity and deforestation, should be better integrated.
- **Protecting the Most Vulnerable:** Enforce Free, Prior, and Informed Consent (FPIC), strengthen land rights, and improve land tenure security.
- **Improving data and monitoring systems**

Foreign land deals focused on carbon credits (REDD+) represent an opportunity for countries like Sudan or Morocco, with substantial forest areas, to attract foreign investment while conserving their natural landscapes.



Recommendations

Cross-border aspects of land deals include the management of transboundary water sources, the loss of regional species, and the changes in migration derived from land and water availability and labor demand.

High potential for higher regional cooperation:

- Harmonizing policies and regulations
- Strengthening governance and data quality include developing shared databases of land deals, standardizing contract templates
- Implementing joint monitoring and evaluation systems
- Conflict resolution mechanisms
- Improved agricultural trade in the region
- Better management of shared water resources



Thank you

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