

**LES OPPORTUNITÉS DE L'INVESTISSEMENT ÉTRANGER DANS LE SECTEUR AGRICOLE:**  
UN ATELIER SUR COMMENT ATTIRER L'INVESTISSEMENT DURABLE  
ET DE HAUTE QUALITÉ ET LE RÔLE DES CADRES LÉGAUX

**FOREIGN INVESTMENT OPPORTUNITIES FOR AGRICULTURE:**  
A WORKSHOP ON HOW TO ATTRACT HIGH QUALITY AND SUSTAINABLE  
INVESTMENT AND THE ROLE OF LEGAL FRAMEWORKS



Nairobi » Kenya » 11 - 13 février 2018 | 11 - 13 February 2018

## Concept Note and Program Training for Governments Officials

### 1. Background

Agriculture plays a crucial role in trade and regional integration and remains an important sector in sustaining most economies of Common Market for Eastern and Southern Africa (COMESA) member states. Indeed 60 per cent of the population depends on agriculture for their livelihoods and employment. However, agriculture potential in the COMESA region continues to be immensely unrealized. Some of the key reasons for African agrarian stagnation include but are not limited to: inconsistent and distorting policy, lack of clarity about land title, relative absence of technology, the vagaries of climate change and chronic underinvestment in the sector.

The Malabo Declaration of 2014 clearly articulates the vision for African agricultural transformation through seven commitments and related targets for translation into actions and results. Commitment 2 is to “Enhance Investment Finance in Agriculture.” In this regard, foreign direct investment (FDI) can help the region develop its agriculture and improve the sector’s contribution to social and economic development. Indeed, FDI allows member states to fill the finance gap for agriculture and unlock the sector’s potential. Also, if done right, FDI can help promote food security, eradicate poverty, generate employment, increase incomes and promote economic development.

In the past decade, the Land Matrix project confirms the existence of 218 agricultural projects in the COMESA region, covering almost 15 million hectares of land. In large-scale land investments, a Food and Agriculture Organization report, *Trends and Impacts of Foreign Investment in Developing Country Agriculture*, indicates that “lands acquired tend to be among the best available, with good soil quality and irrigation. But most of foreign investment projects aim at export markets or the production of biofuels... and may pose a threat to food security in low-income food-deficit countries, especially if they replace food crops that were destined for the local market.” This situation impedes the sustainability of the benefits for the host countries and its people.

At the global level, an array of initiatives has been developed to ensure that investment in agriculture across the value chain becomes responsible and complies with international standards. These efforts aim at maximizing gains for the host country and its population while minimizing risks. At the regional level, the East African Legislative Assembly is developing a regional model contract as a vehicle for improving legal and policy frameworks that aims at promoting sustainable and responsible investment in agriculture. Indeed, for foreign investment to work, countries need a



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robust policy and legal framework for investment projects to be compatible with the national priorities and needs of local stakeholders and investors.

It is within this context that the East African Community (EAC), COMESA and the International Institute for Sustainable Development are organizing a three-day training workshop in Nairobi, Kenya.

The meeting will focus on the importance of strengthening and enhancing the negotiating capacity of government officials in charge of negotiating and/or drafting agricultural investment contracts. It will cover reflections on how to use and implement legal and policy tools to promote sustainable and responsible investment in agriculture.

## 2. Meeting Objectives

The main goals of this meeting are to engage and provide a platform for dialogue among the negotiators and develop concrete and practical legal and policy tools for the negotiators to better integrate legal and policy options for FDI in agriculture. The specific objectives include:

1. Understand how to implement key international and regional initiatives for responsible investment in agriculture, in particular the CFS Principles for Responsible Investment in Agriculture and Food Systems (CFS-RAI) and the LPI Guiding Principles for Large-scale Land-based Investments (LSLBI). The impact of multiple land tenure systems on investment and the various roles of land as a source of livelihood and a tradeable commodity is cardinal for attracting investment.
2. Explore different business models for investing in agriculture, including contract farming, out-grower schemes, joint ventures and long-term land leases.
3. Learn how to screen and evaluate investment projects for the agriculture sector.
4. Learn the role of agricultural growth poles to attract investment and promote sustainable development perspective.
5. Present the draft EAC model contract for farmland investments and explore opportunities to implement this legal instrument.



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## AGENDA

### Day 1: Sunday, February 11, 2018

08:00-08:30	<b>Registration</b>
	<i>Welcome and introduction</i>
08:30-09:00	Hon. Christophe Bazivamo, Deputy Secretary-General, EAC Secretariat Thierry Kalonji, Director of Investment Promotion, COMESA Secretariat Carin Smaller, Advisor on Agriculture and Investment, IISD
	<i>What can we learn from countries who have successfully attracted foreign investment in agriculture?</i>
	Speakers: Dr. Nalishebo Meebelo, IISD Mrs. Lié Maminiaina, Ministry of Agriculture and Livestock, Madagascar Dr. Henrie Njoloma, Green Belt Authority, Malawi
09:00-10:00	Moderator: Francine Picard, IISD
	This session will provide examples of countries that have successfully attracted high-quality and sustainable foreign investment, resulting in the positive transformation of the agricultural sector. This will include how to define and measure “quality and sustainability.” It will provide an overview of the policies and strategies that contributed to success, as well as those that have not been effective. Each participant will be asked to share one positive and one negative experience of what has and has not worked in their home countries.
	<i>Questions and experience-sharing</i>
	<i>A new generation of laws and contracts to promote investment in agriculture</i>
	Speakers: Bezuallem Mogessie, Ethiopian Horticulture and Agriculture Investment Authority Carin Smaller, IISD
10:00-11:00	Moderator: Thierry Kalonji, COMESA Secretariat
	A number of countries in Africa have been experimenting with new laws and contracts to promote investment in agriculture, in many cases inspired by recent global principles and standards to promote responsible agriculture investment. Participants will learn about the global and regional initiatives and how countries have used those principles in their reform processes.
	<i>Questions and experience-sharing</i>
11:00-11:30	<b>Break</b>





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11:30–13:00	<p><i>Interactive session: Identifying ways to improve policies and laws to promote sustainable investment in agriculture</i></p> <p>Facilitator : Carin Smaller, IISD</p> <p>Participants will break into groups and identify two policy areas that need to improve to promote sustainable investment in agriculture (see choice of policy options below). They will then list 3 specific challenges from their countries in the selected policy area. Finally they will recommend a series of policy or legal reforms needed to address the challenges. Recommendations should be specific, such as introduce a system of permits and fees for water withdrawals under the water law, or introduce a policy to commercialize the rice sector. This exercise will create the basis for the road maps that are developed at the end of the workshop.</p> <p><u>Proposed policy areas:</u> (1) employment creation and training, (2) gender equality, (3) infrastructure development (roads, storage, electricity), (4) tax policy &amp; financial incentives, (5) technology, research &amp; innovation, (6) water resource management, (7) soil quality, chemical &amp; fertilizer use, and (8) smallholders &amp; contract farming.</p>
13:00–14:00	Lunch
14:00 -15:30	<p><i>Agricultural growth poles: A tool for sustainable investment?</i></p> <p>Speaker: Francine Picard, IISD</p> <p>Moderator: Mohamed Coulibaly, IISD</p> <p>Africa has seen the emergence of 36 agricultural growth poles and nine corridors over the past 15 years. They cover at least 3.5 million hectares of land in 23 countries. How can they be set up in a way that allows countries to boost production, create employment, increase incomes and sustainably manage natural resources, particularly land and water?</p> <p><i>Questions and experience-sharing</i></p>
15:30–15:45	Break
15:45–17:15	<p><i>The path to the EAC Model Contract for Farmland Investments</i></p> <p>Panel discussion: Hon. Christophe Bazivamo, EAC Secretariat Thierry Kalonji, COMESA Secretariat</p> <p>Moderator: Dr. Nalishebo Meebelo, IISD</p> <p>This panel discussion will address the potential impact and value of a model contract on investment in farmland at a regional level.</p> <p><i>Questions and experience-sharing</i></p>
17:15	<i>End of day one</i>



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## Day 2: Monday February 12, 2018

08:30–09:00	<i>Summary of Day 1</i>
9.00–10.30	<p><i>The EAC Model Contract for Farmland Investments (I)</i></p> <p>Speaker: Mohamed Coulibaly, IISD</p> <p>Moderator: Dr. Nalishebo Meebelo, IISD</p> <p>This session will present the EAC Model Contract for Farmland Investments, focusing on the content of the contract and how it addresses different issues.</p> <p><i>Questions and experience-sharing</i></p>
10:30–11:00	<i>Break</i>
11:00–12:30	<p><i>The EAC Model Contract for Farmland Investments (II)</i></p> <p>Speaker: Mohamed Coulibaly, IISD</p> <p>Moderator: Dr. Nalishebo Meebelo, IISD</p> <p>This session will present the EAC Model Contract for Farmland Investments, focusing on the content of the contract and how it addresses different issues.</p> <p><i>Questions and experience-sharing</i></p>
12:30–14:00	Lunch
14:00–15:30	<p><i>How to screen and select investors</i></p> <p>Speaker: Sarah Brewin, IISD</p> <p>Moderator: Thierry Kalonji, COMESA Secretariat</p> <p>This session will provide an overview of how to effectively screen and select foreign investors and their projects. This will include tips, tools and advice on aspects to look out for, including screening financial, social, economic and environmental aspects of proposed investments. Participants will be invited to share observations on the process of screening investors in their home countries.</p> <p><i>Questions and experience-sharing</i></p>
15:30–15:45	<i>Break</i>
15:45–17:30	<p><i>Interactive session: Screening investors</i></p> <p>Facilitators: Sarah Brewin &amp; Dr. Nalishebo Meebelo, IISD</p> <p>Participants will be provided with real investor business plans and will be asked to assess and screen the investor to decide whether to accept the proposal or reject it. Participants will learn how to identify weaknesses in business plans and proposals and pinpoint what additional information is needed to make informed decisions.</p>
17:30	<i>End of Day Two</i>



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## Day 3: Tuesday, February 13, 2018

08:30–09:00	Summary of Day 2
9.00–10.00	<p><b><i>Investment incentives: Time for a change</i></b></p> <p>Speaker: Carin Smaller, IISD</p> <p>Moderator: Mohamed Coulibaly, IISD</p> <p>Financial incentives and tax breaks are a common feature of many countries' investment promotion strategies and are often enacted in domestic laws and regulations. The evidence suggests that these are much less effective than commonly perceived. We will present new ideas for different types of incentives and how to tailor them to policy objectives. Participants will be invited to provide information on the kinds of incentives provided to foreign investors in agriculture in their home countries and their usefulness.</p> <p><i>Questions and experience-sharing</i></p>
10 :00–11:30	<p><b><i>Inclusive business models: Contract farming</i></b></p> <p>Speaker: Sarah Brewin, IISD</p> <p>Moderator: Thierry Kalonji, COMESA Secretariat</p> <p>This session will provide an overview of contract farming and how it can be integrated into large-scale agricultural investments or promoted as an alternative business model.</p> <p><i>Questions and experience-sharing</i></p>
11:30–11:45	<b><i>Break</i></b>
11:45–13:30	<p><b><i>Interactive session: Role play for contract negotiations</i></b></p> <p>Facilitator: Francine Picard, IISD</p> <p>In this session, participants will be given a scenario about a foreign company that wants to set up an agricultural plantation. Participants will be divided into four groups: investor, government, community and local farmers cooperative. Groups will be given one hour to prepare their list of interests, demands, red lines, and negotiating strategies and tactics. They will come back to the main room to participate in a first round of negotiations.</p>
13:30–14:30	Lunch
14:30–15:30	<p><b><i>Road maps and next steps</i></b></p> <p>Participants will be given time to prepare road maps to outline possible areas for future work. The road map will serve as a tool for individual reflection and to identify future activities when they return to their home country, including possible areas for further collaboration with EAC, COMESA and IISD. Participants will be asked to present their road maps to the group.</p>
15:30–16:00	<b><i>Conclusions and end of workshop</i></b>

