DESIGNING A SYSTEM TO MONITOR LAND-BASED INVESTMENTS IN SUB-SAHARAN AFRICA (SSA):
THE CASE OF GHANA

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Emmanuel A. Codjoe
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## List of Acronyms

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<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>CLS</td>
<td>Customary Land Secretariat</td>
</tr>
<tr>
<td>EPA</td>
<td>Environmental Protection Agency</td>
</tr>
<tr>
<td>FASDEP</td>
<td>Food and Agriculture Sector Development Policy</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>GCAP</td>
<td>Ghana Commercial Agricultural Project</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GFZB</td>
<td>Ghana Free Zones Board</td>
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<tr>
<td>GIPC</td>
<td>Ghana Investment Promotion Centre</td>
</tr>
<tr>
<td>GSS</td>
<td>Ghana Statistical Service</td>
</tr>
<tr>
<td>IFIs</td>
<td>International Financial Institutions</td>
</tr>
<tr>
<td>IIED</td>
<td>International Institute for Environment and Development</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>MDAs</td>
<td>Ministries, Departments and Agencies</td>
</tr>
<tr>
<td>METASIP</td>
<td>Medium Term Agriculture Sector Investment Plan</td>
</tr>
<tr>
<td>MoFA</td>
<td>Ministry of Food and Agriculture</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
</tr>
<tr>
<td>PNDC</td>
<td>Provisional National Defence Council</td>
</tr>
<tr>
<td>PPPs</td>
<td>Private-Public Partnerships</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>WIR</td>
<td>World Investment Report</td>
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</table>
Acknowledgements

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Likewise, we express our appreciation to the companies that were willing to disclose information, and to community members in the sites visited by the study team.
Executive Summary

In the last decade many developing countries, including Ghana have witnessed a surge in large-scale and long-term acquisition – through leasing or purchasing – of land for agricultural purposes. This trend in large-scale land acquisitions, for which sub-Saharan Africa is reported to have experienced the highest number, has been driven by the recent global food price crises, fears about energy insecurity and a surge in FDI flows. Most of these ventures are engaged in the production of cereals, such as rice and maize for export, as well as the cultivation of plants (such as jatropha) for the production of biofuels. This country report on Ghana takes stock of the available evidence on the state of large-scale land acquisitions that have occurred within the last decade. The main objectives of the report are to present an inventory of land deals, provide an appraisal of the trends and drivers underlying such land acquisitions, where possible discuss the features and outcomes of land-based investments in Ghana. However, it is important to state that evidence on the outcomes of these land-based investments is lacking and where available is unreliable, thus making it impossible to draw firm conclusions on the outcomes of large-scale land investments in Ghana.

Ghana has pursued a liberal economic policy in the last three decades, part of which included active encouragement of foreign investments into all sectors of the economy. Besides, the current agricultural policy framework, whilst not explicit on the promotion of large-scale land investment clearly identifies the need to increase private investment in the sector with the ultimate objective of achieving increased productivity through modernisation of production practices and the encouragement of plantation-type farms. In recent years, Ghana has experienced much interest from outside investors in its agricultural sector, with several notable large-scale land investments. Non-government organisations and community activists have been vocal in their critique of large land deals in the country, and although there is growing evidence about the features and outcomes of the deals in Ghana, the quality and reliability of this evidence base are mixed, and the debate remains controversial. This report draws on a combination of several sources to take stock of evidence on the state of large-scale land acquisitions in Ghana, including an assessment of the major trends and of early outcomes.

Ghana’s diverse agro-ecological zones support many forms of agricultural practices as well as permit the cultivation of many types of food crops, rearing of livestock, and forest-based cash crops. Hence, we find that of the 28 investment projects identified for this report, the majority are located in the Ashanti, Brong-Ahafo and Northern regions. These regions coincide with the Forest Transition and Guinea savannah agro-ecological zones, which support the cultivation of the bulk of food crops, such as tubers – yam, cassava – and cereals – maize, rice, soybean, sorghum and millet – as well as the rearing of livestock, such as cattle and poultry. In addition, the Ashanti and Brong-Ahafo regions are also noted for the cultivation of cash crops, such as cocoa, oil palm, cashew and shea nuts. It is therefore not surprising that many investment ventures have located in these regions to take advantage of the agro-climatic conditions in order to maximise the returns from their investments.
Land in Ghana is predominantly under the control of traditional authorities; approximately 80% is under the control of traditional authorities, whilst the state has control over the remaining 20%. Consequently, most large-scale land transactions involve traditional authorities – chiefs, skins, stools, family heads, etc. – transferring the rights to an investor. The land tenure system, which is a combination of the traditional/customary and statutes recognises the role of traditional heads in land transactions. Thus, it is not surprising to find that the evidence from Ghana shows that most of the land transactions involve traditional authorities handing over communal lands to investors. And in line with the 1992 Constitution, land may be leased for a period of 50 years for agricultural investments and may be renewed for a maximum of two terms of 25 years each; this applies to both foreign and Ghanaian investors.

However, with limited information about the actual scale and geography of investments in Ghana and the absence of good baseline data, we are unable to provide a rigorous assessment of the impact of these investment projects on communities and the economy at large. In addition, for many of these projects it is early days yet; some have not even commenced operations, others have changed production orientation from their original plans, whilst others are still finalising land agreements. Further, the literature on land-based investments in Ghana is of varying quality and presents a mixed picture of the impact of projects on communities. Clearly, there is more work to be done in this field in order to build a comprehensive picture of the features and outcomes of large-scale land investments in Ghana.

Nevertheless, the evidence obtained so far indicate that, while the majority of investors are foreigners, a significant number of land acquisitions involve Ghanaian investors, either operating wholly-owned ventures or in partnership with foreign investors. Thus, contrary to widely held views of foreigners acquiring lands in SSA, the evidence from Ghana points to the need for a more nuanced assessment of the patterns of land transactions in developing countries. Most of these land-based investments in Ghana concentrate on jatropha for the production of biofuel and cultivation of cereals – maize and rice – for export.

Whilst land acquired by investors may be lying fallow or be part of a natural forest, there is evidence that farmlands of small-scale farmers are leased to investors. The result is the displacement of many farmers – both local and migrant – from their lands, leaving them either to find marginal lands elsewhere or to be employed as workers by these investment ventures. Moreover, with documents covering most of the agreements silent on social responsibilities that are binding on these investments, we find evidence from other researchers that report of tensions and conflicts within host communities and between various groups within the community and projects. However, there is some evidence of positive impacts – albeit still limited. For example, one project that has created approximately 150 permanent jobs.

Limited evidence remains a major constraint on rigorously assessing the impact of land-based investments in Ghana – including for example the absence of any local-level baseline data. There is a
need to invest in better evidence, including a reliable database of large-scale land investments and baseline data in targeted communities, so as to enable the systematic monitoring and evaluation of these investments.
1. Introduction

1.1 Topic and rationale
The last decade has witnessed a surge in large-scale and long-term acquisition – through leasing or purchasing – of agricultural land in many developing countries. The global trend appears to be primarily driven by the production of cereals, such as rice and maize for export, as well as the cultivation of plants (such as jatropha) for the production of biofuels. The trend has been generally characterised as a global land grab (Neville and Dauvergne, 2012; Borras et al., 2011; Borras and Franco, 2010; Cotula et al., 2009; von Braun and Meinzen-Dick, 2009). Estimates from the World Bank and the Land Matrix Initiative indicate that sub-Saharan Africa (SSA) accounts for almost three-fourths of the world’s recent land acquisitions, with an estimated 50 million hectares reported to have been acquired. This trend has triggered lively and in some instances passionate discussions among researchers, activists and development organisations on the impacts of the deals in host countries.

Ghana has experienced substantial levels of foreign investment since the mid-1990s when the Investment Code was revised; and in the last decade the levels of foreign investment inflows have averaged over US$150 million. Although all the three main sectors of the economy – agriculture, industry and services – have attracted significant investments over the years, the service and manufacturing sectors have accounted for nearly 90% of investment projects (GIPC 2012). Despite the relatively small number of investment projects in the agricultural sector, in recent times non-government organisations and community activists have been vocal in their critique of large-scale land deals in the country. There is growing evidence about the features and outcomes of some of the deals in Ghana, but the quality of this evidence base is lacking whilst the data on these deals are unreliable or unavailable. Nonetheless, the debate on the issue remains controversial.

This report takes stock of available evidence on the state of large-scale land acquisitions in Ghana, including an assessment of the major trends and of early outcomes. The main objectives of this report is to present an inventory of land deals, provide an appraisal of the trends and drivers underlying large-scale acquisitions of land in Ghana and, discuss, insofar as possible, the features and outcomes of land-based investments.

The report forms part of a three-country research project also covering Ethiopia and Tanzania. The project is intended to propose a system to systematically track the incidence and impact of large-scale land acquisitions in SSA.

1.2 Methodology
The report draws on a combination of different research methods. The first involves a systematic inventory of land acquisitions for agricultural projects over 1,000 hectares from 1 January 2005 to 31 December 2012. The inventory involved collecting data about key parameters for each deal, including nature and origin of the land acquirer, project location and timeline, land area size, main crops, target markets, implementation status, and main economic, social and environmental costs and benefits.
This task was beset by the absence of a national database of land acquisitions from which the total number of land transactions for agricultural purposes could be assembled. Consequently, the report relies on the combination and triangulation of several reports and lists that are compiled by different state institutions – ministries, departments and agencies (MDAs) – that are responsible for economic activities requiring land acquisition. In order to gauge the current state of affairs relating to the records of large-scale land deals, several visits were made to specific MDAs, making use of publicly available databases on land transactions as well as official public documents that might hold any information regarding any particular land transaction. The following are the MDAs that were visited:

- Ministries – Lands and Natural Resources; Environment, Science and Technology; Food and Agriculture; and Local Government and Rural Development; and
- Departments and agencies – Ghana Investment Promotion Centre; Ghana Free Zones Board; Lands Commission; Office of the Administrator of Stool Lands; Environmental Protection Agency and the Land Title Registry.

The Ghana Investment Promotion Centre (GIPC), which is mandated by law to record and keep track of all foreign (and in the last few years domestic) investment and therefore maintains a list of investment projects in the main sectors of the Ghanaian economy, provided data on foreign (and domestic) investments in the agriculture sector. Likewise, the Ghana Free Zones Board (GFZB) was established to enable the establishment of free zones to promote economic development through among others, the attraction of foreign direct investment. The GZFB thus keeps a database of companies registered to operate within free zone areas in Ghana. However, data from the GFZB are also sketchy, especially in respect of the nature of business activity by the companies in their database. Additionally, the data from GIPC and GFZB do not provide specific details regarding land acquisition and related issues. These problems are compounded by the fact that in addition to farming activities, the GIPC also includes agro-processing, dairy production and processing, and range of other agricultural support services under the category of investment projects in the agriculture sector. Thus, it is evident that not all investment projects recorded by the GIPC as agricultural investment would involve any acquisition of land for farming. Besides, the information available from GIPC is not updated constantly to determine whether companies that registered and supposedly commenced operations are still in operation. Thus, it is likely that the number of actual investment projects in the agriculture sector may be lower than what is reported by the GIPC. Despite this methodological challenge regarding the definition of what constitutes investment in agriculture by the GIPC, the data from GIPC, as well as information from the GFZB database, represent a good starting point to begin the difficult task of putting together a list of large-scale land acquisition projects in Ghana.

The data obtained from GIPC and GFZB was therefore complemented with reports from the Lands Commission, Office of the Administrator of Stool Lands, the Ministry of Local Government and Rural Development and the Ministry of Food and Agriculture as well as reports and publications on land acquisition in Ghana by academic researchers and non-government agencies. Thus, some projects were easily identified because they are well-documented – these projects have been part of case studies and/or widely cited in policy briefs by non-government organisations and the Ghanaian press – whilst in the case of others the information available was sketchy or non-existent. Attempts were made to complement and cross-check data from official government records with interviews with company officials, though as will be discussed the response rate was low.
In addition to the inventory, the study team collected more selective in-depth information about some of the investment projects listed and treated as case studies for the purposes of this report. Using a combination of sources from government agencies as well as other non-government agencies, 28 investment projects with farming/production operations requiring at least 1,000 hectares of land were identified (see inventory list). A review of the available literature (academic articles and other reports) provided much information about some of these deals. In addition, the study team carried out brief field visits to collect data on four selected projects. It is worth stating that the four projects, located in the Ashanti, Brong-Ahafo and Northern regions, are not statistically representative of land-based investment projects in Ghana.

The four investment projects include a jatropha venture at Yeji in the Brong-Ahafo region, and two investment projects (one at Agogo in the Ashanti region and Kpachaa, near Yendi in the Northern region) engaged in the production of maize. The fourth, a maize and rice venture is also located at Agogo in the Ashanti region. Two of the four investment projects were initially established to produce jatropha, but have subsequently divested away from biofuels to maize production, citing poor yields as the major reason.

Brief field visits provided an opportunity for qualitative, semi-structured interviews with company management (present and former), where they were willing, and with a range of other local stakeholders. While this varied in different locations, interviewees included company employees, including farm labourers, chiefs, local farmers who had lost their lands, other members of the local community, and officials from government departments and agencies located in the community (notably, the Lands Commission, Ministry of Food and Agriculture and officials from the district assembly). In the case of our visit to Agogo in the Ashanti region, the Registrar of the Agogo Traditional Council provided the team with further documents, which proved useful to help understand the impact of the agribusiness operations on the people of Agogo.

For the remaining 24 projects listed in the inventory, no field visits were possible, although some telephone interviews with company management (usually the managing director or equivalent) were carried out to obtain information on the project relevant to addressing the main objectives of this report.

1.3 Limitations
As discussed, data and information for the preparation of this report was obtained through a combination of a review of the literature, which provides evidence mainly on particular case studies; reports and data collected from government agencies; telephone interviews; and brief field visits. However, it is recognised that while the combination of methods and triangulation of sources employed helped take stock of evidence about large-scale land acquisitions, it is unlikely to result in a comprehensive, definitive assessment of the scale, drivers, features and outcomes of large-scale land acquisitions in Ghana. For many recent land deals, it is too early to assess long-term impacts on local livelihoods. Moreover, obtaining reliable evidence on outcomes and impact would require far more comprehensive data collection over longer periods of time and following rigorous methodological conventions regarding sample selection, survey tools and analysis of evidence. This has not been done for this report and for most of the case studies reviewed in the literature. Besides, the absence of a central government registry on land acquisitions with comprehensive details of any land
investment agreements, and the fact that many land leases have been concluded by customary chiefs make it more difficult to collect comprehensive evidence on scale and geography, despite the presence of state institutions that are charged with the registration of land titles and the keeping of records of foreign and domestic investment in Ghana. Among other things, this raises the problem of sample selection bias with regard to the field visits that were carried out because we are unable to establish the exact number of companies operating in Ghana. As is evident from the inventory list, the response rate from companies was low, thus providing only patchy information on the companies. There is a broader issue of why there is such a low response rate and what informed the decisions of companies to/not to participate in this study although this is outside the scope of this report. The brief field visits were designed to understand issues raised by a range of different stakeholders, rather than to carry out in-depth analysis of selected deals.

The rest of the report - arranged in four chapters – is organised as follows: chapter 2 provides contextual information about Ghana. Chapter 3 discusses the trends and drivers associated with large-scale land acquisitions in Ghana using information from an inventory of companies engaged in activities related to land acquisitions. Chapter 4 highlights the features and outcomes of land-based investments by providing a brief description of the land tenure system in Ghana, the processes involved in land acquisition, and the outcomes of land deals on the economy with emphasis on issues relating to compensation and job creation. Chapter 5 presents the conclusion to the report.
2. Country context

2.1 Ghana: Background Information
Ghana, located in the West African sub-region, is bound on the south by the Gulf of Guinea and to the north by the Savannah region, and covers a total land area of 238,539 km$^2$. Ghana gained independence in March, 1957 – the first country in SSA – and has since January 1993 experienced 20 years of unbroken constitutional government. The total population has increased rapidly since 1960. Data from the Ghana Statistical Service (GSS) show that the population increased from 6.7 million in 1960 to 12.3 million in 1984, rising further to 18.9 million in 2000. By 2010 the population had reached 24.6 million, which is almost four times that of 1960. Politically, Ghana is a unitary republic, with a directly elected President. Administratively, the country is divided into 10 regions as depicted in Figure 2.1. The 10 regions are Western, Central, Greater Accra, Eastern, Volta, Ashanti, Brong-Ahafo, Northern, Upper East and Upper West. These are further sub-divided into 170 administrative districts and metropolitan areas. Each region has a regional minister, appointed by the President (serving as the President’s political representative in the region). In the case of the districts and metropolitan areas, the President nominates a District Chief Executive (or a Metropolitan Chief Executive as the case may be), who has to be approved by the District/Metropolitan Assembly.

There are six agro-ecological zones in Ghana: coastal savannah, rain forest, semi-deciduous forest, forest-savannah transition (transitional zone), Guinea savannah and Sudan savannah (Ghana Environmental Protection Agency, 2001; MoFA, 2011). These zones are noticeable as one travels from the coastal south to the north of the country (see Figure 2.1). The coastal savannah covers all of the Greater Accra region and parts of the Central and Volta regions. The forest and transitional zones cover parts of Western, Brong-Ahafo, Ashanti, Eastern and Volta regions, whilst the two Savannah zones covers parts of Brong-Ahafo and all of the Northern, Upper East and Upper West regions. And as we shall observe later, most of the companies in the land research inventory are located in the regions situated in the transitional and Guinea savannah zones where the availability of land and the pattern of rainfall permit the large-scale cultivation of cereals for export or jatropha for the production of biofuels.

The rainfall pattern is also characterised by spatial variation, which coincides with these agro-ecological zones. In its 2011 report The Ghana Commercial Agriculture Project, the MoFA reported that average annual rainfall over the country is about 1,260 mm per year, although this ranges from 890 mm per year in the coastal zone near the southeast coast to 2,030 mm/year in the south-western rainforests. The average annual temperature across all the ecological zones is generally above $24^\circ$C, although the average temperature tends to rise as we transit from the coastal savannah to the Sudan savannah in the north. Thus, the different agro-ecological zones are broadly characterised by different rainfall and temperature patterns that impact on agricultural practices, mainly the type of crops grown and number of planting-cum-farming seasons. The Guinea savannah zone – which is the largest agricultural zone in Ghana – is the source of most of the nation’s supply of rice, millet, sorghum, yam, tomatoes, cattle, sheep, goat and cotton. The coastal savannah zone is notable for rice, maize, cassava, vegetables, sugar cane, mangoes, coconut as well as livestock. In the forest and transitional zones, where rainfall is plentiful, the notable crops are mainly tree crops, such as cocoa, coffee, oil palm, cashew and rubber, as well as plantain, banana and citrus.
One important aspect of the variability in rainfall with regard to agriculture in Ghana is the effect on the pattern of agricultural production and transportation links to food crop growing areas. For instance, in the rainy season some roads are virtually impassable, with the result that several tons of agricultural produce are left to rot on farms, and especially so because storage facilities are non-existent. As Seini et al. (2004) observe, the amount and pattern of rainfall is significant in determining agricultural productivity. Thus in periods of extreme weather – droughts and floods for example – agricultural output has declined, whilst a bumper harvest is usually recorded in periods of very good rainfall. It is thus not surprising that agriculture in Ghana has been described as ‘rain-fed’ within official government, academic and academic policy circles. Table 2.1 presents information on the land area, mean annual rainfall and the major and minor agricultural seasons corresponding with the six agro-ecological zones in Ghana.
Table 2.1: Ghana Agro-ecological Zones: Rainfall and Growing/Farming Period

<table>
<thead>
<tr>
<th>Agro-ecological Zone</th>
<th>Area ('000 ha)</th>
<th>Percent of Total Area</th>
<th>Mean Annual Rain (mm)</th>
<th>Growing/Farming Period (days)</th>
<th>Major season</th>
<th>Minor season</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rain Forest</td>
<td>750</td>
<td>3</td>
<td>2,200</td>
<td>150-160</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Semi-Deciduous Forest</td>
<td>740</td>
<td>3</td>
<td>1,500</td>
<td>150-160</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td>Forest-Savannah Transition</td>
<td>6,630</td>
<td>28</td>
<td>1,300</td>
<td>200-220</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>Guinea Savannah</td>
<td>14,790</td>
<td>63</td>
<td>1,100</td>
<td>180-200</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Sudan Savannah</td>
<td>190</td>
<td>1</td>
<td>1,000</td>
<td>150-160</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Coastal Savannah</td>
<td>580</td>
<td>2</td>
<td>800</td>
<td>100-110</td>
<td>60</td>
<td></td>
</tr>
</tbody>
</table>

Source: Statistics Research and Information Department (MoFA), 2001.

2.2 The policy environment

Ghana’s overall economic policy framework prior to 1983 had been dominated by state-led interventions and control of nearly all economic activities. The state was thus involved in all sectors of the economy, from agriculture to industry, owning farms, factories and mines and dictating the prices of goods and services in the market. However, after nearly two decades – between 1964 and 1983 – of poor economic performance, overall economic decline, and an almost bankrupt country by the end of 1982, the government of the Provisional National Defence Council (PNDC) was compelled by these circumstances to turn to the Washington-based International Financial Institutions (IFIs) for assistance. Thus, from April 1983 Ghana embarked on a series of World Bank and IMF supported economic reforms and a gradual process towards liberalising most sectors of the economy. The liberalisation programme emphasised the importance of market-based incentives, a liberalised trade and investment regime, a reduced role for the state in economic activities, and hence the promotion of the private sector as the ‘engine of growth’. A key component of the policy strategy to encourage private sector participation involved the promotion of foreign and domestic private investment in the main sectors of the economy; a process that was generally termed ‘creating an enabling environment’ in official government policy documents. In this regard, the Ghana Investment Promotion Centre, and subsequently, the Ghana Free Zones Board, were mandated not only to promote Ghana as a favourable investment destination but to encourage and assist investors (initially only foreign, but now broadened to include domestic) to set up investment projects in the country.

In spite of the fact that the economic and social effects of these reforms are hotly debated, it is worth noting that, since 1984, overall economic growth has remained significantly steady and positive (in contrast with the largely average negative growth experienced in the decade prior to 1984), with an annual average growth rate in real GDP of 5% between 1984 and 2007; between 2007 and 2012, average real GDP growth has increased to approximately 8%. In spite of the positive growth recorded over nearly three decades, the country is still confronted with many challenges – poorly developed infrastructure (roads, rail, water and electricity) – instability in many other
macroeconomic indicators, and is still dependent on aid for many social programmes.

The agricultural sector in Ghana has for many decades remained the backbone of the economy. Until recently, the sector represented the largest proportion of GDP and contributes significantly in terms of employment and foreign exchange as well. Despite its importance to the economy, the sector is largely underdeveloped. The production of food and cash crops in Ghana is dominated by smallholder farmers who use basic farm implements, that is, the hoe and cutlass. The MoFA reports that approximately 80% of food produced in Ghana is done by these smallholder farmers, many of which work in family operated farms on land that is less than 2 hectares in size. However, it is worth emphasising that this category of smallholder farmers are a heterogeneous group made up of very poor farmers living and farming on land which is less than 1 hectare in size and in many cases only a few acres in size. These poorer farmers are thus compelled to work for casual wages to supplement their incomes. Despite the dominance of many smallholder farmers, there are few large-sized commercially-oriented farms and plantations – largely for the production of rubber, oil palm, banana and coconut – and on a lower scale farms that produce maize, rice, pineapples and mango.

In the last three and half decades the share of agriculture in GDP has been declining; the agriculture sector represented the largest share until it was replaced by the services sector; the share of agriculture in GDP has declined gradually over the decades since independence. Between 1960 and 1990 the share of agriculture in total national output was approximately 50%, but this has declined to approximately 40% in the last two decades. Indeed, in the last five years, it has averaged approximately 28%. Furthermore, estimates from the 2010 national population census show that the largest proportion of the economically active population, 41.6%, are employed in the agricultural sector. It is worth noting that although agriculture employs the largest proportion of the economically active population, the proportion of the population employed in the sector has declined over the years; in 1984 61.1% were employed in agriculture whilst in 2000 this dropped to 53.1%. The declining share of agriculture in total output can be attributed to the low levels of public and private investment in the sector, low productivity partly due to the relatively unchanged production techniques – reliance on basic farm implements by farmers, and increased competition from cheap imports as result of the liberalised economic environment. Significantly, the manufacturing sector has also witnessed similar declines in its share of GDP, whilst the services sector has experienced massive increases in its share of GDP.

The current agriculture sector policy, according to the vision statement by the Ministry of Food and Agriculture is to achieve “a modernised agriculture culminating in a structurally transformed economy and evident in food security, employment opportunities and reduced poverty”. In order to ensure the realisation of this vision, the ministry has put in place a policy plan and strategy framework, Food and Agriculture Sector Development Policy (FASDEP II) and the Medium Term Agriculture Sector Investment Plan (METASIP 2010-15). Nonetheless, it is worth stating that both these documents make no mention of issues concerning large-scale land acquisitions in the manner in which it is understood with regard to the debate on large-scale land acquisitions in SSA.

Although 13.6 million hectares of Ghana’s total land area of 23.8 million hectares (representing 57%) are suitable for agricultural production, the levels of investment in agriculture (both public and private) have been generally low. Of the 13.6 million hectares of land suitable for cultivation, the Ghana Survey Department estimates that approximately 7.3 million hectares (about 54%) is under
cultivation, of which 29,804 hectares is under irrigation (MoFA, 2009). Given the low levels of investment in agriculture as well as the use of basic technologies in the production of most of the food crops, agricultural productivity is generally low with the result that many farming households in food crop growing areas are poor. Several policy interventions have been proposed in the past, but these have seldom seen the light of day. Currently, the MoFA has outlined several projects that are aimed at helping the country achieve increased agriculture productivity, food self-sufficiency, the reduction of poverty levels among farmers and modernisation of the agriculture sector. However, of the seven projects, the Ghana Commercial Agriculture Project (GCAP), which is an initiative by the Government of Ghana with support from the World Bank and USAID, represents the only one with any relevance to the issue of large-scale land acquisitions.

The GCAP states as its principal objective the improvement of “the investment climate for agri-business and developing inclusive Private-Public Partnerships (PPPs) and smallholder linkages aimed at increasing on-farm productivity and value addition in selected value chains.” It also states further the need for government to “promote a sound enabling environment for commercial agriculture investment (large and small; foreign and domestic). However, as previously noted in the case of other MoFA policy documents, the GCAP makes no explicit mention of large-scale land acquisitions in the sense as understood in the literature on this issue. Nevertheless, the GCAP document states the need for “complementary and targeted public support services … to facilitate private investment in agriculture”, as well as “enhancing the role of commercial agriculture”, the need for “large-scale commercial farms in the cereals sector … to utilise large tracts of unutilised land to meet domestic demand and for export to the region”. The GCAP also states that “there are additional opportunities for multinational investors to expand the horticulture sector”.

But as stated earlier, there is no mention of the issue of large-scale land acquisitions in the project plan, and neither is any mention made in the FASDEP II nor METASIP 2010-2015 policy documents. It therefore appears that, despite evidence of large-scale land acquisitions in Ghana, there is no explicit official policy position concerning how the country intends to approach this issue. Further, it seems that the thrust of the GCAP involves a major role for the government, and where necessary involve the private sector, as evidenced by this statement in the document, … “adoption of a ‘transaction based approach’ by seeking to identify, package, negotiate and secure specific investments, with a PPP element where necessary.” Thus, it is apparent that the current agricultural policy framework clearly identifies the need to increase private investment in the sector with the ultimate objective of achieving productivity increases through modernisation of agricultural production practices and a greater emphasis on large-scale plantation-type farms.

2.3 Land tenure systems in Ghana

The land tenure system in Ghana involves several stakeholders operating at various levels of the state (national, regional, and local-cum-traditional: stool, skin, clan and family). It generally describes the institutional mechanisms – written and unwritten - by which the rights and interests in land are obtained, utilised and transferred. Consequently, as in several other West African countries, the land tenure system in Ghana is characterised by a plethora of overlapping statutory and customary systems that occasionally result in conflicts and tensions. Thus, we find customary and statute laws
co-existing in a complex mix, and which are supervised by a range of institutions and regulations having authority over land rights as well as the mediation of disputes that arise (Delville et al., 2001; Larbi, 2009; 2006). This state of affairs with regard to the land tenure system in Ghana is, as observed by Kasanga and Kotey (2001), one that has evolved from a set of distinctive political and economic circumstances, cultural norms and religions practices.

Land in Ghana has several classifications: Asante (1965) for example identifies three classifications; stool, family and individual, whilst Sittie (2006) classifies land into two, customary and public. Likewise, Obeng-Odoom (2012) distinguishes between private and public land, where private land refers to land that belongs to individuals, families and communities and public land as that belonging to the government or state. The 1992 Constitution of the Republic of Ghana distinguishes between public lands that are governed by customary tenure and land that is exclusively under state authority. Therefore, more generally, we can distinguish between customary land and statutory land. The former refers to land that is managed by a traditional ruler – chief, stool, skin, earth priest, council of elders, family or lineage heads. The latter, also known as public land refers to land acquired by the state or under the authority of the state. Larbi (2009) indicates that 78% of all land in Ghana is owned by traditional authorities, 20% by the state, with 2% split between state and traditional authorities. He further notes that on some pieces of land, both customary and common law rights exist, although the state has control over the administration of both customary and public lands.

Public lands, as previously noted, are lands acquired by the state compulsorily through an appropriate legal instrument. The compulsory acquisition of land is based on a fundamental principle of land ownership in Ghana. Larbi et al. (2004) note that in Ghana there is no land that lacks ownership by an indigenous community. Hence, land for public use must be accessed either through negotiation or compulsory acquisition. But to safeguard communities from what might be regarded as unreasonable acquisitions of land by the state, the 1992 Constitution has set out the basis for any land acquisition by the state. Thus, the state’s rights in any public land are governed by a set of written statutes and regulations. The management of the state’s interest is usually in the hands of the Lands Commission, which since the introduction of the Lands Commission Act of 2008 is now an amalgamation of four public land sector agencies. These are the Survey Department, Land Title Registry, Land Valuation Board, and Lands Commission Secretariat.

It is worth emphasising that state lands are primarily customary lands annexed over several decades by the state through the power of eminent domain with or without compensation, or through purchase by private treaty. Besides facilitating the acquisition of land for Government, the Lands Commission is also charged with ensuring that all lands acquired are used in conformity with approved land use plans. Thus, with the power to acquire land as well as an existing pool of state lands, other state institutions can facilitate access to land for use by private investors. The 1992 Constitution allows foreigners to lease land for terms up to 50 years, which in view of the discussion on large-scale land acquisitions suggests that the state can play an active role in facilitating access to

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1 A stool is the traditional symbol of office for chiefs in southern Ghana, whilst it equivalent symbol in northern Ghana is the skin. Hence, in terms of land tenure the terms “stool” and “skin” are used to refer to the chiefteancy or the representative of the tribal system that owns land in northern Ghana. Thus, stool, skin and family lands, are lands vested in the appropriate stool, skin or family on behalf of, and in trust for, subjects of the stool or skin or family members. Consequently, land that is held under customary tenure may be vested in chiefs, or in other parts of the country, earth priests (who hold spiritual authority over land matters because of their role as the descendants of the first village settlers) or other customary authorities.
land for agricultural investments. According to German et al. (2011), the GIPC has facilitated access to 150,000 hectares of land in southern Ghana for two high profile investments for the cultivation of jatropha. Nevertheless, their research did not find any evidence of government institutions actively supporting land acquisitions for investment projects in the agricultural sector.

The customary land tenure system is characterised by largely unwritten, mainly local practices and norms. But as Ubink (2009) notes, these practices and norms have been legalised indirectly through constitutional recognition of customary land management practices and of the position of chiefs since the colonial period. The 1992 Constitution outlines several categories of land interests under the customary land tenure system. These include allodial title, customary freehold title, freehold title, leasehold title, as well as other lesser interests in the land.

Allodial title is that which is vested in traditional authorities – stools, skins, clans or families – and is the highest form of customary land tenure in Ghana. Freehold title is derived from a freehold grant - gift or sale – by an allodial title holder. As Kasanga and Kotey (2001) and Ubink and Quan (2008) note, allodial title is held in trust by the head of family or lineage, but can be transferred only with the consent of the land’s ‘management committee’. Thus, with a transfer from allodial to freehold title the rights to the land change from an allodial framework to a common law framework on the condition that both parties are in explicit agreement that common law will govern and regulate any issues relating to the land in question. In Ghana, freehold title is mostly practiced in Greater Accra and parts of the Eastern and Central regions.

Customary freehold title refers to the rights held by individuals or group members of a land-owning group in respect of the portion of the communal land that such individuals have appropriated for their occupation and use. As Ubink (2009) observes, this practice dates from when communities were involved in subsistence farming in land-abundant areas, when people, not land, were of value to the chief and the community. Customary freehold title is perpetual; however holders may sell, lease or mortgage their rights and recipients must recognise the superior ownership of the stool/skin and therefore be willing to perform any customary services/rites due the stool/skin when requested (Ubink and Quan, 2008; Sarpong, 2006).

Leasehold title is a time-bound right, which can be granted to an individual or organisation by allodial title or freehold title holders. A leasehold agreement can be for a period of up to 99 years for Ghanaians and up to 50 years for foreigners (ibid). For an excellent discussion on the origins of customary and state control over land, as well as early land sales in the colonial period, see Amanor (2008). Within the context of this report on large-scale land transactions in Ghana, we have observed that the evidence thus far points to land acquisition under leasehold title for a period of 50 years. Moreover, with the exception of one case where the Government transferred title to an investor, the other five cases have involved traditional authorities leasing land that was previously farmed by members of the community. This has raised concerns within the NGO community, with stories of foreign investors taking advantage of traditional systems of land ownership by deceiving traditional chiefs to part with large tracts of communal land. These concerns are heightened by reports, which suggest that these transactions bypass official development authorisation and use methods similar to those practiced under colonialism.

But this impression of ‘illiterate’ traditional leaders signing off large parcels of communal land to foreign investors betrays a lack of understanding of the role of traditional rulers in the administration
of customary land in Ghana. Amanor (2008), for example, has argued that as a result of the strengthening of community-based institutions as part of promoting democratic participation, chieftaincy has re-emerged as an institution of governance. Thus, chiefs have in recent years increased their involvement in championing local development and in a few cases partnered external donors to drive development in their communities. Besides, he argues that allodial rights are vested in chiefs who through their political hegemony are granted ultimate control over the land, and coupled with the fact that most people gain access to land in Ghana under the customary system it is unsurprising to find chiefs play prominent roles in the large-scale land transactions.

Likewise, as Boamah (2011) argues, the recent surge in large-scale land transactions for biofuels investment in Ghana has coincided with the desire of customary chiefs to re-establish authority over local land in the hope of extracting the maximum economic benefits for the local population from investors (compared with local resident or migrant farmers who according to Boamah are perceived to be irresponsible and noncompliant land users). Another reason provided by Boamah for this behaviour by chiefs is the anticipation of future land litigation or contestations with neighbouring traditional councils and therefore to use these land deals to formalize the boundaries of their land.

German et al. (2011) have also argued that traditional authorities, driven by elite capture and self-interest, expect to maximize local benefits – revenues – from land sales for personal enrichment and are thus using existing legal structures of power and control to engage directly with investors in land transactions. They note the case of one traditional council that complained of the low financial returns from local and migrant farmers compared with the ‘far, far better’ payments from an investor. Ubink (2009) also describes cases in peri-urban Kumasi in Ghana, where chiefs are motivated by lucrative prices for land due to increased demand by wealthy individuals and investors (local or foreign) to dispossess local farmers off their lands. But this practice of chiefs leasing or selling communal land to wealthy individuals or local investors is not new. Benneh (1989) has highlighted cases where community-owned land has been sold by chiefs to wealthy individuals/investors – who are mainly Ghanaian large-scale farmers but do not reside in the communities – in exchange for money or influence in the Ashanti and Brong-Ahafo regions.

Hence, the concerns and sentiments generated within media circles and the NGO community in Ghana regarding recent large-scale land acquisitions must be placed within the context of a changing customary land tenure system, in which traditional leaders appear to be neglecting their fiduciary responsibilities within the community, and thus alienating the interests of local farmers and residents. This has the potential effect of threatening the livelihoods of local farmers and aggravating the poverty situation in these communities.
3. Trends and drivers

3.1 Foreign direct investment in agriculture and land acquisitions
The rapidly changing nature of the global economy has resulted in a faster integration of many developing countries into the processes of globalisation, thus exposing several of these countries to events that are in many instances outside their sphere of influence. It is in this regard that the increased demand for land for agricultural purposes can be situated. In other words, this recent new land rush can be attributed largely to events that have occurred elsewhere, although in cases such as Ethiopia domestic forces have played a central role in land acquisitions. These external events, it appears, have been largely influential drivers in respect of the observed trends in large-scale land acquisitions in SSA. Whilst many factors can be identified as major drivers behind these land acquisitions, two notable factors are worth stating; the 2007-08 and 2011 global food price crises, which partly resulted in non-African countries demanding large tracts of land for the cultivation of cereals for export and/or to address food security and energy concerns, and the dramatic increase in foreign direct investment (FDI) to SSA within the last decade. Both factors, in many cases, have resulted in the acquisition of land either for agricultural production purposes or the exploitation of land-based natural resources.

Table 3.1 provides estimates of the number of land deals in SSA from the Land Matrix Database. The Land Matrix records transactions that entail a transfer of rights to use, control or own land through sale, lease or concession; that cover 200ha or larger; and that have been concluded since the year 2000 (Anseeuw et al., 2012). However, it is worth emphasising that reliable estimates on the number of land deals in SSA are difficult to obtain, and thus the information in Table 3.1 presents an incomplete and approximate picture of the actual situation, particularly so as it does not take into account land deals involving less than 200ha or those that are still being negotiated. In addition, as Cuffaro and Hallam (2011) observe, the number of projects actually implemented is less than the number being planned or reported in the media. So, it is not clear whether the estimates from the Land Matrix are over- or under-estimates of actual deals on the ground. This will depend on the particular circumstances of each country.

<table>
<thead>
<tr>
<th>Country</th>
<th>Hectares</th>
<th>Number of Deals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sudan</td>
<td>3,123,430</td>
<td>17</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>2,412,562</td>
<td>56</td>
</tr>
<tr>
<td>Madagascar</td>
<td>2,176,241</td>
<td>36</td>
</tr>
<tr>
<td>Mozambique</td>
<td>2,017,912</td>
<td>96</td>
</tr>
<tr>
<td>Tanzania</td>
<td>1,115,179</td>
<td>41</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>1,085,742</td>
<td>21</td>
</tr>
<tr>
<td>Benin</td>
<td>1,040,900</td>
<td>9</td>
</tr>
<tr>
<td>Liberia</td>
<td>662,000</td>
<td>5</td>
</tr>
<tr>
<td>Kenya</td>
<td>480,000</td>
<td>8</td>
</tr>
<tr>
<td>Mali</td>
<td>471,891</td>
<td>25</td>
</tr>
<tr>
<td>Cameroon</td>
<td>300,340</td>
<td>14</td>
</tr>
<tr>
<td>Zambia</td>
<td>273,413</td>
<td>8</td>
</tr>
</tbody>
</table>
The inflow of FDI more generally to Africa in recent decades has been phenomenal; between 1990 and 2011 for example, inward stock of FDI to Africa has increased by a factor of 9.4. It worth pointing out that this phenomenal rise in FDI inflows in the last two decades has been largely the result of investments in the non-agricultural sectors, notably mining and oil exploration. Table 3.2 presents data on inward stock of FDI to the Africa region and the four sub-regional areas for the period, 1990, 2000 and 2011. What Table 3.2 evidently demonstrates is the massive increases in FDI to the region in the last two decades. And despite the decline in FDI inflows to Africa post-2008, the World Investment Report 2012 notes that prospects of inflows to Africa are brightening, and for SSA recovery is close to the historic peak recorded in 2008. In the case of Ghana, the UCTAD FDI Attraction Index for 2011, which measures the success in attracting FDI, places Ghana among the top 20 countries. Thus, for the 2011 period, the WIR Report 2012 notes that for the West Africa region, FDI inflows were primarily destined for Ghana and Nigeria, which together accounted for nearly three-quarters of all inflows to the sub-region.

<table>
<thead>
<tr>
<th>Region</th>
<th>1990</th>
<th>2000</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>60,533</td>
<td>153,553</td>
<td>569,559</td>
</tr>
<tr>
<td>West Africa</td>
<td>14,013</td>
<td>33,061</td>
<td>110,395</td>
</tr>
<tr>
<td>Central Africa</td>
<td>3,686</td>
<td>5,492</td>
<td>48,164</td>
</tr>
<tr>
<td>East Africa</td>
<td>1,701</td>
<td>7,202</td>
<td>33,054</td>
</tr>
<tr>
<td>Southern Africa</td>
<td>17,191</td>
<td>62,208</td>
<td>167,460</td>
</tr>
<tr>
<td>Northern Africa</td>
<td>23,962</td>
<td>45,590</td>
<td>210,487</td>
</tr>
</tbody>
</table>

Source: UNCTAD (2012)
Whilst several factors account for the surge in FDI to SSA in the last decade, earlier efforts at encouraging foreign investors had begun in several countries, such as Ghana where economic reforms had commenced in the early 1980s. Thus, by the mid-1990s, the drive to attract foreign investors became an integral part of Ghana’s economic liberalisation reforms. This, as already noted, resulted in the establishment of the GIPC in 1994 as well as the revision of the investment code to provide guarantees and other assurances to foreign investors. A year later, the GFZB was established to promote economic development through the setting up of free zones that were aimed at driving forward an export-led policy. Besides, the government’s posture towards foreign investors, which in the past had been ambiguous at best and in some cases appeared hostile, shifted towards one that was not only accommodating but actively encouraging foreign investments in Ghana. In addition to several fiscal incentives that were included in the new investment code, the financial sector – notably the banking sector – was liberalised, thus making it easier for individuals and companies to undertake foreign exchange transactions with minimal government intervention. The effect of these changes was a substantial rise in FDI inflows from the mid-1990s compared to the previous decades. Consequently, we observe substantial increases in average annual inflows since 1970: between 1970 and 1990 the average annual inflow was $15.2 million, rising to $128.6 million for the period 1991-2000, with that for the period 2001-2011 increasing to $974.1 million. Figure 3.1 depicts trends in FDI inflows to Ghana in millions US ($) from 1970 to 2011. The massive surge in inflows post-2005 is a reflection of the increased growth rate of the Ghanaian economy in recent years, substantial investments in real estate as well as the discovery of crude oil in commercial quantities in 2007. Historically, the largest share of foreign investment to Ghana has been concentrated in the mining sector, and according to estimates by UNCTAD (2008), approximately 70% of total FDI inflows between the mid-1990s and 2008 went to the mining sector. Moreover in respect of the oil sector, the African Economic Outlook 2012 reports that Ghana’s new oil industry is attracting an increasing share of FDI to the West Africa region, rising from US$ 860 million in 2007 to US$ 1.67 billion in 2011.

Figure 3.1: Trends in FDI Inflows to Ghana (millions of USD), 1970-2011

Source: UNCTAD Statistics Database (2012)
3.2 Investment trends in the agricultural sector

Precise estimates of the number of foreign and domestic private investment in the agricultural sector are unavailable. This is partly because of the absence of an up-to-date register of companies operating in the sector from the GIPC and GFZB, and partly because not all private domestic investments in the sector either bother to register with or are recorded by the GIPC. The GFZB database indicates that there are 276 companies registered to operate within four free zones in Ghana. Nevertheless, information on the nature of activities undertaken by many of these companies is patchy. Of the 276 companies identified, 54 – relying on activity data – are engaged in the agricultural sector. Of the 54 companies, 5 are engaged in activities relating to either the cultivation of jathropha or the production of biofuel or biomass. Nonetheless, it is worth stating that because we rely on activity data it is unclear whether these investments involve the use of large tracts of land where plantation-type agriculture is practiced. Moreover, additional information on these 5 companies, such as land size, is also lacking. Table 3.3 presents information on location, year licenced and activity for the 5 companies registered with GFZB.

Table 3.3: Information on Five Companies from GFZB Database

<table>
<thead>
<tr>
<th>Name of Company</th>
<th>Location</th>
<th>Year Licenced</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abellon CleanEnergy (Gh) Ltd.</td>
<td>Ashanti</td>
<td>Not Available</td>
<td>Manufacturing Of Pellets &amp; Solid Biofuels</td>
</tr>
<tr>
<td>Jatropha Africa Ltd.</td>
<td>Greater Accra (HQ)</td>
<td>2009cc</td>
<td>Producing Jatropha Seeds</td>
</tr>
<tr>
<td>KIMMINIC Oil Ltd.</td>
<td>Brong Ahafo</td>
<td>2007</td>
<td>Processing and Refining of Bio Diesel and By-Products</td>
</tr>
<tr>
<td>SCANSTYLE Biofuel Mim Ltd.</td>
<td>Brong Ahafo</td>
<td>2009</td>
<td>Biomas (Waste Wood) from Local Industry, not Primary Forest</td>
</tr>
<tr>
<td>Takoradi Renewable Energy Ltd.</td>
<td>Western</td>
<td>2011</td>
<td>Biomas (Wood Chips) from Rubber Trees</td>
</tr>
</tbody>
</table>

Source: Ghana Free Zones Board

But to obtain a trend in the number of foreign investment projects in agriculture, we rely on information from the GIPC. The GIPC database provides information on investment projects that have been registered with the GIPC since September 1994. We need to however point out that we have no estimates, year-on-year, of the actual value of investments in agriculture and therefore unable to determine the relative importance of these investments in overall FDI. Figure 3.2 depicts trends in the number of investment projects in agriculture for the period September 1994 to September 2012. On average a total of 12 projects per annum have been recorded over the period. We observe that the pattern of investments over the nearly two decade period exhibits significant variability. However, we have no clear reasons to explain the investment behaviour in the agriculture sector. Nevertheless, one might expect the initial surge in investments from September 1994 to 1998 to be the result of the general optimism from investors that followed the return to democratic rule in 1993.

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2 The agricultural activities include cocoa processing, agro-food and seafood processing, processing of vegetable and other edible oils, as well as those categorised broadly as agro-processing, warehousing activities, and horticulture
The pattern observed after 1998 is difficult to explain, given the possibility that several factors may be influencing the inflow of investment to the agricultural sector. This evidence in any case does not seem to corroborate the conventional story that the 2007-08 global food crisis led to a massive surge in the interest to acquire land in Africa, in this case in Ghana. The number of recorded projects and the trends since 1994 belie this argument. Moreover, on the actual number of investment projects in the sector, we have previously noted that this might be lower than what is stated in official records because some companies might have changed the focus of their business or closed down entirely. In the absence of an updated register, we are unable to state the actual number of companies currently operating in the agricultural sector. Further, information regarding the actual character of each investment, which might then yield information as to whether they involve large-scale land transactions, is unavailable. Consequently, we are compelled to rely on additional sources of information, from state and non-state agencies to fill this void in the data on large-scale land acquisitions involving agricultural investment in Ghana.

Figure 3.2: Number of Foreign Direct Investment Projects in Agriculture Sector in Ghana, Sept. 1994 – Sept. 2012

Source: GIPC (Quarterly Reports, various)

3.3 Trends in land-based investments in Ghana
There are no precise estimates of the number of land-based agreements in Ghana, due in part to the fact that some of these deals have been negotiated directly with traditional authorities (thus outside the purview of the relevant state institutions), and also in part to the absence of a comprehensive national database on land investments. This notwithstanding, the research team identified 28 investment projects operating in various parts of the country, for which available data (although in many instances information on several aspects of their operations is patchy or lacking) permits the
description of some aspects of their operations in Ghana. Of the 28 investment projects 13 (representing approximately 46%) provided information on when they commenced business in Ghana. Figure 3.3 indicates that majority of these investment projects were established post-2007 – the period immediately after the financial and global food price crises. Furthermore, nearly 50% of the 13 investment projects were established post 2008 – a period that also coincides with a sudden surge in large-scale land acquisitions in SSA.

Figure 3.3: Start-Up of Investment Projects

Detailed information on all land deals is not readily available, although our enquiries at the Lands Commission suggest that most of these investment projects have put in requests to finalise the leases on the lands acquired. Nevertheless, the total land area available to the 13 investment projects based on signed memorandum of understandings (MOUs) or Convention of Establishment is 105,503.11 hectares, representing approximately only 0.78% of total arable land in Ghana. Further, we find only one case where information is provided for actual land area offered under lease, and this represents approximately 0.05% of total arable land. Thus, based on the evidence so far, the estimated land area allocated for land-based investments in agriculture represents a relatively tiny proportion of the total cultivable land area in Ghana; nonetheless, the impact of specific land-based investments on local communities may vary across the different localities and regions. It is worth emphasising that the observations made thus far, in respect of the large-scale land acquisitions, are by no means representative of the true scale and geography of land-based investments in the agricultural sector in Ghana given the paucity of information on these transactions nationally. Also, the scale of land acquisitions on a yearly basis is difficult to estimate.
3.4 Basic Characteristics of Land Transactions
The inventory on land transactions in Ghana shows that of only 5 investment projects which provided information on the processes involved in land acquisition, 4 were acquired from customary/traditional authorities and 1 from the government. Further, land acquired from customary/traditional authorities for the 4 projects belonged to the community and was previously used as cropland by members of the community (both residents and non-residents/migrants). The land acquired from the government was previously a natural forest. Besides, all the 5 investment projects are engaged in a plantation-type farming model. It is nevertheless important to note that in the 4 cases of land acquired from traditional authorities, there is a possibility of dispossession or displacement of farmers and hence the potential for conflict with disaffected members of the community in which these projects are located. Two other features of land transactions are worth mentioning: evidence from the 5 investment projects, show that all land was acquired on a renewable lease/concession, and that these concessions generally cover a period of 50 years.

3.5 Where Are We Likely to Find Land Acquisitions in Ghana?
We noted earlier that the six agro-ecological zones support several agricultural/farming practices. Thus, with regard to large-scale land acquisitions either for biofuel production or the production of cereals for exports, almost all the ecological zones are likely to support activities that require land on a large-scale. The available evidence from the inventory data suggests that 26 of the 28 investment projects are located in 6 of the 10 regions (see Figure 3.4). Moreover, we find that in terms of land allocated under MOUs, the investment projects located in the Brong-Ahafo, Ashanti and Northern regions have a higher proportion of land allocated to them for their operations (see Figure 3.5). This is not surprising given that these regions are located in the Transitional and Guinea savannah zones, which together constitute the major agricultural production zone in Ghana. A similar spread of nine biofuel feedstock investment projects in the Ashanti and Brong-Ahafo regions has been documented by German et al. (2011), although admittedly their study was not an attempt to document all investment projects involved in large-scale land transactions. Thus, in the absence of a comprehensive documentation of all large-scale land transactions in Ghana, we are unable to come to any firm conclusion that suggests that large-scale land transactions are more likely to be located in the Ashanti and Brong-Ahafo regions. What is also worth mentioning is the absence, as far as the inventory on land transactions reveals, of any land transactions in the forest zone in Ghana. But as we have seen in the case of the GFZB database, one biomass production company operates in the forest region, albeit using wood from the Ghana Rubber Estates Limited located in the Western region.
Figure 3.4: Regional Distribution of Investment projects

- Ashanti, 14%
- Brong-Ahafo, 38%
- Eastern, 4%
- Greater Accra, 23%
- Northern, 8%
- Volta, 8%

Source: Inventory of Investment Projects

Figure 3.5: Total Land Area (in Hectares) Allocated under MOUs by Region

- Ashanti, 20,662.508ha, 20%
- Brong Ahafo, 73,993.606ha, 70%
- Northern, 10,847ha, 10%

Source: Inventory of Investment Projects
The pattern of land distribution of large-scale land investments depicted in Figure 3.5 is reproduced with more detail in Table 3.4. Nearly all the 13 projects are located in the Ashanti and Brong-Ahafo regions. Moreover, the data in Table 3.4 reveal that by far the majority of large-scale land deals as well as projects with the most land allocated under MOUs – the top three in terms of land size (this is not shown in the table) – are located in the Brong-Ahafo region. The top three projects in terms of land size are involved in the production of maize, eucalyptus, and jatropha. Another significant point worth highlighting is that all the 13 projects are located in the Brong-Ahafo, Ashanti and Northern regions; these are regions that also coincide with the Transitional and Guinea savannah agro-ecological zones.

### Table 3.4: Land Allocation by Number of Investment projects and Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Investment projects / Land Transactions</th>
<th>Average Land Size</th>
<th>Total Land Allocation in Hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashanti</td>
<td>5</td>
<td>4,132.50</td>
<td>20,662.51</td>
</tr>
<tr>
<td>Brong-Ahafo</td>
<td>7</td>
<td>10,570.52</td>
<td>73,993.61</td>
</tr>
<tr>
<td>Northern</td>
<td>1</td>
<td>10,847</td>
<td>10,847</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13</td>
<td><strong>7,557.4</strong></td>
<td><strong>105,503.114</strong></td>
</tr>
</tbody>
</table>

### 3.6 Profile of Investors

The information available from the inventory on land transactions in Ghana reflects a diverse range of investors. The profile of investors available for 15 investment projects shows that 4 are of Ghanaian origin, 5 are European (excluding Russia), 2 from India, and 1 each from the USA, Canada, Lebanon and China. Although information on the proposed size of land allocated under MOUs is limited and not available in all the 15 cases where information on the origin of investor is present, Figure 3.6 reports land allocated by region/country of investor for cases of land allocation in excess of 1,000 hectares; the reported percentages in Figure 3.6 are based on total land area in excess of 1,000 hectares. We observe that investors from Europe (in this case Norway (4), and Italy (1)) have been allocated the largest size of land. Given that we do not have information on land size for all investment projects, this observation needs to be regarded only as a partial assessment of land allocation by country of origin of investor.

Besides, additional investor information available, show that 6 investment projects are owned by private investors, whilst 2 other projects are joint private and non-private investors. Figure 3.7 indicates that 10 investment projects out of 15 for which ownership information is available are foreign owned, whilst 4 are wholly-domestic, with 2 being joint foreign-domestic investment projects. The joint foreign-domestic investment projects consist of a varying combination of equal investment shares (1 company), less than 50% domestic share (1 company), and less than 50% foreign share (2 investment projects).
Figure 3.6: Land Allocation by Region/Country of Investor

Source: Inventory of Investment Projects

Figure 3.7: Ownership Characteristics of Land Investments

Source: Inventory of Investment Projects
The four wholly Ghanaian-owned investment projects are engaged in the production of the following: pineapple mainly for export; another has developed an out-grower system whereby local farmers are assisted with inputs to grow cotton on their own lands, which is then purchased by the investment project, processed into lint and exported; the third company is engaged in commercial forest plantations; and the fourth is into livestock, mainly poultry. The two joint foreign-domestic investment projects, both located in the Greater Accra region, are engaged in livestock and poultry activities.

Eight of the wholly foreign-owned investment projects are also engaged in a variety of agricultural activities across different regions in Ghana: two projects located in the Ashanti region are engaged in maize production; another located in the Greater Accra region produces vegetables; there is another jatropha venture in Ashanti, whilst another located in the Brong-Ahafo region purchases cashew nuts for export; all nuts purchased are exported to India for processing. In the case of the remaining three other projects – located in the Ashanti, Brong-Ahafo and Northern regions – that initially started as jatropha producers, two have subsequently divested their operations from jatropha to maize cultivation due to poor yields and low sales returns from the jatropha.

3.7 Large-scale land investment and agricultural activity
This section presents information on types of agricultural activity associated with the different large-scale land investments in Ghana. We have previously noted that 13 investment projects are located in Ashanti, Brong-Ahafo and Northern regions, and significantly, these regions also coincide with the Transitional and Guinea savannah agro-ecological zone. Although data on the nature of agricultural activities is limited, we observe a pattern of land use which appears to be influenced by what can be termed agro-ecological comparative advantage. In other words, the pattern of land use associated with these large-scale land investments is similar to that of existing farming practices in these regions. In Figure 3.8 we present information on large-scale land investments and agricultural land use by region. Significantly, we find that the observed patterns in Figure 3.8 are closely associated with existing agro-ecological agricultural practices.

For example, the Northern region, which is associated with the Guinea savannah zone, is the main producer of cereals, such as sorghum, millet, cowpeas, groundnuts and soybeans and livestock, such as cattle. The Ashanti and Brong-Ahafo regions are noted for the production of tubers, such as yam and cassava, maize, cocoa, livestock (mainly poultry) as well as forestry. Thus, it appears that large-scale land based investments in the agricultural sector have located in those regions which provide them the best opportunities for profitability and growth. Schoneveld et al. (2010; 2011) also make this observation regarding the location of jatropha plantations in Ghana. They note that out of nearly 20 commercial plantation companies in Ghana, nearly three-quarters are located in the Brong-Ahafo and Ashanti regions, which appear to be taking advantage of the climatic conditions that prevail in the Guinea savannah agro-ecological zone.
Despite these observations regarding the location of investment projects in the Ashanti, Brong-Ahafo and Northern regions, it is worth pointing out that the scarcity of reliable data on the number of land-based investment projects as well as the nature of activities undertaken by these projects renders any generalisations about land-based investments in Ghana impossible. The evidence so far indicates a greater diversity of production activities that does support the general and widely held perceptions that large-scale land acquisitions are mainly dedicated for the production of biofuel or cereals for export.
4. Features and Outcome

4.1 Introduction
This chapter highlights the main features of Ghana’s land tenure system as well as some of the important issues with regard to land investment outcomes. In the case of outcomes from land investments, we need to emphasise that for many of the important issues of interest, the evidence is either lacking or that most of these investments have not been under effective implementation long enough to permit a satisfactory discussion of the outcomes.

4.2 Land Acquisition – The Decision-Making Process
In line with the land tenure context discussed in section 2.3, whereby the majority of land in Ghana is under customary tenure and therefore under the control and management of traditional authorities, land transactions are determined in part by customary practice as well as statutory regulations governing land matters. As Amanor (2008) observes, the presence of a few institutional arrangements enable customary transactions to be recognised within the state system of land administration. Thus, it is inevitable that most processes involving acquisition of land in Ghana would involve traditional authorities. Further, as Ubink (2008) notes, the position of traditional authorities in Ghana is, if not unique, at least exceptionally strong in comparison to other African countries. The subsequent paragraphs describe the decision-making process involved in land acquisition.

The hegemony of traditional authorities is manifest in a hierarchical system of administration. Thus, with regard to control and management of stool/skin lands, the paramount chief is the overlord, that is, the person in whom all the stool/skin lands are vested and therefore holds these lands in trust for all members of this tribe. The paramount chief, who represents the highest level of authority within the tribe, is immediately followed by sub-chiefs, community heads and family heads in an order of diminishing power and authority. Members of the land owning group have natural rights to unoccupied portions of the communally held land, particularly, virgin forest. This can be used for the pursuance of any occupation/vocation or farming activity, and which therefore grants the family member possessory rights as customary usufruct.

Non-members of the land owning community, including foreigners, pass through the traditional authorities (which can be represented by a group of sub-chiefs and elders, and mandated to handle affairs of land) in order to acquire customary held land for agriculture and other purposes in any part of the country. In the case of stool lands, customary law demands that the consent of a subject in occupation and use of stool land is sought before such land is alienated to strangers. In practice however, most stool/skin lands are allocated to strangers without reference to the usufruct in possession of the land for the time being, that is, not all individuals or families with interest in that piece of land may be consulted. The Stool, which is represented by the chief and some principal members negotiate and grant land without the involvement of the subjects and other members of the community. In some limited cases, community members may be consulted during the grant of large tracts of land. Unfortunately, however, not all local farmers have land title documents to their
farming lands, and neither do all of them, including members of the community, such as the chief and elders, know the exact size of land they occupy. Very often they are brought into the discussion after the major decisions have been concluded by the traditional authorities. They are thus handicapped in their ability to negotiate terms that favour and adequately compensate for any losses that might be incurred as a result of alienation of the land to outsiders.

We have already noted that foreigners are permitted under the Constitution to lease land for a period of 50 years, which can be renewed subject to agreement between the land owner and investor. Moreover, the available evidence from our inventory show that all the investment projects, for which information is available, have 50 year leases. An example of a lease agreement between Agogo Traditional Council and an investment project which acquired land initially for jatropha production is presented in Appendix I. Box 4.1 presents a brief narrative of the process involved in the land acquisition by the investment project and Agogo Traditional Council. It is however worth stating that after the change of the company name we are unable to ascertain whether the original lease agreement has been altered. There is also another case of an investment project in Agogo where an initial land size of 4,000ha was acquired for rice and maize production. Although the initial amount paid to the traditional authorities is unavailable, we found a rent agreement whereby a years rent of 50cents/acre was to be paid to the traditional authority (Appendix IV). However, as at the time of our field visit, compensation to affected farmers had not been determined, and according to the Registrar of the Agogo Traditional Council negotiations were still on-going for the release of more land for use by the investment project.

Box 4.1: Brief Narrative of Land Acquisition Process by a Jatropha Venture in Ashanti Region

According to the Registrar at the Agogo Traditional Council, a citizen of Agogo, resident in Norway led the investors to the Traditional Council for a series of consultations for suitable land for the cultivation of jatropha in 2006. The Paramount Chief with his sub-chiefs and the District Assembly participated in all these consultations.

At a public consultative meeting held on 29 May 2008, land around Dukusen community covering over 14,000 acres was earmarked for the project (Appendix II). The land was previously used for cocoa cultivation, but all the farms were burnt in 1983 during the major bush fires in Ghana. The land has been left fallow for a long time with only a few farmers doing some farming. The land given out comprises of stool lands and some family lands.

The issue of compensation cropped up after a lot of agitations from the families and farmers who previously cropped the land. An MOU was signed with any farmer who was ready for compensation of GH₵15.00/acre (about $8.00/acre). Those who disagreed had their farms intact. (Appendix III)

The Traditional Authority was paid $23,000.00 as 50% of total cost of land and the company was granted a 50 year lease, renewable two times for 25 years each. The company has yet to complete

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3 Usually, chiefs and elders as well as other members of the community do have an approximate estimate of the boundaries of the land they occupy.
registration of the lease at the Lands Commission. However, the company changed operations from jatropha to maize cultivation in 2009 after poor jatropha yields. As a result of the change of use, the parties have agreed to maintain the initial term of 50 years and changed the renewable to three times for 15 years each. Fresh negotiations are underway to extend the land for the company, the Registrar added.

Source: Study Fieldwork

Despite the specific form and mechanism of land acquisition highlighted in respect of customary land tenure systems, it is worth emphasising that the National Land Policy seeks to prevent landlessness among groups of people, and therefore strongly cautions against acts and/or omissions in land dealings that could result in the occurrence of this phenomenon. Despite this provision, the land nature of the land tenure systems in Ghana, where traditional authorities play a prominent role has a tendency of creating situations in which groups of people find themselves displaced off the lands which they previously used. Nevertheless, the potential threat to individuals and groups from large-scale land transactions has not escaped the attention of the Lands Commission. The Commission is mandated to work together with the Office of the Administrator of Stool Lands to coordinate with all relevant public agencies and traditional authorities to prepare a policy framework for the rational and productive development and management of stool lands. Thus, at its 15th meeting held on 25th January 2012, the Commission approved guidelines that needed to be considered in large-scale land transactions for agricultural and other purposes. These guidelines are applicable to all land transactions in excess of 50acres, and have the following objectives:

1. To minimize speculative acquisition and practices that would jeopardize state policy on land development with due regard to the National Land Policy of 1999.

2. To protect the interest of local communities by avoiding elite capture in order to fulfil the provisions contained in Article 36 (8) of the Constitution with regard to the Direct Principles of State Policy.

3. Safeguard the interest of genuine investors by ensuring that their acquisition lead to secured rights in the atmosphere of mutual trust so as to promote the principles in international law relating to foreign direct investments (FDIs).

4. Promote better land use and ensure that all acquisitions are made for uses that would conform to the land use plan of the area involved.

5. Promote government development policy objectives by facilitating development initiatives that would foster job creation and income generation, equity in resource distribution and balanced development in line with the Ghana Shared Growth and Development Agenda.

6. Ensure that the acquisition of large tracts of land conforms to international best practices as enshrined in the FAO/World Bank guidelines on RAI.

(A copy of the policy is attached as Appendix V).
4.3 Outcome of Projects

In this section we present evidence, albeit limited, of the outcomes of the projects identified in this report, whilst supplementing the discussion with the accounts from other academic articles and reports. It is important to emphasise that the inventory on investment projects clearly indicates that many of the important issues relating to large-scale land investments cannot be assessed adequately due to limited information or the fact that some of the projects have only commenced operations recently. Moreover, by complementing the discussion with other sources of information, largely other studies of similar projects in Ghana, we are conscious of the fact that potential biases inherent in as well as other methodological issues arising from these other studies are introduced into the report. For example, the biases in terms of which projects are selected for study, our inability to verify independently the accounts provided by individuals and groups affected by these projects, as well as the limited extent and scale of any fieldwork undertaken by these authors.

4.3.1 Displacement and Other Negative Impacts

The limited evidence gathered from our brief field visits indicated that smallholder farmers – both indigenes of land-holding communities and settler (migrant) farmers – were displaced as a result of land acquired by investors for agricultural purposes. As a consequence, farmers are forced to seek land from outside their localities or become labourers on the farms established as a result of these investment projects. We found cases of a few farmers who had to travel between 5 and 8 km to their new farms, instead of a previous journey of between 1 and 2 km. According to one respondent in the Northern region, “a lot of farmers in the community where the investment project was located lost their lands”. The loss of trees, especially dawadawa, to land clearing by the investment project had a potentially negative implication on household incomes. Dawadawa is mainly used as spice in cooking and has economic value to women who collect the seeds and leaves for sale in local markets to supplement their incomes.

Another example from our field trip is worth highlighting. A farmer who lost his farmland as a result of large land acquisition in the Northern region narrated his story as follows: “the company came in the dry season when no crops were in the field. They ploughed my 4 acre plot without prior information from the chief or anybody. I have been cultivating this plot for the past 10 years.” This sentiment was repeated by other small-scale farmers in the project area, covering Kapchaa, Jemli and Tuya.

Besides, evidence from the inventory indicates that of the 5 investment projects for which evidence on land transactions is available, 1 acquired land from the central government. We might therefore be tempted to expect that the case involving land acquisition from the government would not involve any problems. However, the possibility of conflict and tension between investment projects and the local communities cannot be ruled out. During one of our brief visits to Agogo, we encountered a situation where government land was transferred to that National Interest Company Limited (NICOL) – an investment project for large-scale forestry plantation. The land allocated, the Boumfoum Forest Reserve, covers about 5,000ha of land in the Kumawu Forest District of the Ashanti Region and encompasses lands belonging to the Agogo and Kumawu Traditional Areas. NICOL negotiated with the Forestry Commission and was granted permission to use the land for commercial tree planting. The two traditional authorities were only informed of this arrangement
after all transactions had been concluded by government officials in Accra. Some local farmers who had entered the forest reserve to cultivate various crops without authority were just driven out.

This example presented above is a reflection of what Vermeulen and Cotula (2010) note as a characteristic of investor-State negotiations. These negotiations, they argue, are often opaque, leaving affected community members unable to discern the likely effects of the deals, let alone participate in the process of shaping them. As a consequence, local tensions are likely to emerge thus potentially jeopardising the viability of these investment projects. Moreover, it is also the case that tensions and conflicts have arisen from some land transactions involving traditional authorities. These have arisen largely as a result of insecurity of tenure, multiple land sales, and the absence of any official documentation. Ubink (2009) and Amanor (2008) provide an interesting discussion of these issues. Besides, some of the studies on large-scale agricultural investments in Ghana (Schoneveld et al., 2011; Tsikata and Yaro, 2011; Wisborg, 2012) have highlighted some of the problems that emerge when large tracts of communal land are allocated to investors.

Despite the absence of any official estimates, these large-scale land acquisitions do involve the dislocation of small-scale farmers from their land. We have already noted that in the 4 cases for which traditional authorities allocated land to investors, these lands were previously being used for farming by resident and non-resident (migrant) farmers. And notwithstanding the sizes of land re-allocated to investors from local farmers, the loss of land represents a source of potential conflict between investments and the local population, or at least some sections of the community. Thus, it is possible (and also an important point to note) that not all members of a community in which an investment project is located will be adversely affected by the project. But we do not have evidence on how various sections of host communities have been affected by these investment projects identified by the research team.

Nevertheless, a case study by Wisborg (2012) on a project operating in the Agogo area in the Ashanti region presents the account of those members of the community who have been affected by this project. He notes that immigrant farmers, who account for a large proportion of land users, appeared to have lost out the most, primarily because they were not consulted before their lands were allocated to the company. Moreover, many households who relied on a nearby forest for fruits and medicinal plants – some of which were sold to supplement income from farming activities – complained about the loss of the forest to the company, with the consequence that household incomes had declined sharply. Besides, local ‘active farmers’ expressed worry about the potential loss of their ‘high quality farmland’ to the company, and the possibility that they might be asked to move on to marginal lands that had were unsuitable for farming. Another disaffected group, the Fulani herdsmen, had also lost their grazing lands to the company, thus causing tensions between them and the local people. Indeed, even land owners, who had previously been consulted and expressed willingness to lease their lands, expressed surprise that they had not been informed about the change in the company’s focus from jatropha to maize.

In other examples, Schoneveld et al. (2010) and Tsikata and Yaro (2011) also report that local farmers who lose their land are usually left either to find alternative land themselves, or are moved on to marginal lands that are of inferior quality to that of their previous farms. Besides, not all land losers are able to secure replacements within the community. Schoneveld et al. report that in one instance only 20% of households that lost land were able to secure replacement land, with most households
(although it is unclear here which households the most here represents) unsuccessful in recovering both the quantity and quality of land lost. Tsikata and Yaro (2011) also report of cases where migrant farmers either had to relocate to marginal farmlands, usually smaller in size, and outside the towns in which they previously farmed. Further, they note that land-use conflicts between farmers and pastoralists had intensified since farming and grazing land was acquired for commercial rice cultivation.

More generally, however, we note that in Ghana evidence of the impact of these large-scale agricultural investments is limited, and despite the presence of studies by other researchers on the impact of specific investment projects we are unable to depend totally on what is presented as reliable evidence. Thus, much of the discussion that follows – which relies on other studies – should be regarded as partial and not sufficient to arrive at any firm conclusions regarding the impact of large-scale land deals in Ghana.

4.3.2 Employment
One of the many expectations from large-scale land investments is the creation of new jobs for locals in the community. Indeed, one might expect that as small-scale farmers are dislodged from their previously cultivated land, working on a plantation might represent an improvement of sorts, especially in terms of income security because incomes are likely to be relatively stable over the year compared with that associated with other farmers and farm workers not in stable, formal employment. There is very little evidence from the inventory on the extent to which these land investments have resulted in new jobs. Nonetheless, there is evidence from one investment project located in the Ashanti that has created 150 permanent jobs. Tsikata and Yaro (2011) also report that a rice venture in the Volta region has created 100 permanent jobs with an additional 50 to 60 employed as casual labour. Schoneveld et al. (2011) also report in the case of one biofuel plantation located in the Brong-Ahafo region that 120 persons were employed.

Nevertheless, the prospects for long-term employment generation by these large-scale land based investments are unclear. Thus, for investment projects that are engaged in jatropha cultivation, where the initial stages of production are labour-intensive, it is likely that the number of persons employed might be higher in the early stages of production, although in the case of cereal production, such as maize we might expect that employment would remain fairly stable over the course of time. However, as trees mature and the production process becomes highly mechanised, job losses are likely. For example Schoneveld et al. (2010), report of one jatropha plantation in Ghana (100ha), where an initial workforce of 50 was reduced to 4 within four years.

Further, Tsikata and Yaro (2011) also report in the case of maize production venture (previously involved in biofuels), where labour retrenchment occurred as a result of the change in jatropha production to maize cultivation. Moreover, in the case of the rice venture in the Volta region, they report that due to the mechanised nature of production as well as the location of milling and other activities further away from the communities, the prospect of employment generation has not materialised. The issue of employment security also emerged during the visit by the research team to the project site. We interviewed some former workers at Kpachaa, Jimle, Tuya and Kpalpore who lamented that they were promised permanent jobs but were laid off after working for 3-6 months after the demise of the venture. Additional information gathered indicated that only four watchmen
(security men) are at post taking care of some old machines and the land. In Box 2 below, we reproduce the case of a former female employee with this particular venture.

Box 4.2: Story of Former Female Employee at a Project in Northern Region

This former female employee lives at Kpachaa with her husband and children. She was employed by the project in 2008 and worked for only 6 months, engaged in the transplanting of jatropha seedlings and receiving GH₵80.00 (about US$40.00) every month. She explained that the project collapsed and that is why she worked for only 6 months. She had no idea that the project had changed its focus from jatropha to maize cultivation.

Of this change, she notes: "I was not happy when the company came at first, because they took all our lands without any compensation and destroyed all our economic trees such as 'dawadawa' and shea nut. These trees give us income, especially during the lean season when farming activities go down."

However, she agreed that, when she got the job, her stance against the company changed because she could buy clothes for the husband and children and also food items for the house. She added that the company built 2 dams for the community which has been very useful, especially during the dry season. The company also fixed a grinding mill for the Kpachaa community but, frequent breakdown and difficulty in fuelling the mill have led to its closure.

Jobs created through such projects are not sustainable, because most of the jobs are casual and activity-based. Considering that people lose their lands and other income generating activities, their livelihoods are threatened in the long term.

Source: Study Fieldwork

4.3.3 Social Responsibility Programmes

In many investment projects where there exists the possibility of adverse impacts on the communities in which these projects are located, there is usually an element of social responsibility programming incorporated in the investment plan. This would generally involve projects and interventions to alleviate the impact of the investment. The extent to which these activities are integrated into the contracts regulating investments is unclear due to inaccessibility of contracts. Evidence suggests that social responsibility commitments are not systematically integrated in contractual arrangements. Thus, if no social contracts were included in the investment projects plans, investors could not be held responsible for any lapses. Nevertheless, it is not uncommon to find cases where communities make representations for the consideration of these investment projects, although the latter is not bound to oblige.

Irrespective of their integration into contracting, social responsibility activities appear to be a relatively common feature of land-based investments. In the Northern Region, one investment
project built two dams at Kpachaa and one at Jimle which are still functional. In addition, a mill was also built at Kpachaa but is now broken down due to lack of maintenance. At another investment project involving cultivation of maize, upon request by the chief of Nsonyameye (Ashanti Region), a small village in the project area, the company has renovated the local primary school. They also supplied iron rods, cement blocks and roofing sheets to the local assemblyman to renovate the community place of convenience at Agogo.

However, we found no evidence of what the other investment projects have been able to do for the communities in which they are located. Schoneveld et al. (2011) also report the absence of any initiative in the case of a jatropha venture in the Brong Ahafo region to alleviate the impact of land loss on the communities, especially local farmers. Moreover, they note that interviews conducted at other communities suggested that the absence of social responsibility by investment projects appeared to be widespread.
5. Conclusion

5.1 Main Findings
In the last decade many countries in SSA including Ghana have experienced, to a varying degree, large-scale land acquisitions for agricultural purposes. Whilst several factors can account for this phenomenon, the recent global food price crises, fears about energy insecurity and a surge in FDI flows to the region are prominent. In the case of Ghana, we noted that there are no precise estimates of number of large-scale land acquisitions for agricultural purposes, largely on account of the absence of any comprehensive database of large-scale land acquisitions. The situation is made worse by the plethora of state institutions that are involved either in land administration and registration or encouraging and supporting investments in various sectors of the economy. Because these institutions appear not to share information, gathering information on large-scale land-based investment projects in the agricultural sector proved difficult. Nonetheless, estimates from other researchers of the amount of land acquired for large-scale agricultural investments range from 105,000 hectares to approximately 1.84 million hectares, representing between 0.8% and 13.5% of total arable land. Despite claims made by non-governmental organisations, community activists and the media that approximately 37% of Ghana’s arable land has been allocated to investors for agricultural purposes, these appear to be exaggerated. Indeed, evidence from several researchers suggests that the actual amount of land that has been acquired and in use is far smaller than estimated.

Moreover, most land in Ghana (approximately 80%) is under the control of traditional authorities, hence nearly all large-scale land transactions are carried out under the customary tenure system. The presence of overlapping institutions – statutory and traditional – although a potential source of conflict in respect of land transactions, ensures that all land transaction carried out under customary tenure are formalised within the statutory legal framework established by the state, thus providing security of tenure to investors. It is therefore worth emphasising that the role played by traditional authorities in land transactions is not the result of investors attempting to take advantage of naïve and illiterate chiefs, as is usually purported by sentimental reporting from activists and the media, but an important one which is both recognised and supported by customary traditions and the statutes of the country. Indeed, as had been noted earlier, the actions of chiefs and heads of families could be viewed in a positive light, such as actively spearheading development in their communities, and in these land transactions in the expectation of accruing the maximum benefits to their communities. On the other hand, as noted by Boamah (2012), some chiefs, in respect to land transactions, are engaged in rent-seeking activities, elite capture or use these land transactions as an opportunity to formalise the boundaries of their land in anticipation of future land litigation with neighbouring traditional councils, especially where boundaries are contested.

Despite the widespread perception that all investors in land transactions in SSA are foreigners, evidence from Ghana reveals a wide range of investors in agricultural sector. Although we do not have all information about country of origin for all investors for the 28 identified projects, evidence from 15 projects show that 4 are wholly-owned by Ghanaians whilst 2 were joint venture relations between Ghanaians and foreigners. Thus, whilst it is undeniably that the majority of interests in
large-scale land transactions are foreign, there is also the presence of a significant proportion of local investors in these transactions.

The size of any land transaction can be large; many are in excess of 2,000 hectares although we found in a few cases instances where the land transaction involved less than 200ha of land. The lease period for land acquired by foreign investors is 50 years – as stated by the law – and which can be renewed a further two terms of 25 years each. Moreover, this report found evidence which shows that land allocated by traditional authorities to investors, were previously used for farming by local and migrant farmers; we found one case where land allocated by the state was previously a natural forest. Almost all the investment projects are engaged in mono crop plantation agriculture, with jatropha and maize the main areas of concentration. The majority of large-scale land investments are located in the Ashanti, Brong-Ahafo and Northern regions, which coincide with the Forest Transition and Guinea savannah agro-ecological zones. Coincidentally, these agro-ecological zones are regions in which most of Ghana’s cereal and tuber crops are produced; it is thus unsurprising that many of the land investments are located in this region.

5.2 Emerging Issues and Recommendations
One of the important consequences arising from large-scale land acquisitions is the loss of farming and grazing land as well as access to nearby forest resources by local communities. Indeed, as already noted, evidence from the land transactions documented by this report shows that land that was previously used for food crop production by local farmers have been allocated to investors for mono crop plantations. This, in the absence of any social mitigation plan by investment projects – and we did note that investment projects do not appear to include aspects of social responsibility in their investment plans – appears to have resulted in local conflicts between different social groups, such as between different land owning groups, and resentment towards these projects. Further, farmers that have lost land to projects only managed to secure land elsewhere, although not of the same quality to those previously cultivated. The inability of the community to access nearby forests and the consequence loss of additional income from the sale of wild fruits and medicinal plants is another source of resentment within some of these communities.

To overcome some of these negative impacts from investment projects, it is pertinent that community members, especially farmers – local and migrant – are involved in the discussions on these land transactions. Where farmers and other members of the community that are likely to be adversely affected by these projects are included in the processes involved in land acquisitions, it is possible that these groups can find better ways to address their grievances.

Besides the need for greater transparency and community involvement, it is necessary that traditional authorities subject themselves to a higher degree of accountability for their actions and decisions in respect of land transactions. In addition, project managers as well as traditional leaders need to manage community expectations regarding the benefits that are likely to be enjoyed by host communities. This is especially important as many projects are sold with very high expectations in respect of future employment opportunities and incomes. But as we have found, some projects have not resulted in the levels of employment creation anticipated by members of the community especially because of the mechanised nature of production activities.
Another important issue relates to the absence of a comprehensive national database on land projects. It is thus necessary for all state institutions and traditional authorities involved either in the processes leading up to land acquisitions or in the compilation of information and data on land-based investments to work closely with the aim of building a central and reliable database on large-scale land investments such that a complete picture of the scale and geography of land acquisitions in Ghana is easily obtained.

Finally, we have observed that an assessment of the impact of these land investments has been difficult because of the absence of good baseline data and due to the fact that for many of the projects, these are early days. Although some literature on land transactions in Ghana exists, this is of varying quality and we are unable to rely on them to draw any firm conclusions on the impact of projects on communities. To overcome this problem and also enable researchers carry out a rigorous assessment of the impact of these investments in the country, it is important to build excellent baseline data in communities that are likely to host investment. This, as we have already stated will permit a more meaningful assessment of the impact of projects on communities and the economy at large.
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