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Competing Priorities for Land and Tenure

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**Property Rights and Resource Governance
Issues and Best Practices**

October 2011

Outline

- Overview of competing priorities and implications
- A closer look at competing priorities
 - ✓ Local livelihoods and resource management
 - ✓ Commercial “pressures” (including agriculture, energy and financial market dynamics)
 - ✓ Urbanization
 - ✓ Climate change and expansion of protected areas
 - ✓ Food security
 - ✓ And the nexus of all of the above
- LTPR intervention strategies

- What are the competing uses and users?
- What is the problem?

OVERVIEW

Types of investments or stakes in land

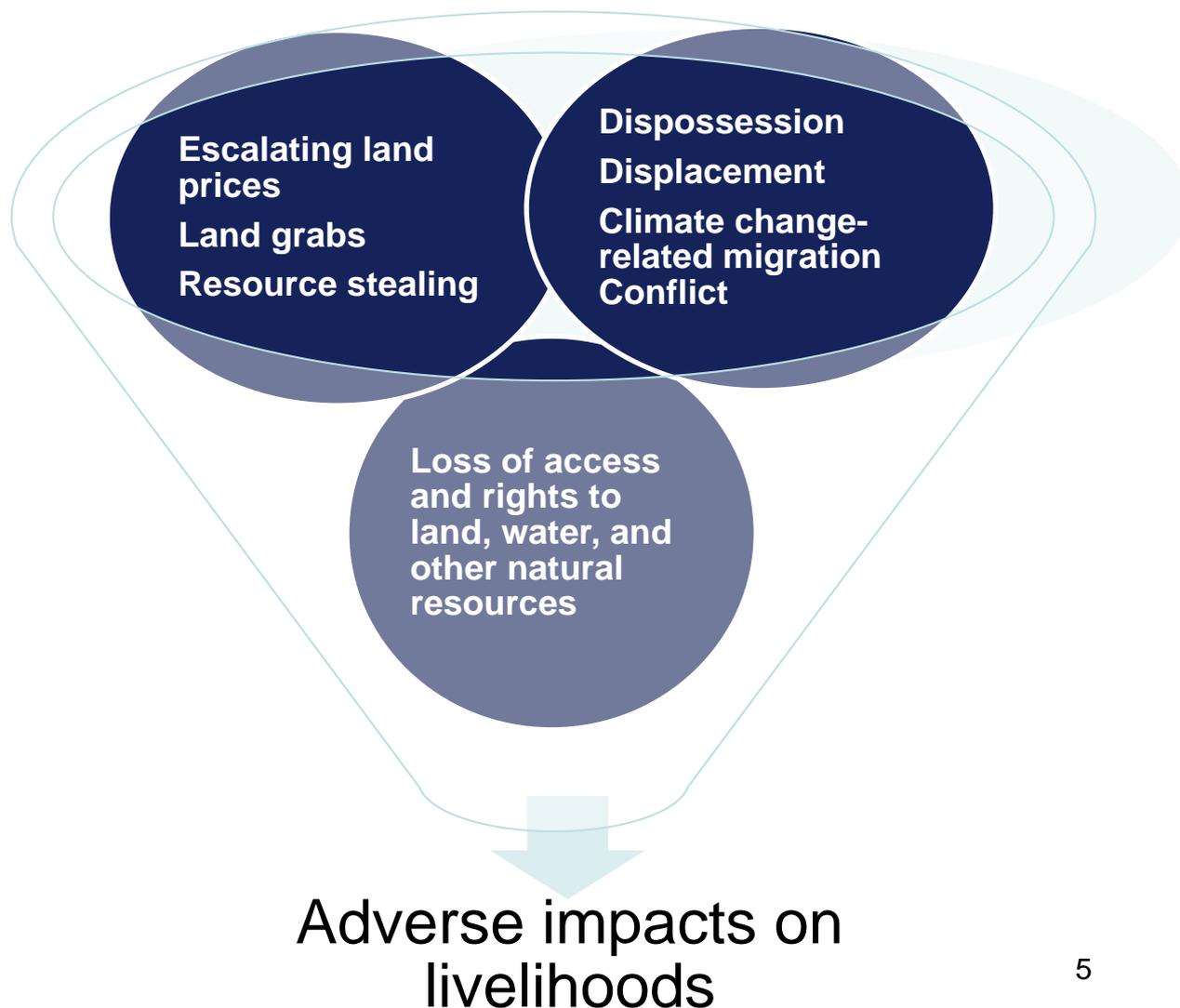
1. Direct/productive investments in land, food, animal feed, and biofuels to:
 - ensure national food security despite food price volatility
 - acquire water resources or non drought-ridden land
 - obtain raw materials needed for industrialization
 - seek commercial returns
 - address environmental concerns and policy mandates
2. Land as a commodity for host country governments to sell or lease
3. Indirect/speculative investments to diversify portfolios
4. Rural farmers or customary group tenure and livelihoods

Negative impacts for the poor and vulnerable

Competing priorities for land can adversely affect the poor

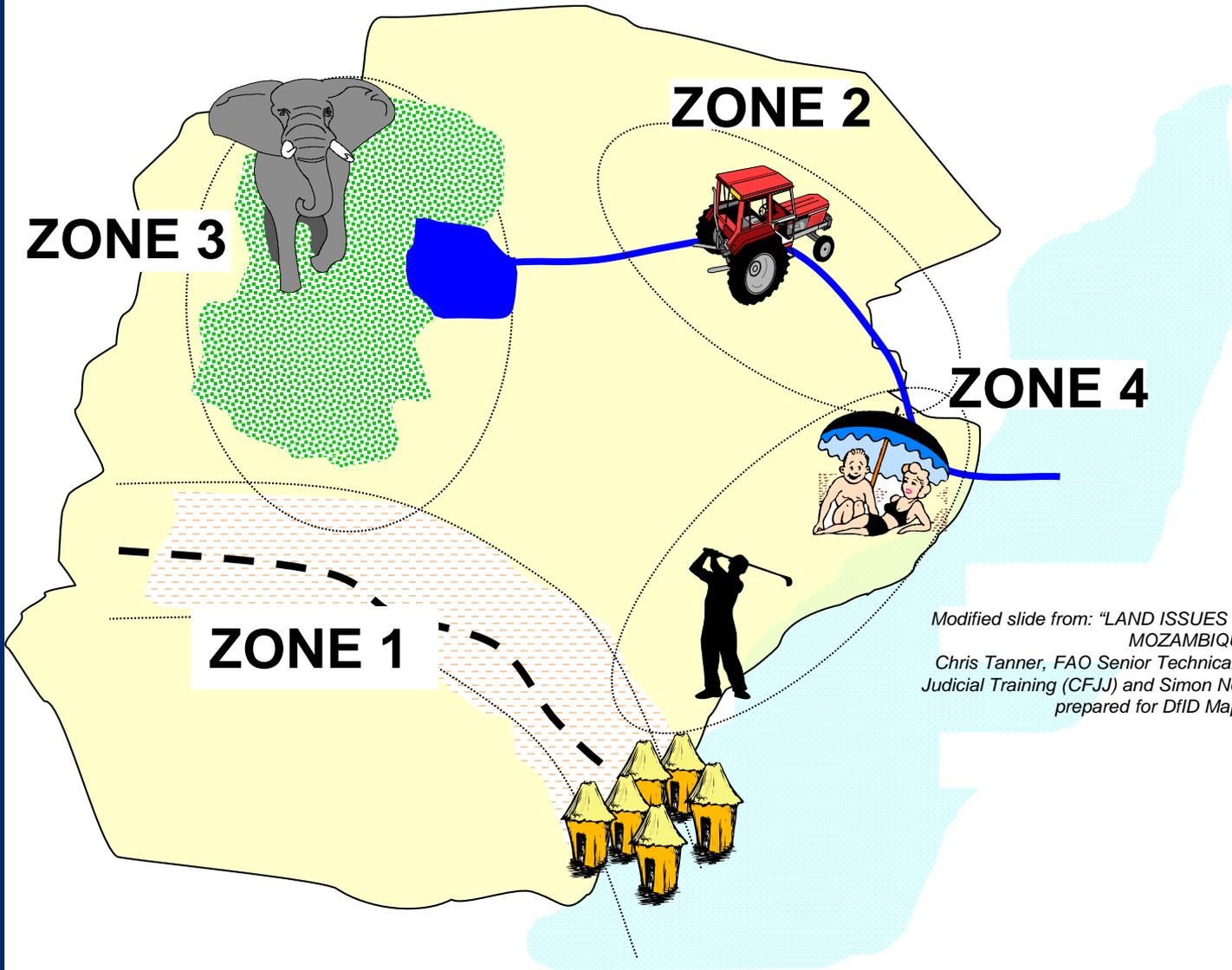
--- particularly when the related land transfers or conversions are not done with 'good governance';

--- and can increase risk to investors too



A CLOSER LOOK AT COMPETING USES

Local livelihoods and resource management



*Modified slide from: "LAND ISSUES AND RURAL DEVELOPMENT IN MOZAMBIQUE: 2007"
Chris Tanner, FAO Senior Technical Advisor, Centre for Juridical and Judicial Training (CFJJ) and Simon Norfolk, Consultant, Terra Firma Lda prepared for DfID Maputo 9 March 2007*

Commercial uses

- Massive agricultural investment is needed to meet global food security needs
- In 2010, global private sector investment in agriculture reached \$14 billion (OECD)
- Investment in agricultural land in developing countries has accelerated rapidly in recent years
- Demand drivers: global food and financial crises, biofuels

Scope: Big to huge

- From 2001 to 2011: **57-80 million HA** of land were subject of land acquisitions or proposed land deals by foreign investors (WB, ILC)
- 2006 to mid-2009: 15-20 million HA of farmland were acquired or proposed to be acquired (IFPRI)
- Some nations, e.g., Madagascar (Daewoo deal) and Mozambique, have had requests for more than half of their cultivable land area
- 2.6 million HA already acquired in South Sudan
- Lack of good data due to lack of laws requiring disclosure, commercial secrecy and/or corruption, poor state of land records

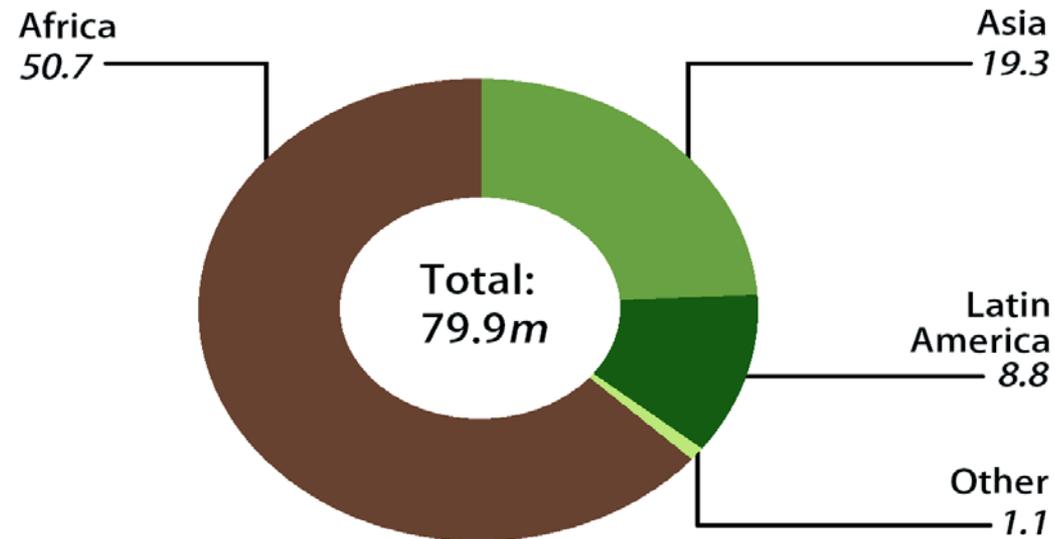
Large-Scale Acquisition of Land for Commercial Purposes

Geographical focus – Africa

Go Africa

Total area of reported land deals*, 2001-11

Hectares, m



Source: Oxfam, CIRAD, CDE at University of Bern, International Land Coalition

*Preliminary estimates

How deals often happen

- Those with informal (but socially legitimate) rights are ignored
- No meaningful consultation, if any
- Expropriation (for private gain?) and without proper process or adequate compensation
- Inadequate, mostly unenforceable contracts; low prices; and limited access to dispute resolution
- Lack of transparency and corruption

Climate change and conservation

- Reduces productive value of land and natural resources and put pressures on adjacent productive land
- Further marginalization & disenfranchisement
- Managing gradual and sudden-onset climate-related environmental processes
- Domestic and international climate change mitigation and conservation schemes (carbon sequestration, REDD)
- Harmonizing international laws, treaties, and conservation investments with national laws and local customs

Food security – USG definition and description:

“Food security is defined as having four main components: availability, access, utilization, and stability. Families and individuals require a reliable and consistent source of quality food, as well as sufficient resources to purchase it. People must also have the knowledge and basic sanitary conditions to choose, prepare, and distribute food in a way that results in good nutrition for all family members. Finally, the ability to access and utilize food must remain stable and sustained over time.”

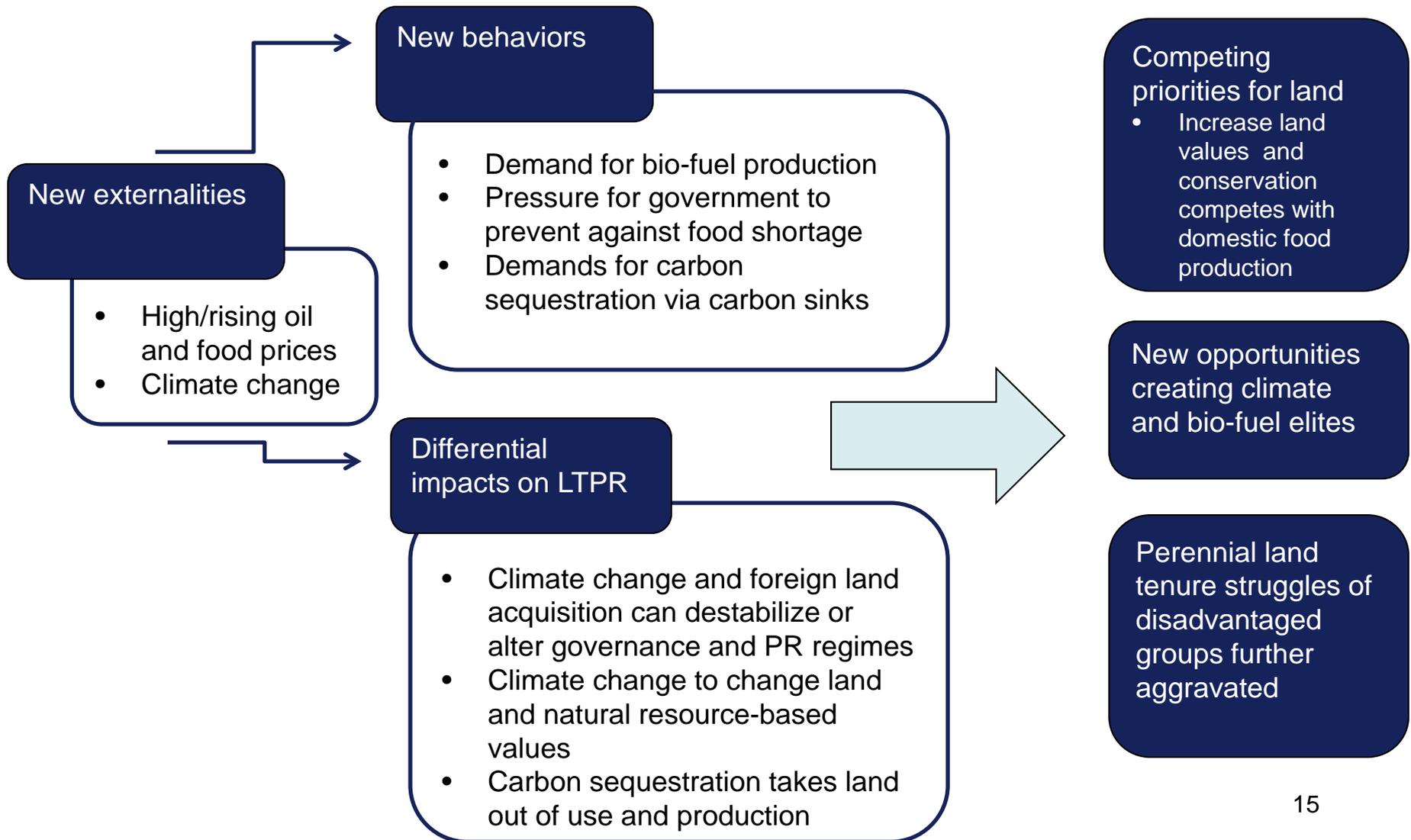
- Several references are found in the strategy to LTPR (see handout).

Direct linkages between LTPR and food security

- Linkages may be *direct* and focused on food production
- Linkages may be *indirect* and focused on income generation and food consumption



Oil, food, and climate change nexus



TOWARDS REDUCED HARM AND POSITIVE OUTCOMES

Common misperceptions

There is abundant
“empty” land available in
Africa

Government-owned
land and government
only legitimate party to
the deal with the
investor

Most small farmers have
clear, secure, and legal
rights to their land

In developing countries
large farms are always
more efficient than
smallholder farms

All large-scale land
investments are actually
“land grabs” by
irresponsible investors

Efforts to create a better understanding are necessary ...

Multiple actors undergirding competing priorities for land

Home governments

Facilitators of land acquisitions, cc-mitigation & conservation schemes, and/or export restrictions

Foreign governments

Investors, high CO2 emitters, carbon credit purchasers

Multi-national companies

Foreign land acquisition investors

Local intermediaries

Traditional chiefs, local entrepreneurs, & district officials mediating investments

Inter-regional entities

Ex. South African commercial farmers association (AgriSA)

Indirect Investors & subcontractors

Pension fund managers, real estate groups, & finance capital

Domestic civil society

CSOs, NGOs, universities, researchers, etc.

Local landholders

Includes the rural poor and indigenous peoples

International Civil Society

MLOs, INGOs, donor governments, universities, researchers, etc.

What does success look like?

- How the conversions/transfers should happen
 - Existing land rights defined and formalized
 - Prior meaningful consultation with all affected parties
 - Transparent transactions
 - Written and enforceable agreements
- Win-win-win outcome
 - **Local communities**
 - Land rights respected or promptly and justly compensated
 - Receive agricultural inputs and technical advice
 - Gain access to new/expanded markets and jobs
 - **Government**
 - Community infrastructure and employment creation
 - Property rights system strengthened
 - Improved agricultural productivity and macroeconomic performance
 - Improved governance at local, national levels
 - **Investor**: secure profitable long-term investment

The bottom line:

- For the medium term, invest in improved governance of land rights and resources
- Meanwhile, get in early with identification of land rights and related issues around specific land use conflicts and land conversions/transfers or in areas of high demand to allow for:
 - Doing no harm
 - Encouraging win-win-win choices

Medium-term LTPR intervention strategies

1. Secure individual and group rights to improve incentives for EG and to restore/protect assets
2. Support rights awareness and effectiveness of organizations that deliver rights, foremost in areas of high demand/potential
3. Invest in interventions that broadly strengthen institutions, governance, technology, and market access – integration
4. Broaden access of women/vulnerable groups to protect assets and mainstream access to new economic opportunity
5. Motivate opting for models of investment that enhance local small-holder engagement in markets
6. Pursue the implementation of the FAO VG on Good Governance of Land, Forestry and Fisheries?

In the meantime:

- Training/guidance for socially responsible firms
 - e.g., Roundtable on Sustainable Biofuels
 - TA to governments e.g., on assessing the LTPR landscape and addressing risks around particular conversions/transfers; assessing the investment benefit/cost
 - TA to affected parties e.g., review of contracts and dispute resolution
 - Principles of Responsible Agribusiness Investment
- USAID Feed the Future, AGRA's Breadbasket, SAGCOT.... can we get the LTPR equation right?

Thank you