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Responding to the Increased Demand for Land:

Possible roles of IGOs

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What Land?

- Global land area = 13.5 billion ha in total: 8.3 billion ha = grassland / forest, 1.6 billion = cropland.
- Excluding forest & protected land, 250 - 800 million is apparently available for expanded crop production.
- Most land available is considered marginal but much could be suitable, especially for biofuel production.
- ± 15 - 20 million ha under acquisition by large-scale investors?
- ± 14 million ha is being used for biofuels = 1 – 2% of all arable land, expected to rise to max 4% by 2030 & 20% by 2050 & 2% of water in 2005, expected to rise to 4% by 2030 & ?% by 2050.

Whose land?

- Small-scale producers in rural areas, mainly women.
- People living in informal settlements in “peri-urban” areas.
- Women typically have weaker land rights.
- Pastoralists use large percentages of what is often considered marginal land.
- ***De jure*** the state owns most land but ***de facto*** most land is owned under diverse tenure systems.
- While land may be under-utilised, very little is not owned, vacant or unused.

Who are the investors?

- Small to large scale producers, agro-processors and traders.
- Innovative entrepreneurs or exploitative profiteers?
- Small-scale producers, agro-processors and traders are the main investors
- (Outside) investors come and go.

Who are the land grabbers?

- Large-scale foreign and national investors, national and local elites, competing foreign and neighbouring communities / land users.
- National or local elites are often the main land grabbers.

There is huge diversity between places and time

Trends & Observations

- Increasing competition for dwindling land resources as a result of:
 - Growing populations (the elephant in the room)
 - Urbanization (the hippo)
 - Changing consumer demands (the elephant's cousin)
 - Energy demand
 - Food demand (“luxury” foods)
 - Land degradation & climatic change (the crocodile)
- Old wine in new bottles? Some new grabs based on old grabs.
- Demand largely depends on access to markets and to water, therefore localised.
- There are risks and there are opportunities.

Trends & Observations

Possible opportunities:

- FDI & tax revenue but level of financial investment, benefits and impact on poverty reduction not always easy to ascertain.
- Infrastructure development & tech transfer but depends on production systems.
- Employment but conditions & duration can be ltd.
- Income generation but depends on partnership arrangements and market access.

Possible risks:

- Loss of land & water rights, food insecurity & environmental degradation but although there is some evidence of evictions & resettlement, the full extent is not known.

We do not have a full sense of the extent & nature of the demand / grab & possible risks & opportunities

What can “we” do?

- “We” can all consume less and redistribute some of our personal wealth – the importance of influencing consumer demand in the developed world.

What can “we” do?

IFAD – a specialised agency of the UN

- We support rural poverty reduction programmes – soft loans mainly to governments and grants mainly to CSOs (FOs and research institutions).
- We support strengthening the role of CSOs and CBOs.
- We can help open the space for evidence-based multi-stakeholder dialogue, policy formulation and implementation.
- Some examples of support in the Land Sector:
 - land policy formulation;
 - land redistribution, (state-led & market assisted);
 - securing customary rights - collective and individual;
 - strengthening decentralized land administration;
 - strengthening the links between tenure security and SLM;
 - land conflict resolution;
 - improving access to rangelands by pastoralists;
 - equitable access to irrigated land;
 - enhancing access to CPRs through multiple user arrangements;
 - enhancing women’s access and tenure security;
 - post-settlement support services; and
 - finding alternatives to a reliance on land.
- A founding member and host the Secretariat of the ILC.

Possible Land Policy Options & Actions

Some Guiding “Principles”:

- Multi-stakeholder consultative and evidence based policy formulation and implementation.
- Balance social equity, economic development and environmental sustainability.
- No “one size fits all”.
- Not just formulation of good policies – the real challenge lies in implementation.
- Requires sustained, long term investment.
- But even modest investment in Land Policy implementation can have a significant positive impact on development and poverty eradication.

Possible Land Policy Options & Actions.

1. *Recognise the centrality of land tenure security for economic growth & poverty reduction:*

- Recognise a “Land Sector”.
- Set government investment targets for the Land Sector, similar to targets set for the Agricultural Sector.
- Develop guidelines for analysing land governance and land tenure security issues and include issues in development strategies.
- Strengthen global & regional guidelines for land policy development - eg: FAO-led global voluntary land governance guidelines & AUC/UNECA/AfDB-led pan-African land policy guidelines.

Possible Land Policy Options & Actions.

2. *Strengthen the land rights of poor & vulnerable people.*

- Recognise a diversity of tenure systems, balanced with principles of social equity.
- Secure women's land rights – eg: co-titling, spousal consent, strengthening women's representation in decision making, wills & inheritance, preferential registration fees, sensitising traditional authorities.
- Information dissemination and civic education on land rights.
- Support land redistribution for landless and land-poor.
- Provide access to legal aid and develop mechanisms for poor people to defend their rights, including legal aid clinics/centres and training of magistrates & lawyers.

Possible Land Policy Options & Actions.

3. *Develop accessible, affordable & transparent land administration systems*

- Balance cost recovery with affordability for all users
- Integrate land rights recognition with participatory land use planning
- Utilise a mix of low-cost GIS, aerial photography/satellite imagery, GPS and PRA methods.
- Recognise local & customary dispute resolution mechanisms
- Development of local capacity – multi-disciplinary skills.
- Strengthen role of private sector & civil society service providers.

4. *Policy review and M&E.*

- Periodic, multi-stakeholder multi-level reviews.
- Strengthen both government and independent systems for M&E – foster dialogue between perspectives.
- Strengthen cross-country research and lesson sharing.
- Develop a set of global land policy indicators

Possible Land Policy Options & Actions.

5. *Promote community – investor partnerships.*

- Develop guidelines for sustainable partnerships.
- Make community consultation a requirement for the granting of land rights to outsiders.
- Strengthen community enterprise development and negotiation capacity.
- Recognise land and assets developed with government support as community share equity contribution.
- Monitor the implementation of agreements.

Options for Community - Investor Partnerships.

- The term partnership is freely used and there some diversity, for example:
 - One – off donation in exchange for land rights - is this a partnership?
 - Lease agreements: an outside investor leases land from a community.
 - Purchase agreements: an entity agrees to buy a certain amount from farmers in an area, which may entitle them to tax breaks.
 - Contract farming: an outside investor purchases the harvest from farmers at pre-arranged quantities and prices. Outside investor may provide credit, inputs and technical advice.
 - Nuclear estate / out-grower scheme: similar to contract farming but an outside investor has a core estate for crop development and / or for securing a guaranteed supply.
 - Joint equity venture: an outside investor and farmers have joint share-holdings in a company.
- Partnerships should be defined as long-term, mutually beneficial relationships.

Examples of Community – Investor Partnerships.

Mali – Mali Biocarburant

- Small-scale farmers supply the *Jatropha* nuts to a farmer association which extracts the oil and sells it to *Mali Biocarburant*.
- *Mali Biocarburant* processes the oil into biodiesel for the national market, the seed cake is sold to the farmers to improve soil fertility & the glycerol by-product is sold to a women's cooperative to produce soap.
- A private company *Interagro* purchases the fuel and distributes it.
- The model seems to integrate *Jatropha* production into smallholder farming systems, without creating competition over land uses for food and fuel production, by promoting intercropping with food crops or growing *Jatropha* on unproductive land (e.g. along the roadside).
- The company has not acquired land & land rights of the people are strengthened as, according to Malian customary law, land planted with trees belongs to the person/community who planted the trees.
- Small-scale farmers are shareholders in the company & therefore will not only get revenue through the sale of the nuts, but also through dividends and increased share value.

(Source: Mali Biocarburant)

Examples of Community – Investor Partnerships.

Tanzania - SEKAB Sugarcane Smallholder/Outgrower Scheme (SUSO)

- Tanzania could develop 2 million ha of uncultivated land = 16 billion litres of bioethanol, USD7 billion in revenue & 1 million new direct & indirect jobs.
- SEKAB wants to develop ±250,000 ha in investment clusters over 15 – 20 years.
- Critical mass of investment, infrastructure & land is essential.
- A block farming approach with a continuous area operated under shared ownership by professional management will assist small scale farmers with farming knowledge, economy of scale, mechanisation & infrastructure.
- The scheme aims to provide mutually beneficial opportunities where small scale farmers participate in commercial farming, investor gets a stable cane supply & government get an increased tax-base.
- Certification requirements means that the company has to demonstrate social, economic & environmental sustainability.
(Source: SEKAB)

Examples of Community – Investor Partnerships.

India – The West Garo Hills Tea Factory

- Est. under the IFAD-supported North Eastern Region Community Resource Management Project for Upland Areas, 1999 - 2008.
- Assisted the Tea Farmers Federation of West Garo Hills of Meghalaya to start a tea factory with the participation of different partners: District Rural Development Agency (DRDA), TNI Ltd (pvte co.) & the West Garo Hills Community Resource Management Society (NGO)
- DRDA provided most funds (US\$ 350,300) for tea processing machinery
- TNI Ltd provided machines, free services factory design & trained 8 people on factory operation & management.
- Local communities of West Garo Hills contributed 2.5 hectares of land, bricks, labour, & a cash contribution of US\$ 12,250.
- The Project organized the communities & provided them with initial training on preparing the project proposal for setting up the factory and for receiving funding from the DRDA.
- The Assam Supreme Tea Estate Company buys ½ the green leaf from the factory & processes it in their own factory, which ensures a cash flow.
- The rest is processed by the tea factory itself.

(Source: IFAD)

Examples of Community – Investor Partnerships.

Ghana – Partnership for Grains and Oilseed Development

- Aims to develop maize & soybean value chains & pilot large-scale PPPs for poor small scale producers, identifying conditions & requirements for them to work and succeed.
- The partnership includes Aquafarm - a large importer of maize -, Wienco - a large buyer of maize -, Ghana Nuts - the largest processor of soybean in Ghana, other private sector companies, financial institutions, &
- Builds on an existing out-grower schemes being managed by Aquafarms & Wienco, respectively covering 2,000 and 1,000 hectares.
- Two out-grower schemes are planned to be established by Ghana Nuts in Upper West and Brong Ahafo regions, covering 20 has each.

➤ ***Uganda - Vegetable Oil Development Project (VODP)***

➤ ***Mozambique – Promoting Community – Investor Partnerships***

- Collaboration between DNPDR, IFAD, Dutch & FAO
- Aim to pilot 3 – 5 new partnerships – linked to securing land rights, document ±15 – 20 existing, develop guidelines & promote policy dialogue.

(Source: IFAD)

Lessons Learnt.

- It seems that at least some serious investors desire mutually beneficial and sustainable partnerships (it makes good business sense).
- It seems that at least some rural communities are prepared to relinquish their rights to certain lands if they see a real benefit.
- But partnerships that do not require a major transfer of land rights to investors may be more desirable and socially sustainable.
- Establishment of partnerships requires sustained support by a range of service providers (Govt, CSO, Pvte Sector).
- There seem to be few examples of joint shareholding arrangements in which communities have significant shares.
- Small scale producers' share holdings could be increased by properly valuing their land as a key asset and also by considering certain benefits from government & other development programmes such as buildings, infrastructure & equipment as part of their share.
- There is a need to monitor the implementation of partnerships, to ensure that the anticipated benefits are realised.
- There is a need to strengthen information sharing and lesson learning from successful and unsuccessful partnerships.