

# ARD network in-depth theme 1: Land governance

## 1. Rationale

Land governance, landownership and access to land and related natural resources (pasture, trees, water, etc.) vary according to different cultural and economic contexts. However, small scale farms (< 2ha) prevail worldwide (about 80% of all farms), and micro-scale farms (< 1ha) also take up an important share (about 40% of all farms). At this size, it is often impossible for families to scrap a living from their farms alone. They have to complement their revenues with wage labour on big farms, non-farm activities and migration.

The underlying factors for this prevalence of small and very small farms are mainly:

- major inequalities in society favouring a skewed land distribution with a small proportion of very large, often underexploited, farms and concomitantly a large number of very small farms, which favours a high proportion of landlessness (large parts of Latin America and also South Asia);
- pressure on arable land and/or water due to natural constraints and/or demography or, respectively, to climate change (worldwide: highlands, oasis, islands, river deltas, irrigation schemes)
- lack of access to innovation and equipment leading to small farms with low productivity levels and large, extensively or only periodically used areas (large parts of Africa).

These factors often combine with each other. Ongoing demographic pressure stresses them further. Land inheritance traditions, inappropriate land laws and poor performance of land governance institutions favour tenure insecurity which in turn hampers peasant driven investment in land and land conservation. Tenure insecurity is often particularly harsh in pastoralist societies which find themselves increasingly excluded from access to higher potential land and pastures as well as to water sources. Furthermore, tenure insecurity facilitates the acquisition of land by privileged and more competitive outsiders (domestic and foreign) for purposes of prestige, speculation or commerce, at the expense of traditional owners or users and other less privileged segments of the rural society.

Since 2007/08 a phenomenon, commonly referred to as “land grabbing” has been emerging, giving land acquisition by outsiders new features with regard to scale, land use and stake holders<sup>1</sup>. The main incentives for land grabbing are the increased price levels for staple crops; the food security concerns of rich countries with limited agricultural resources; as well as the expected price rises for farm land. There is consensus among specialists that the race for high potential agricultural land and water sources is likely to go on and even accelerate.

## 2. Some key aspects and questions regarding land governance

The land governance issue is a strategic one, given its direct influence on the very structures and tissues of rural societies and agriculture-based economies, on poverty, on social peace and on political stability. Although the issues of land policy, land governance and land reform have been addressed in certain regions for a long time, they are clearly increasingly central

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<sup>1</sup> Scale: earlier, the largest deals used to amount to several ten thousand ha. Now, several hundred thousand ha are at stake in a large deal. The money involved, amounts to billions of \$ in certain countries. E.g. in Ethiopia, money from land deals is said to exceed total ODA. As far as is known, the most concerned countries are in East and Central Africa (Ethiopia, Mozambique, Tanzania, Madagascar, Democratic Republic of Congo, ...), East Asia (Laos, Cambodia, Myanmar, Indonesia, ...), and West Africa (Mali, Ghana, Senegal, ...). Pakistan also sells off or leases parts of its best arable lands, above all to Gulf States. In Latin America, essentially Brazil and the Rio de la Plata countries arrange land deals with India, China, Saudi Arabia and others. However, land governance issues in their “classic” form, but also in the form of land grabbing, are seen as crucial in the Andean countries too.

Land use: earlier, classic export crops were grown. Now, the focus is on agrofuels and staple crops.

Driving actors: earlier, mostly private investors acquired the land. Now, governments are strongly involved too, above all in the form of sovereign wealth funds, state owned enterprises and bilateral investment treaties.

issues worldwide. So far, SDC has rather limited expertise and practical experience<sup>2</sup> in addressing land topics even in their “classical” form (skewed land distribution, micro-holdings unsuitable for sustaining a family, land rights, land legislation, land reform, etc.), let alone in their new dimension (large scale domestic and foreign direct investment (FDI) into land, expropriation and eviction of traditional land users, etc.).

As far as the country level is concerned, recent debates and donor supported initiatives (e.g. by the WB, USAID, etc.) seem to converge towards strengthening tenure security, improving land administration and favouring the emergence of a land market (or land user rights market), as well as territorial demarcation where this doesn't yet exist. Some time ago, China has engaged in similar, quite controversial practices which could provide interesting insights.

As far as the international level is concerned, the debate is currently focusing on “voluntary guidelines on the sustainable tenure of land and natural resources”. There are also discussions about the drafting of a “code of conduct” for responsible, development-sensitive behaviour of FDI in agricultural land and related natural resources.

The combination of all three dimensions (internationally approved voluntary guidelines; a code of conduct addressing FDI; as well as pro-poor land policies and *enforceable* land legislation focussed on tenure security for all holders of land and water rights, including traditional ones), would be necessary to contribute to transforming large scale land investments in “win-situations” for investors, host governments and local communities (“triple win”).

To enhance the ability of the network members to deal with central aspects of land governance, the following questions could be addressed – among others – by the learning group:

At country level:

1. Instead of replicating foreign models and perceptions of land governance and investment in agricultural land, innovative models rooted in and emerging from local society and stakeholders are needed. How can that be achieved and how can such undertakings be supported?
2. Within a perspective of sustainable family based agriculture, livestock and agro-forestry systems, pro-poor growth and long term optimisation of land and natural resource allocation and use, should there be territorial demarcation, a land market or a land lease market? Should land or land user rights and water sources become tradable items in poor countries?
3. How could land and natural resource related rights as well as tenure security of traditional small holder, pastoralist, forest dweller, fisher folk, minority and indigenous rights holders (owners, tenants, permanent or periodical users, men, women, etc.) be strengthened and enforced? What political, institutional, organisational, legal, etc. aspects need to be taken into consideration? What are the key elements? How could such processes be supported?
4. How could secure access to land and/or higher farm incomes be promoted, especially for those rural communities and families who could engage in productive and sustainable family based agriculture/livestock systems but don't control enough land to use their farming potentials and to meet their needs?
5. What specific land governance related measures are necessary in areas where agriculture and pastoralism co-exist (e.g. how can temporary large scale mobility of pastoralists in case of necessity be ensured, e.g. in case of drought – etc.)?

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<sup>2</sup> There are, however, a few notable exceptions in different regions which could contribute to provide guidance and lessons learnt to the ARD-NW learning group on land governance.

6. What good examples and practices exist in different countries and regions with regard to pro-poor and sustainability oriented investment in agricultural land and land governance issues (land policies, land legislation and administration, etc.)? What can we learn? To what extent can these examples inspire other countries and the international policy debate?

#### At the international level

1. Is a “triple win” situation possible in the case of large scale FDI in agricultural land? If yes, under what conditions and prerequisites? What is required in order to enable the rural poor/small holders to benefit and to ensure that they are among the winners in the long run (not just beneficiaries of compensation payments)?

2. What key elements must voluntary guidelines and a code of conduct on FDI contain from a country perspective, from the international perspective? What is required to make them work, and to attract as much commitment as possible?

3. What kind of pro-poor/pro-small farmer business models could be promoted in relation to large scale FDI in land? Are contract farming and/or other outgrower arrangements appropriate and beneficial for the small farmers? Under what conditions?

### **3. Expected results from the ARD network’s learning group (LG)**

1. Network-members have acquired an in-depth understanding of the different aspects of the land and natural resource governance topic and of their interrelationships (see e.g. key aspects and questions above);

2. NW-members have enlarged their own land governance network. They have access to relevant information and they know how and where they can mobilise specialised expertise for their and their partners' specific needs;

3. NW-members are able to advise their organisational unit (OU) and their partners in land governance issues, and to contribute to pro-poor land policies/reforms in their country, in their region, or at the international level;

4. Information and knowledge exchange on land governance between HQ (divisions, NW/focal point, GPFS) and COOFs is effective, fluid and useful to both levels: field information and experiences are sent to NW/HQ; international information and experiences are sent to NW/COOFs

5. A relevant and coherent SDC position is to be brought into discussion at country, regional and international levels when opportunities arise.

### **4. Progress markers**

#### Result 1

- NW-members (especially those in the learning group) feel that they have acquired additional knowledge about land governance;
- they are able to explain it to others and to play an active role in information sharing and awareness building in their professional environment;

#### Result 2:

- NW-members know how and where they can get information, advice and support;
- they know about/are in touch with specialised institutions and experts at country, regional and/or international levels;

#### Result 3

- NW-members share their knowledge with their OU and partners;
- Land and natural resource governance is increasingly referred to and becomes an issue in SDC strategic documents and programs;

- NW-members get involved in country-based or international networks and policy dialogues and processes about land governance;

#### Result 4

- concerned HQ personnel receive relevant and timely information of COOF based NW-members on country and regional experiences and processes in land and natural resource governance;
- they can use this for their work within Swiss and international forums;
- concerned personnel in COOFs receive relevant and timely information from HQ based NW-members on international processes;
- they can use this for their work with local partners and stakeholders (government, civil society, small farmer organisations, etc.);

#### Result 5

- Key elements of a SDC position are elaborated and shared (interested COOFs, HQ);
- they focus on enabling local partners and stakeholders to shape or influence policy dialogues and processes at all levels;
- SDC is active in involving directly concerned partners and stakeholders into policy dialogues and processes and is involving itself at country and at international levels when opportunities arise.

### **5. Basic working principles**

Land governance is also a main working theme of the GPFS. Close collaboration and synergy are beneficial for both, the NW and the GPFS. The basic working principles are:

- priority to mutual exchange, support and capitalisation of knowledge and experiences of NW-members regarding land governance;
- close collaboration and exchange with GPFS, and advice/counselling for the LG also by specialised GPFS partners (e.g. the International Land Coalition, ILC);
- coordination of the LG's work plan and activities with the GPFS ones and vice-versa;
- lessons learnt and information from GPFS partner activities (case studies, capitalising on work, etc.: methodology, contents, etc.) benefit the LG and vice-versa;
- learning through ongoing local processes and programs (in touch with reality);
- LG receives from GPFS the necessary resources to execute its work plan (hiring local consultants for information/data collection and analysis, workshops, etc.).

### **6. Main stages**

#### Stage 1

a) Create the learning group

- interested NW-members register, a moderator is recruited;

b) Preparative work

- relevant documents, e-links, competence centres, resource persons, etc. are identified
- relevant experiences, cases, fields of possible "case studies", etc. are identified
- a preliminary work plan is established

c) E-discussion, stocktaking and launch of some "case studies"

- exchange among participants of the LG regarding their specific questions, experiences, etc. in their work and professional environment (their own country/region: SDC supported and other programs and partners, international processes, etc.);
- some "case studies" get prepared

d) Progress and discussion memo, F2F workshop

- a first, brief memo about the findings of stage 1 is drafted and presented to the NW at the F2F meeting, discussion with all NW members

- LG prepares its objectives and work plan for stage 2 according to the recommendations of the F2F workshop

### Stage 2

- Ongoing E-discussion and implementation of LG work plan
  - ongoing, in collaboration/coordination with GPFS and its partners' activities
  - "case studies" with local consultants
- Specialised workshop of LG/GPFS and partners
  - according to work plan, the workshop is aimed at putting together and exploiting results of country/region based "case studies", collected information and knowledge;
  - a memo is drafted
  - final activities are identified and prepared
- Ongoing E-discussion and implementation of LG work plan
  - ongoing and elaboration of final report/issue paper
- Concluding event
  - final report/issue paper is presented to and discussed with NW, GPFS, partners, SDC
  - (auto)evaluation of the process and the achieved results

### **7. Activities of the learning group, the wider NW and GPFS – preliminary time line**

What	Who ( <u>lead</u> , support/participation)	When
<b>Stage 1</b>		
- Learning group (LG) established	<u>Core group (CG)</u> , NW	1/10
- Preparative work	<u>moderator</u> , LG, GPFS	2/10
- E-discussion started	LG, moderator, GPFS	> 2/10
- Memo with findings stage 1	<u>LG</u> , moderator	F2F, 5/10
<b>Stage 2</b>		
- Ongoing E-discussion	<u>LG</u> , moderator, GPFS	> 5/10
- Case studies	LG, consultants, moderator	> 5/10
- Specialised workshop	<u>LG</u> , GPFS, moderator	3/11 (?)
- Ongoing E-discussion	LG, moderator, GPFS	> 3/11
- Concluding event	<u>LG</u> , GPFS, moderator	9/11 (?)
- Ongoing exchange on land governance	LG, NW, GPFS	> 9/11

### **8. Expected products**

- An address list and existing contacts with specialised institutions and resource persons, as well as a relevant library (e-links, documentation, etc. ) at the NW's disposal;
- data, information, case studies on interesting processes at country and regional levels;
- a memo with lessons learnt and good practices on central aspects of land governance (international, regional, country specific)
- an issue paper with the main elements for a SDC position on land governance.