

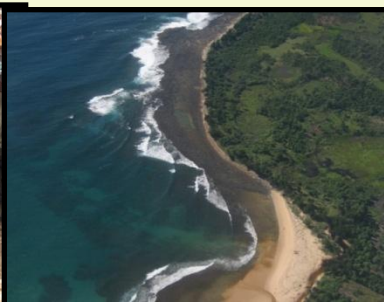


Land Grab

Environmental peril and potential

With support from TF-ESSD, PROFOR, SDC,
Hewlett Foundation, BNPP

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SDN Forests Team World Bank





Something new?

Large-scale land appropriation is not new

New drivers:

- Forecast of rising prices for agricultural commodities
- Food security
- The scramble for biofuels
- Demand for pulp and paper

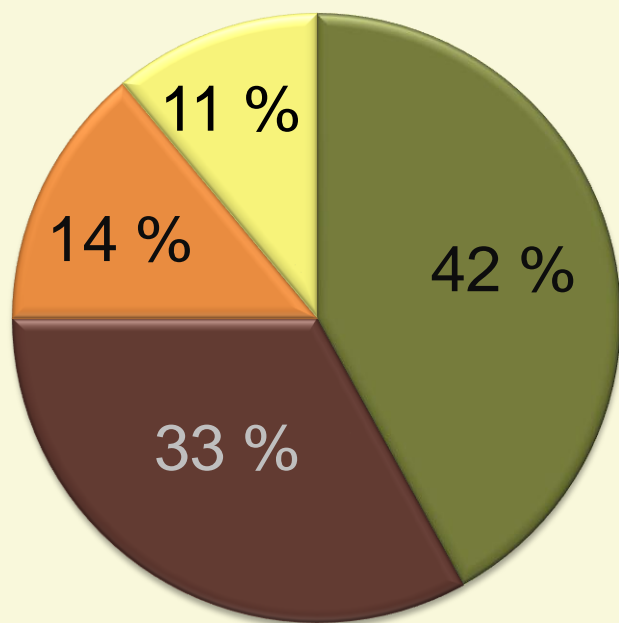


Should we be concerned?





Agricultural Conversion is One of the Main Causes of Deforestation



■ Shifting agriculture

■ Conversion to agribusiness and cattle ranching

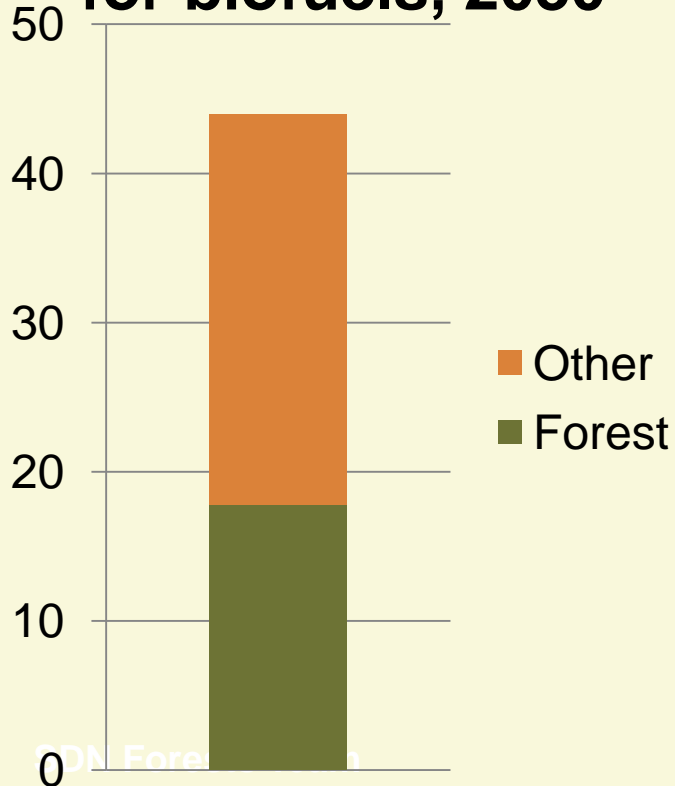
■ Illegal logging

■ Fuelwood and charcoal

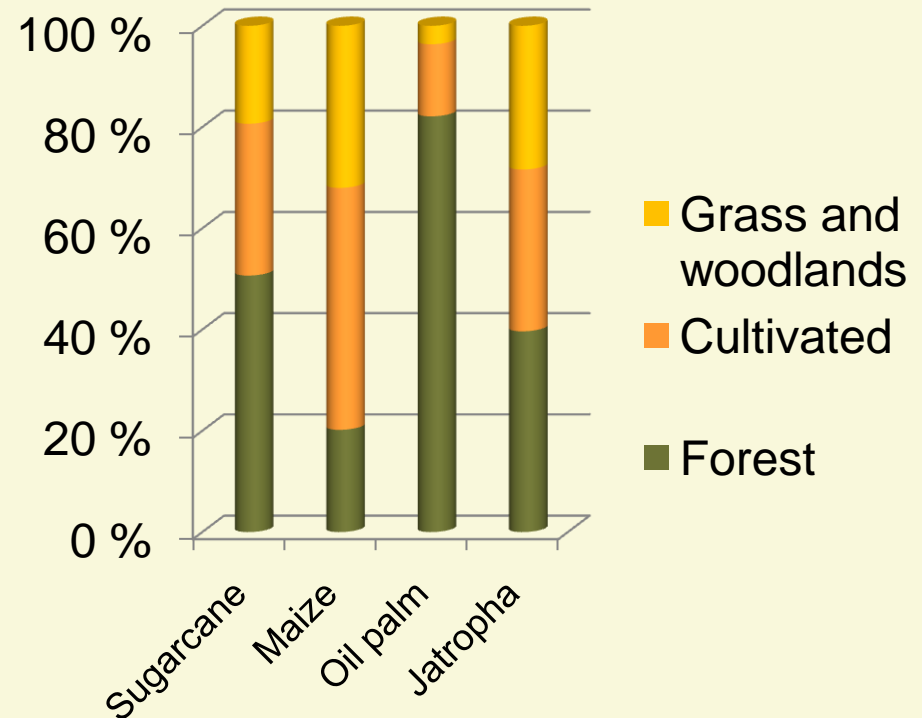


Biofuels likely to Involve Considerable Conversion of Forest Land

Projected increase land for biofuels, 2030



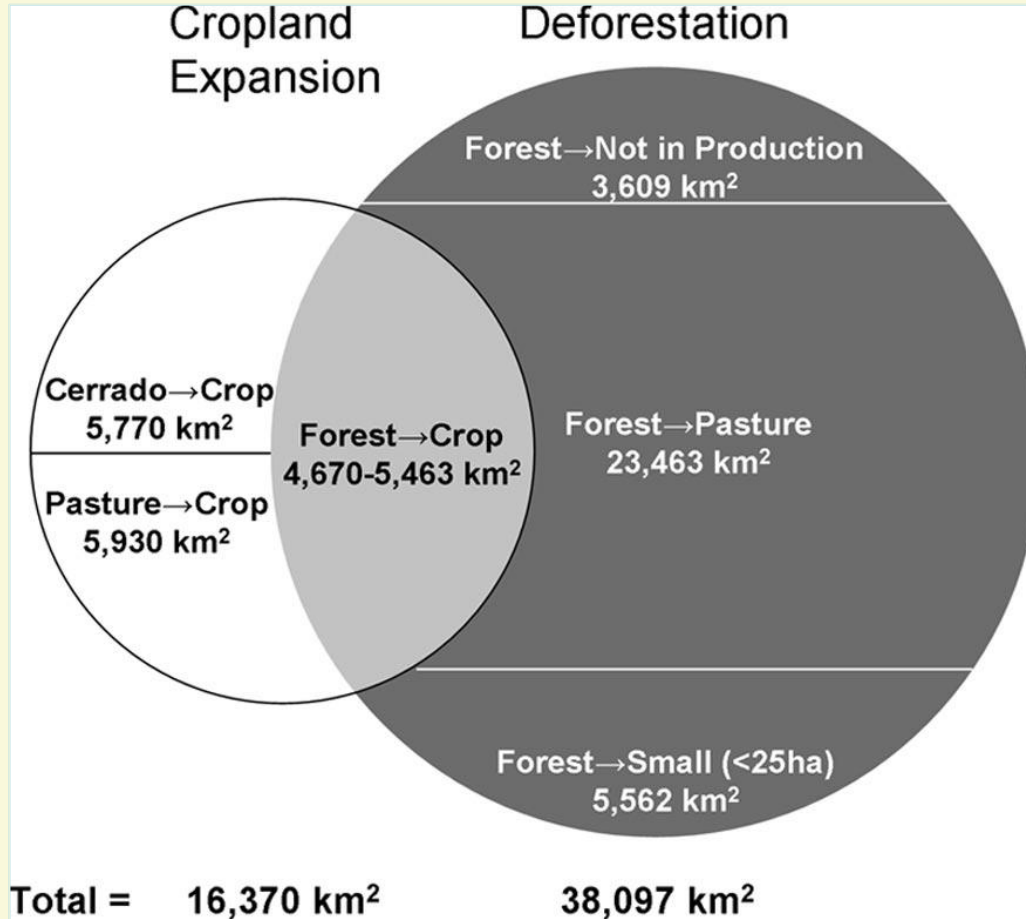
Land Classified as Suitable for feedstocks



Source: IIASA, 2009



Different Types of Expansion



in Mato Grosso (2001–2004)



An Opportunity and a Risk

A major opportunity

- New direct investment
- Export development
- New industries--biofuels
- Employment generation
- Technology transfer

With significant risks

- Negative environmental impacts (forests)
- Lack of attention to existing land users
- Undermining of governance



Combination of Investors, Products, and Markets

	Mostly foreign investor	Mostly domestic investor
Mostly export market	<ul style="list-style-type: none"> • Food (but not governments) • Biofuels • Raw materials 	<ul style="list-style-type: none"> • Food • Raw materials • Biofuels
Mostly domestic markets	<ul style="list-style-type: none"> • Biofuels 	<ul style="list-style-type: none"> • Food • Biofuels • Raw materials



Many Different Policy & Legal Environments for Land Acquisition

- **Private land markets (if they exist)**
 - Purchase
 - Leasing in LA and E. Europe
- **Investment facilitation agencies**
 - Public land and/or customary rights
- **Conversion of (public) forest land**
- **Direct agreements with local chiefs, authorities, warlords**



Differences in Previous Land Use

- **Cultivated land**
 - Amalgamation of smaller farms
- **Pastures or degraded land**
 - Often involving significant land improvement
- **Conversion of woodlands and forests**
 - Varying conservation values



Emerging Situations in Latin America

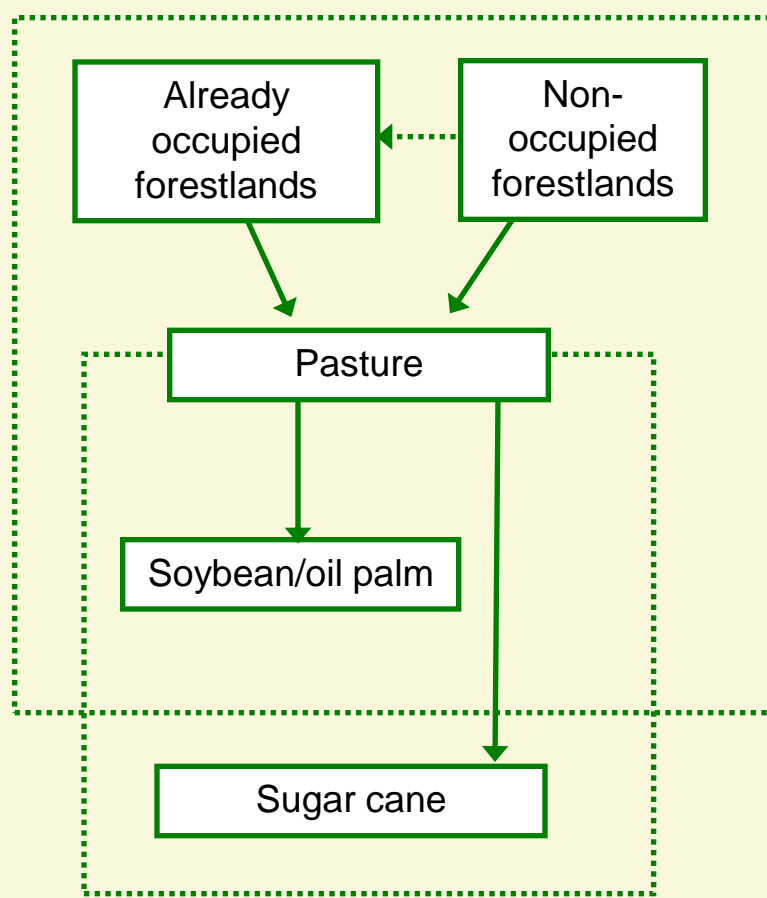
- Foreign investors take advantage of land grabbing by nationals
- Transnational companies coordinate agricultural value chains prompting landholders and investors to expand the most profitable land uses
- National investors modernize and expand their operations linked to non-food markets



Implications for Forest Conversion

- Expansion of most profitable land uses often taking place over pasture lands
- Cattle herds are displaced further into new forestlands
- Another portion of investments places additional pressures on public forestlands

Forest landscapes

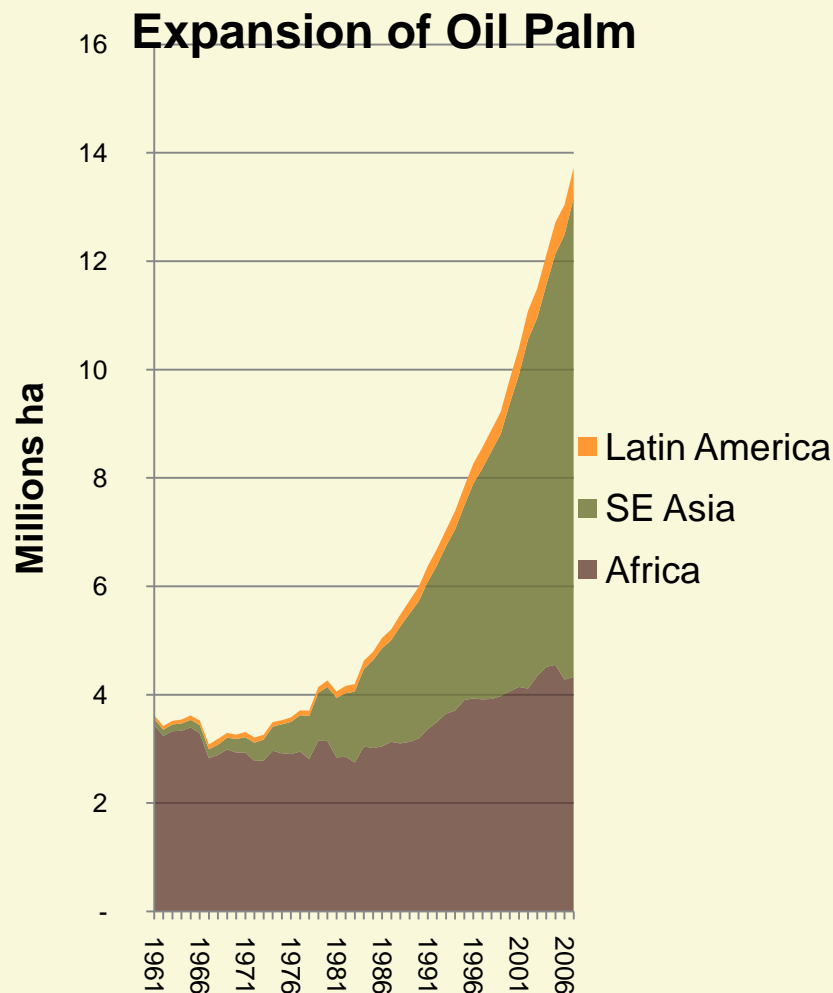


Non-forest landscapes



Emerging situations in South East Asia

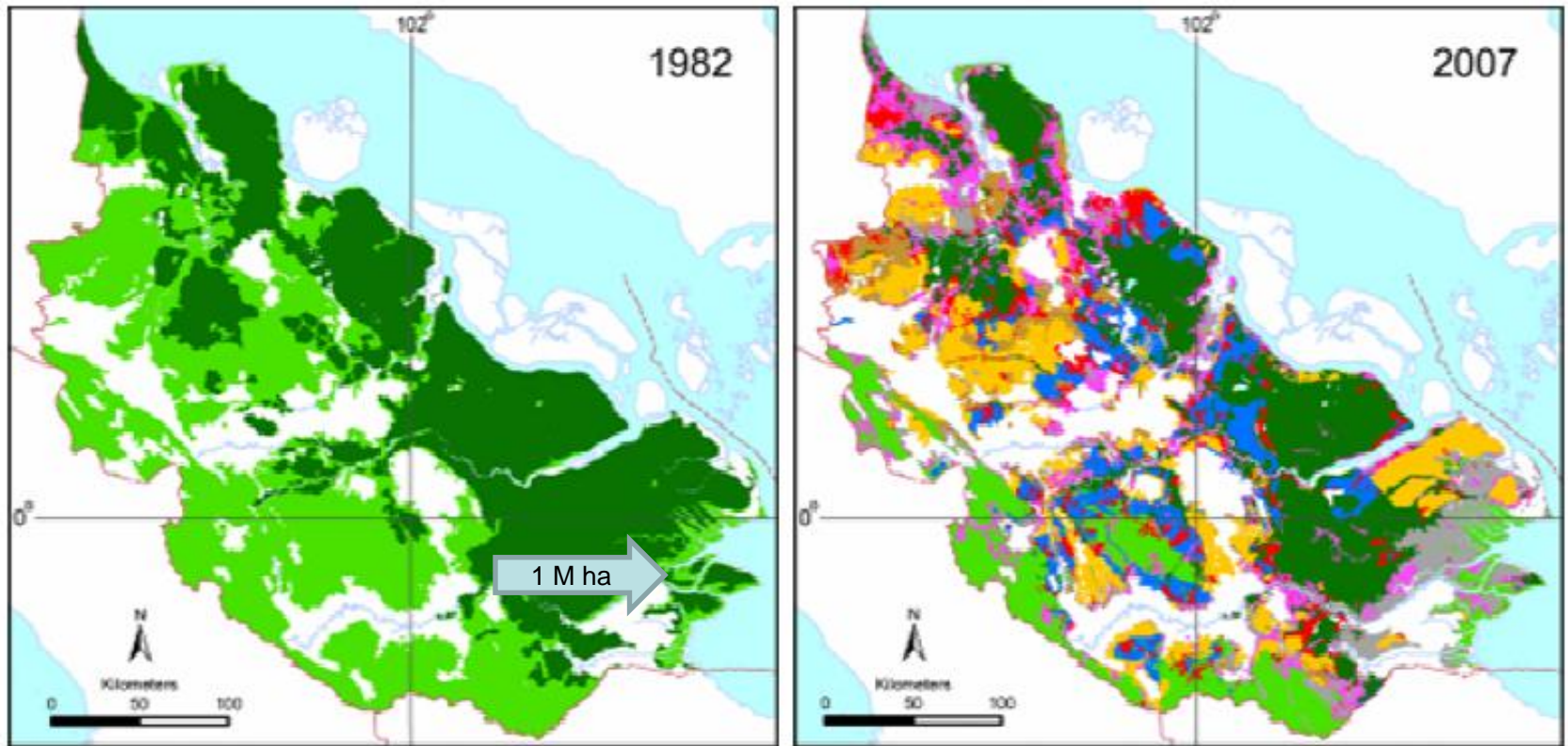
- Drivers
 - Oil palm for food/fuel
 - Plantation forestry
 - Grains for export
- Investors
 - Asia and some Gulf





Impacts of Investments on Forests

(source WWF, 2009)



- Forest on peatland remaining
- Forest on non peatland remaining
- Wasteland
- Other land covers

- Acacia plantation
- Oil palm plantation
- Small holder oil palm plantation
- Cleared



Legal and Policy Context

- **Weak protection of forests**
 - Large areas are protected; lack boundary demarcation
 - Lack of inventory of economically valuable land
 - Claims and rights over forest lands seldom identified or registered
- **Legal framework encourages conversion of forests**
 - Legal frameworks have often encouraged agricultural incursions into intact forests
 - Squatters rights eventually formalized
- **Limited enforce of environmental regulations and standards**
 - Failure to effectively articulate, implement, and enforce environmental regulations
 - Inadequate capacity and resources



Positive Environmental Impacts...

- Creation of wildlife corridors in design of plantation
- Prevention of hunting and illegal extraction
- Introduction of improved varieties/breeds
- Improving biomass and vegetation cover, wind and water erosion control
- Technology transfer
- Employment



Looking Ahead

- **Interest in land acquisition likely to continue**
 - Driven by demand for food, fuel, timber and PES (REDD)
 - The expansion pressure must be handled efficiently – it presents an opportunity to bring in private sector
- **Countries need capacity to manage it better**
 - Institutions must adapt
 - Appropriate policies and capacity to implement
 - Otherwise things can go wrong, resulting in unfavorable social and environmental impacts
- **Good policy, legal & institutional framework essential for sustainable & equitable outcomes**
 - Protection of areas unsuitable for agricultural expansion
 - Clear environmental policies and enforcement



Looking Ahead (cont.)

- **Protection of areas unsuitable for agricultural expansion**
 - Demarcation of protected areas & clear definition of use regimes allowed
 - Limit ex-post regularization
 - Monitoring of land use restrictions
 - Mechanisms to prevent encroachment exist
- **Clear environmental policies and enforcement**
 - High quality EIAs are conducted as required and vetted in a public process
 - Enhance monitoring capacity
 - Dedicated environmental (& social) licensing and approval procedures exist



THANK YOU