

The global land rush: what the evidence reveals about scale and geography

In developing countries, millions of people depend on land for their food and livelihoods. But a global 'land rush' — moves to acquire large tracts of land across the world — is increasing competition for this vital resource. A growing body of evidence points to the scale, geography, players and key characteristics of the phenomenon. Some of this is based on media reports and some on country level inventories. Much of the data cannot be compared due to variations in methodology, timescale and the differing criteria for what makes a land deal. Further improving data and analysis is critical. But while exact numbers will keep changing, all evidence indicates that land acquisitions are happening quickly and on a large scale. So we urgently need to get on with developing appropriate responses.

Policy pointers

- **All evidence indicates** that land acquisitions are happening quickly and on a large scale. The implications must be taken seriously in both policy and practice.
- **The phenomenon is global;** media attention has focused on Africa but large-scale land acquisitions are also happening in Eurasia, Latin America and Southeast Asia.
- **Land is being acquired by** national and international actors although the role of nationals is often not reported.
- **Public attention may have** focused on China and Gulf countries as key land acquirers, but Western companies play a very large role.
- **More systematic data** collection at a country level would help promote informed debate and improve transparency and accountability within land deals.

Tales of scale

Estimates of how much land is being purchased or, more often, leased across the world for agriculture — including tree plantations but excluding mining, tourism and other purposes — are often derived from varying combinations of two sources: international reviews, mainly based on media reports, and in-country research, particularly inventories based on official government records.

Sustained media reporting has not only raised public awareness about large-scale land acquisitions but also generated an impressive amount of data. Online databases run by organisations like GRAIN or the International Land Coalition (ILC) contain extensive information on land deals reported in the media.¹ They provide useful insights on trends as well as the potential scale of the global land rush. One analysis of media reports in the ILC database suggests that between 51 million and 63 million hectares of land were acquired between 2008 and 2010 in Africa alone.² An analysis of media reports in the GRAIN database suggests 56.6 million hectares worth of acquisitions worldwide from October 2008 to August 2009³ — an area roughly the size of a large country like Madagascar or the Ukraine.

But data based on media reports must be treated with caution. Media reports sometimes overestimate scale: a reported 10 million hectare deal in Congo, for example, is in reality closer to 80,000 hectares; and of a reported

2.8 million hectare deal in the Democratic Republic of the Congo, only a lease for 100,000 hectares has been verified.⁴ Media reports can also be skewed. For example, international deals feature more in the media than acquisitions by nationals — even though the number of national deals often outstrips international ones.

Some researchers have been more cautious in their use of sources. A recent study, which found that a total of 18,104,896 hectares have been acquired in sub-Saharan Africa since 2005, used only 'verifiable' and 'reliable' sources⁴ — although the author does not state what these sources are or what criteria were used to assess their accuracy.

The 'Land Matrix' of deals being built by an international consortium led by the ILC and Oxfam involves cross-checking information from media reports and published research. Under this initiative, 71 million hectares — out of the 203 million hectares' worth of land deals (including those for mining, forestry and tourism) documented in the media since 2000 — have been triangulated through other sources.⁵ Africa accounts for some 34 million hectares of cross-referenced deals, followed by Asia (some 29 million hectares) and Latin America (about 6 million hectares).⁵

Other research involves systematic inventories of land deals based on official government records, cross-checked with third-party sources. The growing number

A better understanding of the trends, drivers and key players is critical

of such national inventories confirms the unprecedented scale of land acquisitions. For example, a World Bank report documented deals for about 10 million hectares of land in five African countries alone from 2004 to 2009.³

But, with a few important exceptions, the figures gathered through these national inventories are lower than those based on media reports (see Figure, overleaf). In Mozambique, for example, media sources arrived at more than 10 million hectares² acquired between 2008 and 2010, whereas a national inventory for 2004–2009 calculated a figure closer to 2.7 million.³ The average size of individual deals is also smaller than that suggested by media reports.

But the overall scale of land acquisition is still significant — even more so when you consider that investors often target the ‘best’ land in terms of soil fertility, irrigation potential, infrastructure development or proximity to market. For example, land acquisitions in Mali and Senegal are heavily concentrated in the irrigable areas of the Ségou Region and the Senegal River valley, respectively.⁶ Investors are also drawn to strategic agricultural development corridors in Mozambique and Tanzania.

Of course, national inventories, like media reports, can be challenged. In all cases, the quality of estimates from country-level inventories ultimately depends on how well national systems record incoming investments and land allocations, as well as how easy it is to access those data. Exclusion of deals still under negotiation underestimates potential scale. And inventories tend to be ‘one-off’ pieces of research, which means resulting data rapidly become outdated.

Still an imperfect picture

Despite much progress with data gathering, many uncertainties, gaps and inconsistencies remain. The different parameters that define inclusion or exclusion from research — be it using media reports or government records — influence the great variation in the figures put forward by different studies. Besides varying standards of source reliability, these parameters include:

- **Deal size.** Some inventories only cover deals above a certain size — 1,000 hectares, say.⁷ Also, in some countries, responsibility for negotiating small land deals lies with local government bodies. If inventories restrict their research to deals recorded with central government they will not capture these smaller deals — even though their cumulative impact may be greater than that of a few large deals.
- **Timeframe.** The timeframe covered by different inventories varies, so data are not easily comparable. Some datasets do not clarify timeframes.

■ **Land use.** Some inventories include tree plantations; others do not. The ILC-Oxfam ‘Land Matrix’ includes ventures in mining, forestry and tourism, although the relative importance of these sectors seems to be underestimated in the dataset — not least because mining and timber concessions have received less media interest than land deals. Extractive industries can affect very large areas. In Liberia, in addition to the 1,602,000 hectares acquired through farmland concessions, mining exploration or development concessions have been granted for 1,195,894 hectares since 2004.¹² Exploration activities tend to cover larger areas but have less intense land use impacts than mineral development.

■ **Status of deals.** Some datasets only include approved deals, others also cover deals under negotiation. Defining what constitutes an ‘approved’ deal is not straightforward. Data may be based on a ‘convention of establishment’ or ‘memorandum of understanding’ that commits the government to allocate land, but less or no land may have actually been allocated. And some contracts agree to future expansion contingent upon certain conditions. In Mali, for example, about 871,000 hectares have been allocated to investors since 2004. But most of this was promises to allocate land through conventions of establishment with the central government or, for 60 per cent of the land, ‘letters of intent’ with the Office du Niger (the government authority that manages a large irrigable site). These letters expire if the investor does not do a feasibility study, usually within one year. Only about 6 per cent of the allocated land area involves definitive leases from the Office du Niger.⁶

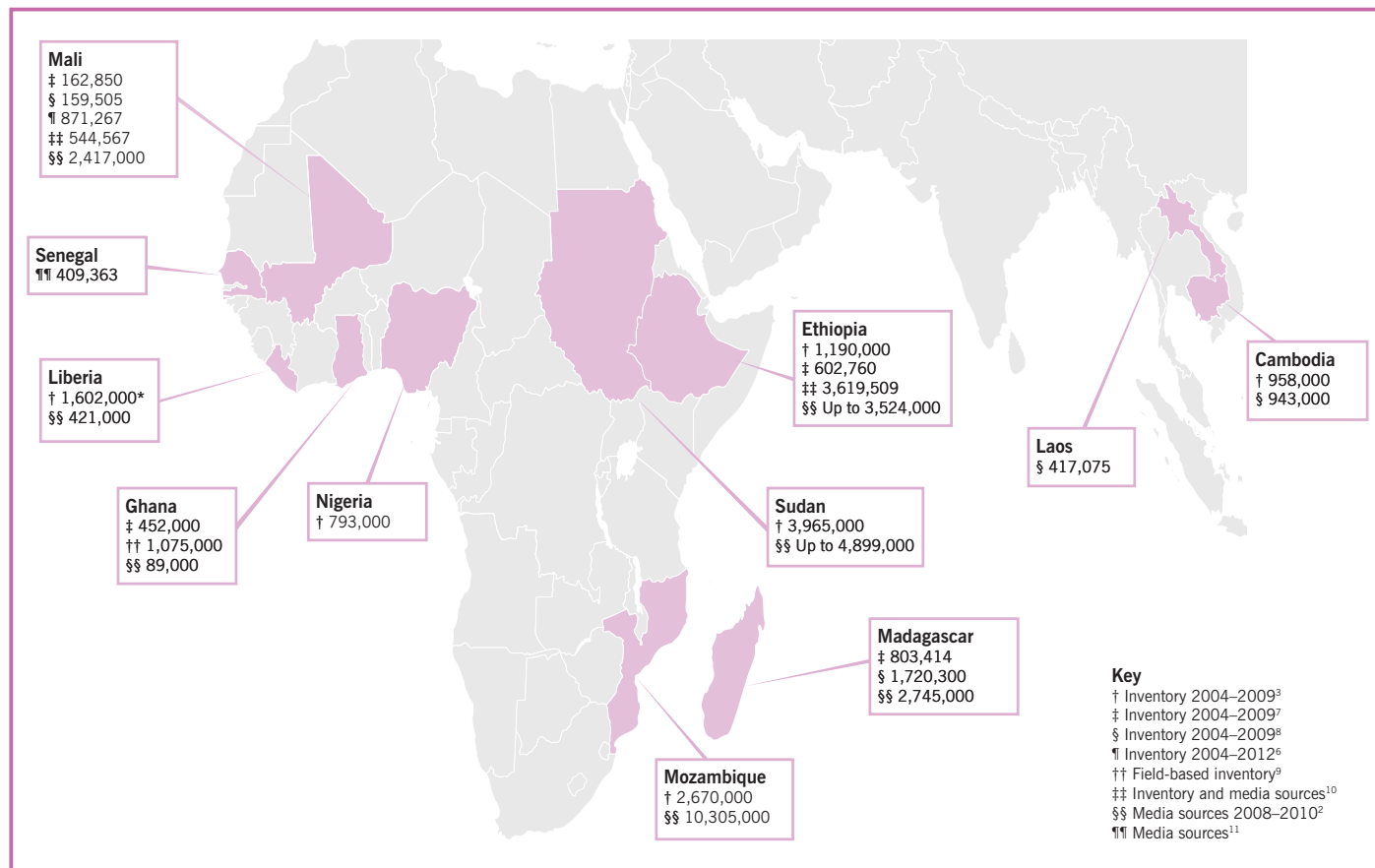
Key players

So we know something about how much land is being acquired and where, but do we know who is doing the acquiring? Public attention has focused on government-backed entities from the Gulf States and East Asia as the main acquirers of land. But evidence points to a somewhat different picture. Middle Eastern operators have been active, but their role seems to have been overestimated. For example, World Bank inventories suggest that it is only in Sudan that Middle Eastern countries account for a majority of foreign projects.³

Chinese companies are involved in a range of upstream and downstream agricultural business opportunities in Africa — for example, using joint training centres as a way in for distributing seeds and other inputs.¹³ Although Chinese land deals have been documented for instance in Ethiopia and Mali, Chinese companies operating in Africa seem more interested in subsoil resources. But China is a key land acquirer in Southeast Asia.

Across the world, there is hard evidence that Europe and North America are home to key acquirers of land. Western companies dominate biofuels investments in

Figure. Land acquisitions in selected countries: what media reports and national inventories tell us.



Africa, for example,^{4,14,15} as well as many of the deals involving tree plantations for biomass energy.¹⁶ And most investment funds that are involved in farmland investments across the world are also based in Europe and North America.^{17,18} One study on Africa found the United Kingdom, the United States and Norway to be among the world's top four investor countries, and Europe and North America to account for 40 and 13 per cent of all land acquired, respectively.⁴

Interestingly, Southeast Asian companies have received little media attention for their investments in Africa, despite being very active. India is also active: in Ethiopia, for example, 9 out of the 28 deals disclosed by the government were with Indian companies.¹⁹

The central role of national elites in national acquisitions is highlighted by empirical research, and it is clear that remittances from nationals overseas also play a role. A 2011 World Bank study found that nationals accounted for 97 per cent of the land area acquired in Nigeria, and for half or more in Cambodia (70 per cent), Ethiopia (49 per cent), Mozambique (53 per cent) and Sudan, although only 7 per cent in Liberia.³ The growing interest of national elites in land acquisitions was documented well before international discussions about 'land grabbing' started.²⁰

The lines between these international, regional and national investments are fluid. Lenders, insurers, contractors and suppliers may all come from different

countries. Many companies operate through local subsidiaries. Nationals may facilitate land access for foreign investors.²¹ And joint ventures may channel funds through a company based in an intermediary country (see Strategic Transit Countries, overleaf). All of this means it is not always clear who exactly is acquiring land, or who is accountable for investments.

Urgent responses required

There may still be gaps and inconsistencies in the evidence about the scale of global land acquisitions, where they are happening and who is driving them. A better understanding of the trends, drivers and key players is critical to facilitate informed debate, shape effective policy responses, and promote transparency and accountability in agricultural investment.

But despite its variability, all evidence indicates that land acquisitions are happening on a very large scale. It is often the most fertile land that is acquired. The scale is even more significant when non-agricultural pressures on land are also considered — from extractive industries to national parks. The global land rush must be taken seriously in both policy and practice.

There is no shortage of international guidelines, principles and standards for investors who want to 'do the right thing'. But even if all individual investment projects were to comply with international guidance, the sheer scale of the global land rush would still exacerbate

Strategic transit countries

A strategic transit country is one that channels foreign investments into a third country. In Africa, some nations are emerging as strategic transit countries that facilitate investments in their near neighbours. South Africa, for example, is of increasing interest to companies who want to tap into the country's expertise in African agriculture and extend their reach into other African countries such as Mozambique, Tanzania or Zambia. Some European companies seeking to invest in African agriculture have bought shares in, or set up joint ventures with, South African companies.

Mauritius is also becoming a strategic transit country, probably because of its favourable tax regime and the sizeable number of bilateral investment treaties it has with other African countries, which protect investments in these third countries.

pressures on resources. And there would remain the real risk that local people — especially those with weaker rights and negotiating power — lose out.

The situation calls for a more strategic approach to regulating the growing competition for natural resources. Well thought-out regulation by host governments plays a central role within that, and should include sustained investment to secure local land rights. International guidance on the governance of natural resources, such as

the Voluntary Guidelines for the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security,²² provide pointers for governments to sharpen up their national regulatory frameworks.

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Further reading

The issues raised in this briefing are explored in more depth in: Cotula, L. 2012. The International Political Economy of the Global Land Rush: A Critical Appraisal of Trends, Scale, Geography and Drivers. *Journal of Peasant Studies*. See www.tandfonline.com/doi/abs/10.1080/03066150.2012.674940

Notes

- ¹ See www.commercialpressuresonland.org and www.farmlandgrab.org. ■ ² Friis, C., Reenberg, A. 2010. *Land grab in Africa: Emerging land system drivers in a teleconnected world*. GLP Report 1. University of Copenhagen, GLP-IPO. See www.globallandproject.org/Documents/GLP_report_01.pdf. ■ ³ Deininger, K. et al. 2011. *Rising Global Interest in Farmland: Can it yield sustainable and equitable benefits?* World Bank, Washington. See: http://siteresources.worldbank.org/INTARD/Resources/ESW_Sept7_final_final.pdf. ■ ⁴ Schoneveld, G.C. 2011. *The Anatomy of Large-Scale Farmland Acquisitions in Sub-Saharan Africa*. Working Paper 85. CIFOR, Bogor. See: www.cifor.org/nc/online-library/browse/view-publication/publication/3732 ■ ⁵ Anseeuw, W. et al. 2012. *Land Rights and the Rush for Land: Findings of the Global Commercial Pressures on Land Research Project*. International Land Coalition, Rome. See www.landcoalition.org/cpl/CPL-synthesis-report ■ ⁶ Djiré, M. Forthcoming. *Investissements Agricoles en Afrique Sub-Saharienne: Etude de Cas au Mali*. IIED, London. ■ ⁷ Cotula, L. et al. 2009. *Land grab or development opportunity? Agricultural investment and international land deals in Africa*. FAO/IFAD/IIED, Rome/London. See <http://pubs.iied.org/12561IIED> ■ ⁸ Görgen, M. et al. 2009. *Foreign Direct Investment (FDI) in Land in Developing Countries*. Deutsche Gesellschaft für Technische Zusammenarbeit, Eschborn. See www2.gtz.de/urbanet/library/detail1.asp?number=7529 ■ ⁹ Schoneveld, G.C., German, L.A., Nutakor, E. 2010. *Towards Sustainable Biofuel Development: Assessing the local impacts of large-scale foreign land acquisitions in Ghana*. Paper presented at the World Bank Land Governance Conference, 26–27 April. ■ ¹⁰ Oakland Institute. 2011. *Understanding Land Investment Deals in Africa*. See <http://media.oaklandinstitute.org/special-investigation-understanding-land-investment-deals-africa> ■ ¹¹ Faye, I.M. et al. 2011. *Les Acquisitions de Terres à Grande Echelle au Sénégal : Description d'un nouveau phénomène*. Initiative Prospective Agricole et Rurale, Dakar. ■ ¹² Calculations from Cotula, L. 2011. *Land Deals in Africa – What is in the Contracts?* IIED, London. See <http://pubs.iied.org/12568IIED>, based on data from www.leiti.org.lr ■ ¹³ Buckley, L. 2011. *Eating Bitter to Taste Sweet: An ethnographic sketch of a Chinese agriculture project in Senegal*. Paper presented at the International Conference on Global Land Grabbing, Brighton, 6–8 April 2011. ■ ¹⁴ Sulle, E., Nelson, F. 2009. *Biofuels, Land Access and Rural Livelihoods in Tanzania*. IIED, London. See <http://pubs.iied.org/12560IIED> ■ ¹⁵ Nhantumbo, I., Salomão, A. 2010. *Biofuels, Land Access and Rural Livelihoods in Mozambique*. IIED, London. See <http://pubs.iied.org/12563IIED> ■ ¹⁶ Cotula, L., Finnegan, L., Macqueen, D. 2011. *Biomass Energy: Another Driver of Land Acquisitions?* IIED Briefing. IIED, London. See <http://pubs.iied.org/17098IIED> ■ ¹⁷ OECD. 2010. *Private Financial Sector Investment in Farmland and Agricultural Infrastructure*. Working Party on Agricultural Policies and Markets Report. OECD, Paris. ■ ¹⁸ Buxton, A., Campanale, M., Cotula, L. 2011. *Farms and funds: Investment funds in the global land rush*. IIED, London. See <http://pubs.iied.org/17121IIED> ■ ¹⁹ See www.moa.gov.et/node/150 ■ ²⁰ Ouedraogo, M. 2003. *New stakeholders and the Promotion of Agro-Silvo-Pastoral Activities in Southern Burkina Faso: False start or inexperience?* Drylands Issue Paper No. 118. IIED, London. See <http://pubs.iied.org/9236IIED> ■ ²¹ Burnod, P. et al. 2011. *From International Land Deals to Local Informal Agreements: Regulations of and Local Reactions to Agricultural Investments in Madagascar*. Paper presented at the International Conference on Global Land Grabbing, Brighton, 6–8 April 2011. ■ ²² See www.fao.org/nr/tenure/voluntary-guidelines/en/

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