LAND MATRIX NEWSLETTER — NOVEMBER 2015

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GET THE IDEA

The Land Matrix Initiative (LMI) is a global and independent land monitoring initiative that promotes transparency, accountability, and greater public involvement in critical decisions that affect the lives of land-users around the world. www.landmatrix.org is LMI's Global Observatory — an open tool for collecting and visualising information about large-scale land acquisitions. The Global Observatory is coordinated by the International Land Coalition (ILC), Centre de Coopération Internationale en Recherche Agronomique pour le Développement (CIRAD), Centre for Development and Environment (CDE), German Institute of Global and Area Studies (GIGA) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). In the context of decentralization, four regional focal points support the LMI on regional-level data collection, research, advocacy, networking and communication, including: the Asian Farmers' Organisation for Sustainable Rural Development (AFA) covering Southeast, East, South and Central Asia; the Mongolian NGO Jasil covering Mongolia, Kazakhstan and Kyrgyzstan; the Argentinian CSO Fundación para el Desarrollo en Justicia y Paz (FUNDAPAZ) covering Latin America; and the University of Pretoria covering Africa.

IN THIS EDITION

Data overview

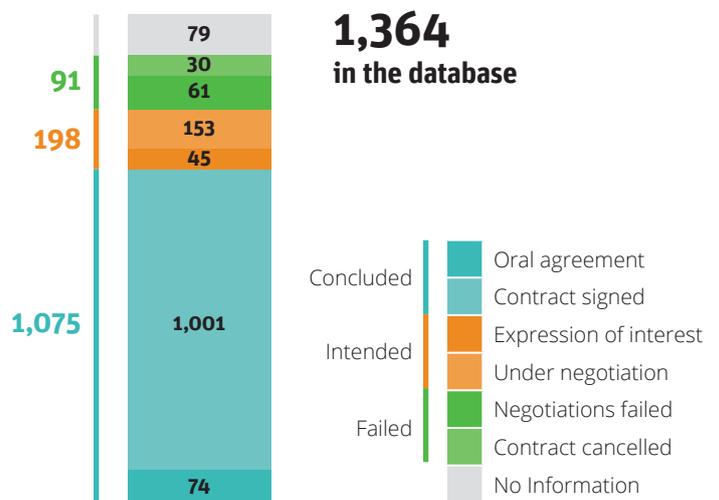The LMI implements its decentralization process

News from the regions

Data trends and dynamics: data consolidation and continued trend of project implementation — challenges remain

DATA OVERVIEW

Figure 1: Number of international deals according to negotiation status.

1,364 in the database

Concluded	Oral agreement
	Contract signed
Intended	Expression of interest
	Under negotiation
Failed	Negotiations failed
	Contract cancelled
	No Information

91 · 198 · 1,075

79 · 30 · 61 · 153 · 45 · 1,001 · 74

Data as of September 23, 2015

THE LMI IMPLEMENTS A DECENTRALIZATION PROCESS

Within the framework of decentralization, the LMI is engaging in three core activities:

1. **Establishment of a project support unit**

   A project support unit (PSU) has been created at the University of Pretoria, hosted by the Post-Graduate School of Agriculture and Rural Development as part of the Department of Agricultural Economics and the Centre for the Study of Governance Innovation. In addition to management, communication and networking, the core mandate of the PSU is to coordinate the growing LMI team, in particular the LMI decentralized entities and regional focal points. The PSU coordinator, who took office on 1 September 2015, acts as a resource person, engages in strategy development, and participates in fund-raising for the LMI. A newly recruited communication officer assists the PSU coordinator. The PSU coordinator will be also supported by a research assistant, whose employment will be finalised before the end of the year.

2. **Launch of the African Large-Scale Land Acquisitions (LSLA) portal — LANDobs**

   The African Land Observatory portal — LANDobs — is an open tool for collecting and visualizing information about large-scale land investments in Africa. It was launched by the Land Policy Initiative (LPI) during the Land Policy in Africa Conference in Addis Ababa, 11-14 November 2014. LANDobs is powered by the LMI. The two portals are interlinked and mutually beneficial: the LMI feeds Africa-specific data to LANDobs, while the latter fuels the African debate on LSLA and renders data collection within Africa more dynamic and locally engaged. Together with the Framework and Guidelines on Land Policy in Africa (F&G, 2009), which facilitates land policy development and implementation, LANDobs responds to the Nairobi Action Plan recommendation to establish a monitoring and reporting mechanism on land and investment. The LPI is now working in partnership with the University of Pretoria to further develop this portal at continental level.

3. **Continuous support for the establishment of decentralized, mainly national, observatories**

   The LMI has been engaged in discussions aimed at initiating and effectively supporting the implementation of national observatories. Currently, support to land observatories is being provided in Madagascar, Laos, Cambodia, Peru (mainly by CDE and ILC), Cameroon and South Africa (by University of Pretoria/Cirad).

FROM THE REGIONS

Latin America

The Latin America focal point publishes regular monthly updates in English and Spanish, providing data analyses, news on the expansion of the network and use of data.

Central Asia

The Central Asia focal point, based at the NGO JASIL (Mongolia), has started to generate more systematic updates regarding agricultural land acquisitions. Mining deals are also being monitored, but at this stage are not yet visible on the public interface. Organizations from Kazakhstan and Kyrgyzstan are involved in the review and update of data.

Asia

The regional coordinator and the newly recruited regional data assistant are reviewing new land deals reported through the LM Asia network and/or the crowd-sourcing tool. Existing deals are undergoing a round of validation to clean up data entries and correct inconsistencies. This process is expected to be completed by June 2015 for 12 countries, namely Philippines, Indonesia, Vietnam, Cambodia, Thailand, Laos, Myanmar, Nepal, Bangladesh, India, Sri Lanka, and Pakistan. After this initial round of validation, data entry and update will be handed over to country data coordinators, whose capacities in data collection, data analysis and presentation are currently being built.

Africa

Data collection has been recently strengthened through the introduction of LANDobs and the establishment of several land observatories in the continent. The South African Land Observatory is being launched by the University of Pretoria. Although LSLA is part of the observatory, its mandate will be much broader and will include collection of information on land ownership, land use patterns, land transactions, etc. Discussions regarding the establishment of observatories have been initiated in Mozambique and Sierra Leone.

DATA TRENDS AND DYNAMICS: DATA CONSOLIDATION AND CONTINUED TREND OF PROJECT IMPLEMENTATION

A comparison of the most recent data with the data presented in the newsletter (October 2014) shows a clear trend of data consolidation. While there are no major changes in the data patterns, more deals have been added across all negotiation statuses (see **table 1**). The highest increase is found in concluded deals (92 new deals), increasing the cumulative total to 1,075 concluded deals with a contracted area of 38.9 million hectares.

Existing deals are regularly updated and the quality of data is improving as a result of the decentralization process and the work of regional focal points. This process has an important implication for data interpretation, as the dynamics of LMI data are not only reflecting developments on the ground, but also improvements in data collection and entry. The effects of these two factors on data are difficult to disentangle. For example, more intensive research, regular information provision by LMI networks, and enhanced feedback from the field on individual deals is likely to improve information on implementation and thus increase the number of deals reported to be "in operation." These deals may have been operational before, but information was unavailable.

Table 1: Dynamics of international large-scale land acquisitions according to negotiation status.

	NUMBER OF CASES		INTENDED SIZE (IN MILLION HA)		SIZE UNDER CONTRACT (IN MILLION HA)	
	2015-Sep	**Δ to 2014-Sep**	**2015-Sep**	**Δ to 2014-Sep**	**2015-Sep**	**Δ to 2014-Sep**
Concluded deals	1,075	92	56.7	-5.58	38.9	1.6
Intended deals	198	12	16.8	2.04	n.a.	n.a.
Failed deals	91	12	6.7	-0.72	1.1	-0.8

Data as of September 23, 2015 and September 1, 2014

Table 2 shows that, among the 1,075 concluded deals, deals "in operation" account for the greatest increase. Moreover, 577 deals (54 per cent) are reported to have started production, while another 129 deals (12 per cent) are in the start-up phase.

Nonetheless, the LMI continues to face challenges with capturing data on the contract implementation status; for a little less than quarter of deals (254), such information is not available. This challenge is particularly pronounced for data on the current size under production. As table 2 indicates, the current size under production appears to have decreased since the last newsletter. This decrease is due to a large single deal in Brazil that is temporarily withdrawn from the public database since it is subject of major revisions.

Table 2: Dynamics of international large-scale land acquisitions according to implementation status.

INTERNATIONAL LAND ACQUISITIONS ACCORDING IMPLEMENTATION STATUS						
	NUMBER OF CASES		INTENDED SIZE (IN MILLION HA)		SIZE UNDER CONTRACT (IN MILLION HA)	
	2015-Sep	**Δ**	**2015-Sep**	**Δ**	**2015-Sep**	**Δ**
Project not started	71	17	3.4	0.6	n.a.	n.a.
Startup phase (no production)	129	0	2.9	-0.3	n.a.	n.a.
In operation (production)	577	74	18.8	1.8	3.7	-0.4
Project abandoned	44	12	2.2	0.8	n.a.	n.a.
No information	254	11	11.6	-1.4	n.a.	n.a.
Total (deals or ha)	**1,075**	**92**	**38.9**	**1.6**	**3.7**	**-0.4**

Data as of September 23, 2015 and September 1, 2014

Figure 2 examines contract implementation in the 12 top target countries (determined by the total contract size of concluded deals):

- Some countries have a particularly high share of projects for which information on implementation is unknown (e.g. South Sudan, Papua New Guinea, and the Democratic Republic of Congo).
- Some countries (e.g. Liberia and Mozambique) show high rates of abandoned projects.

- In some of the countries (e.g. South Sudan and Sierra Leone), the implementation of most concluded deals has not yet started.
- Of particular interest are active projects, i.e. those that are either in "start-up phase" or "in operation." Indonesia, the DR Congo, Mozambique, Ukraine and Papua New Guinea have the highest proportion of such projects.

Figure 2: Implementation status of top 12 target countries according to contract size of concluded deals.
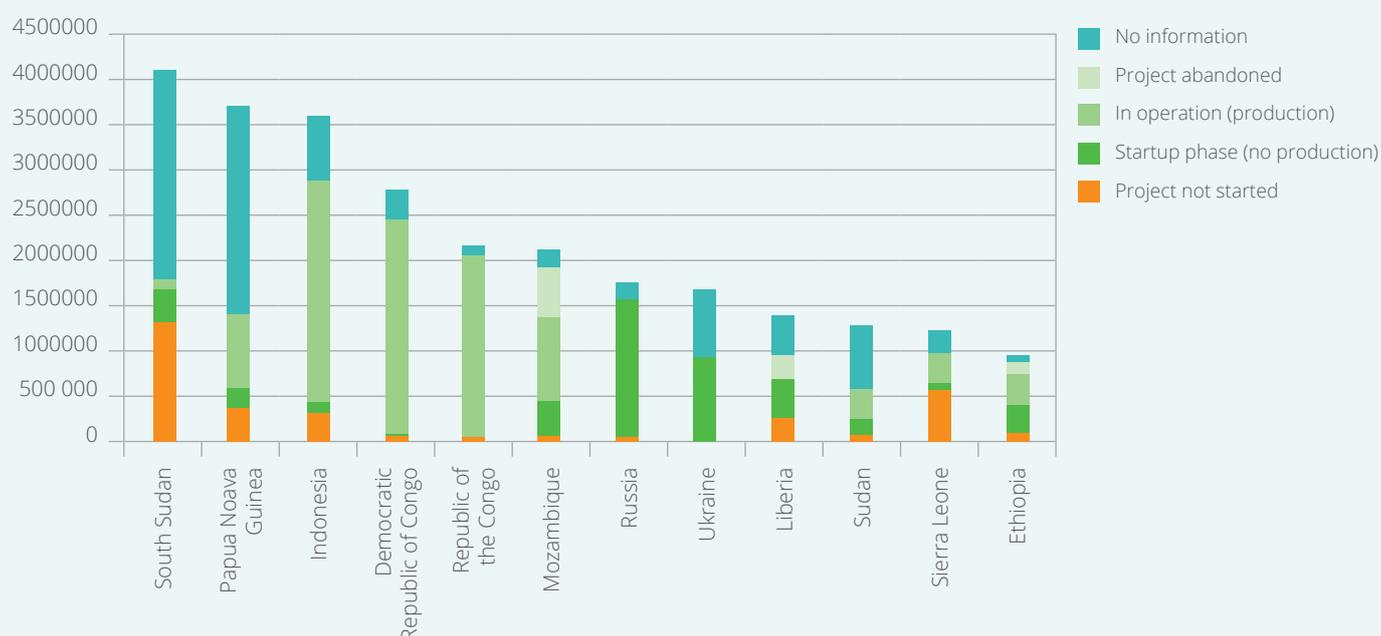
Data as of September 23, 2015

Table 3 takes a closer look at project implementation in the top target countries, comparing land areas under contract with areas where implementation has begun or is ongoing, as well as areas currently under production.[1] It shows that investors are more successful in moving towards production in some of these countries than in others. For example, South Sudan has the largest area under contract, but only 7 per cent of it is currently in use, and only 3 per cent is currently productive. Indonesia and the DR Congo have the largest area where implementation has begun or is ongoing and large parts of these areas are currently productive. It is worth noting that deals in the DR Congo tend to be rather large: six active

deals amount to 2.41 million hectares. Conversely, deals in Indonesia tend to be small: a similar area as that in the DR Congo is divided among 69 projects. Most of the area under production in Indonesia is used for oil palm cultivation.

Table 4 shows that the majority of deals are concluded by private companies and stock exchange-listed companies, followed by investment funds. However, in terms of prompt commencement of production, the most successful are projects operated by individual entrepreneurs (81 per cent) and semi-state-owned companies (88 per cent).

[1] As noted earlier, data on area currently under production is extremely difficult to obtain and hence prone to inaccuracies. Area under production can change on a daily basis. Often, this information is subject to business confidentiality.

Table 3: Implementation in top target countries.

RANK	COUNTRY	CONCLUDED PROJECTS DEALS		PROJECT STARTED (START-UP PHASE + IN OPERATION) DEALS		PROJECT IN OPERATION DEALS
		Hectare size under contract (in # of 1000 ha)		Hectare size under contract (in # of 1000 ha)		Hectare size in production (in 1000 ha)
1	South Sudan	4,091	10	305	5	124
2	Papua Nuova Guinea	3,720	38	1,097	18	878
3	Indonesia	3,629	119	2,458	73	2,379
4	Democratic Republic of Congo	2,761	12	2,410	7	2,400
5	Republic of the Congo	2,148	7	2,099	6	2,038
6	Mozambique	2,102	72	1,363	47	923
7	Russia	1,772	19	1,585	17	1,499
8	Ukraine	1,711	16	968	12	968
9	Liberia	1,347	14	689	10	399
10	Sudan	1,279	21	405	12	282
11	Sierra Leone	1,245	22	368	12	303
12	Ethiopia	972	59	728	39	378

Data as of September 23, 2015

Table 4: Active projects (in start-up and production phases) by investor type.

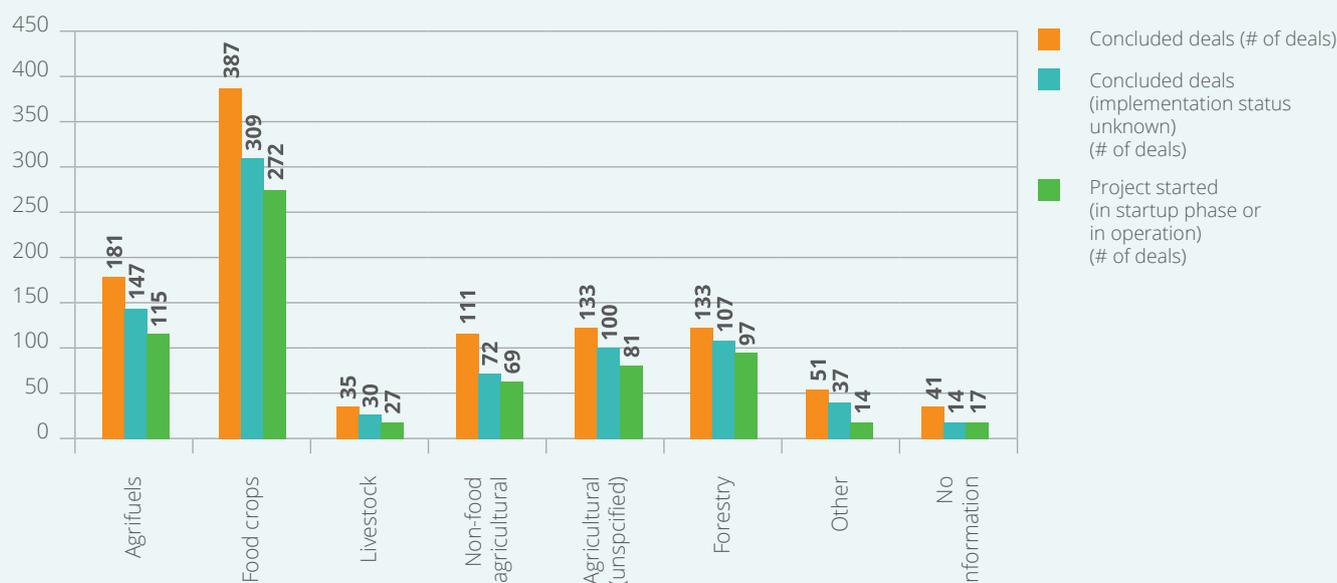|	NUMBER OF CONCLUDED DEALS	HECTARE SIZE OF CONCLUDED DEALS	NUMBER OF STARTED DEALS	HECTARE SIZE OF STARTED DEALS
Private company	458	18780164	288	9200650
Stock-exchange listed company	292	10783241	226	9138569
Individual entrepreneur	21	399744	17	346219
Investment fund	61	2574974	45	1108118
Semi state-owned company	24	344513	21	332471
State-/ government-owned company	47	1681339	26	457886
Other	9	478092	7	74892
No information	163	3875897	76	1043707

Data as of September 23, 2015

Figure 3 demonstrates that livestock and forestry projects are more likely to commence promptly (77 and 72 per cent of concluded deals respectively), than projects involving the production of food crops (70 per cent) and agrofuels (64 per cent). This might be explained by the dependency of agricultural production on a variety of volatile factors, such as weather, prices, and disease. However, if we only consider those cases for which we know the implementation status, there are no particularities.

Figure 2: Main drivers of international land acquisitions.

Data as of September 23, 2015

Table 5 suggests that implementation rates are lower for contracts exceeding an area of 200,000 hectares (standing at 74 percent of concluded deals) than for contracts covering smaller areas (ranging between 80-89 per cent).

Table 5: Implementation patterns of international land acquisitions according to deal size.

	NUMBER OF CONCLUDED DEALS	CONCLUDED DEALS (IMPLEMENTATION STATUS KNOWN)	PROJECT STARTED (IN STARTUP PHASE OR IN OPERATION)	
			Number of Deals	Percentage
200 to 2.000	209	157	138	88%
2.001 to 5.000	155	131	114	87%
5.001 to 10.000	253	185	164	89%
10.001 to 20.000	143	107	92	86%
20.000 to 50.000	149	120	103	86%
50.000 to 200.000	100	81	65	80%
More than 200.000	34	23	17	74%
No information	32	17	13	76%
Total	**1,075**	**821**	**706**	**86%**

Data as of September 23, 2015

Table 6 demonstrates that deals tend to be more successful if former owners are private individuals, particularly large-scale farmers, or the state (between 87-93 per cent of such deals are currently under implementation). Projects that involve land owned by communities are more problematic (75 per cent currently under implementation), particularly if contract areas are large (only 56 per cent of the latter appears to be utilized). Moreover, projects on land formerly used for commercial agriculture or forestry are more likely to be under implementation (93 per cent and 94 per cent of concluded deals respectively). Implementation is predictably more challenging for projects that involve marginal land, especially if such projects are large (only 38 per cent of contract area is currently being utilized).

Table 6: Former land owner, land use, land cover.

FORMER LAND OWNER	CONCLUDED DEALS		CONCLUDED DEALS (IMPLEMENTATION STATUS KNOWN)		PROJECT STARTED (IN STARTUP PHASE OR IN OPERATION)			
	Number of deals	In 1000 ha	Number of deals	In 1000 ha	Number of deals	Percentage	In 1000 ha	Percentage
State	133	6,502	115	4,109	100	87%	3,719	91%
Private (smallholders)	64	1,293	48	674	42	88%	566	84%
Private (large-scale farm)	92	5,718	85	5,288	79	93%	4,656	88%
Community	76	3,405	64	2,542	48	75%	1,429	56%
No information	710	22,000	509	14,686	437	86%	11,332	77%
Total (deals or hectares)	**1,075**	**38,918**	**821**	**27,298**	**706**	**86%**	**21,703**	**80%**

FORMER LAND USE	CONCLUDED DEALS		CONCLUDED DEALS (IMPLEMENTATION STATUS KNOWN)		PROJECT STARTED (IN STARTUP PHASE OR IN OPERATION)			
	Number of deals	In 1000 ha	Number of deals	In 1000 ha	Number of deals	Percentage	In 1000 ha	Percentage
Commercial (large-scale) agriculture	107	4,168	103	4,109	96	93%	3,712	90%
Smallholder agriculture	156	3,997	125	3,163	104	83%	1,626	51%
Pastoralists	9	556	7	554	4	57%	375	68%
Forestry	35	3,592	31	3,262	29	94%	3,245	99%
Conservation	16	273	9	247	7	78%	212	86%
No information	752	26,331	546	15,963	466	85%	12,533	79%
Total (deals or hectares)	**1,075**	**38,918**	**821**	**27,298**	**706**	**86%**	**21,703**	**80%**

FORMER LAND COVER	CONCLUDED DEALS		CONCLUDED DEALS (IMPLEMENTATION STATUS KNOWN)		PROJECT STARTED (IN STARTUP PHASE OR IN OPERATION)			
	Number of deals	In 1000 ha	Number of deals	In 1000 ha	Number of deals	Percentage	In 1000 ha	Percentage
Cropland	169	4,529	153	3,838	138	90%	3,093	81%
Forest Land	77	6,409	71	6,057	63	89%	5,914	98%
Shrub land / grassland	14	2,570	12	288	8	67%	257	89%
Marginal land	49	1,881	44	1,770	33	75%	670	38%
No information	766	23,528	541	15,344	464	86%	11,768	77%
Total (deals or hectares)	**1,075**	**38,918**	**821**	**27,298**	**706**	**86%**	**21,703**	**80%**

Data as of September 23, 2015

In summary, the analysis of data from top target countries shows different patterns of implementation. While in some top target countries successful deals tend to be numerous and small (e.g. Indonesia), in others they are few but large (e.g. the DR Congo). Private companies and stock exchange-listed companies conclude most of the land acquisition deals, but some target countries also welcome investment funds and semi-state owned companies. Analysis shows little variance in terms of acquisition drivers, size, former ownership, land use and cover. However, deals that involve crop-based agriculture appear to be particularly risky, while large deals (involving more than 200,000 hectares) are most likely to stall.

To better understand these dynamics, LMI aims to improve the quality of year-based data, which is still too fragmented for systematic analysis. Improved information regarding timespans between project initiation and production start dates will further enhance understanding of implementation patterns. Enhanced data collection strategy will address this issue more systematically in the coming months.

ANNOUNCEMENT OF UPCOMING EVENTS

The Land Matrix Initiative will take part in the **Land Grabbing and Just Governance in Africa Conference** in Nairobi, Kenya, November 22-26

The first LM event of 2016 will take place in March in the US. The Land Matrix strategic partners meeting will take place during the **World Bank Conference on Land and Poverty**, Washington CD, March 14-18, 2016

PAST EVENTS:

The partners and the steering committee of the Land Matrix met in Hamburg, Germany, on 4-6 November 2015. The **LMI partneship meeting** was hosted by GIGA.

In July 2015 the African Regional Focal Point hosted a workshop during the conference **LANDac International Conference on Land Governance for Equitable and Sustainable Development**, Utrecht, the Netherlands.

In an effort to expand the Land Matrix network in Central Asia, the LMI was presented at the **Central Asian Co-management on Pasture Land Workshop**, in Ulaanbaatar, Mongolia, to workshop participants from Mongolia, Kazakhstan and Kyrgyzstan, in June 2015

In May 2015 The Latin America Focal Point shared the experience of the Land Matrix with workshop participants, including community leaders, members of the *Programa Integrado Trinacional* supported by the Servicio Mundial de Iglesias (FUNDAPAZ, Cerdet, JUM and Cipae), the mapping and GIS team of FUNDAPAZ, and other mapping specialists at **Participatory**

Mapping Workshop in Chaco Communities (Argentina, Bolivia, Paraguay), Oran, Salta, Argentina. Workshop themes included: analysis and interpretation of maps built during 2014; use of mapping information for advocacy and capacity building; database protocols; planning for 2015.

In May 2015, the Land Matrix was presented at the **Global Land Forum** in Dakar, Senegal. This was a joint effort by the Global Data management team at GIGA and several regional focal points, including AFA, JASIL, the University of Pretoria and FUNDAPAZ.

In March 2015, the Land Matrix was presented at the **Annual World Bank Conference on Land and Poverty** during the following two sessions:

- Dynamics and implementation patterns of large-scale land acquisitions — Evidence from the Land Matrix Global Observatory (March 24)
- LPI session — Presentation on the LANDobs, the African portal of LSLA (March 25)

VISIT THE WEBSITE

Visual summaries that provide insight about the phenomenon and direct access to the dataset for in-depth exploration and analysis.
www.landmatrix.org

HELP US GROW

The Land Matrix data depends on the contributions of all. To enhance the data, visit **www.landmatrix.org/get-involved**
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