

Holding Actors Accountable for Large-Scale Land Transactions

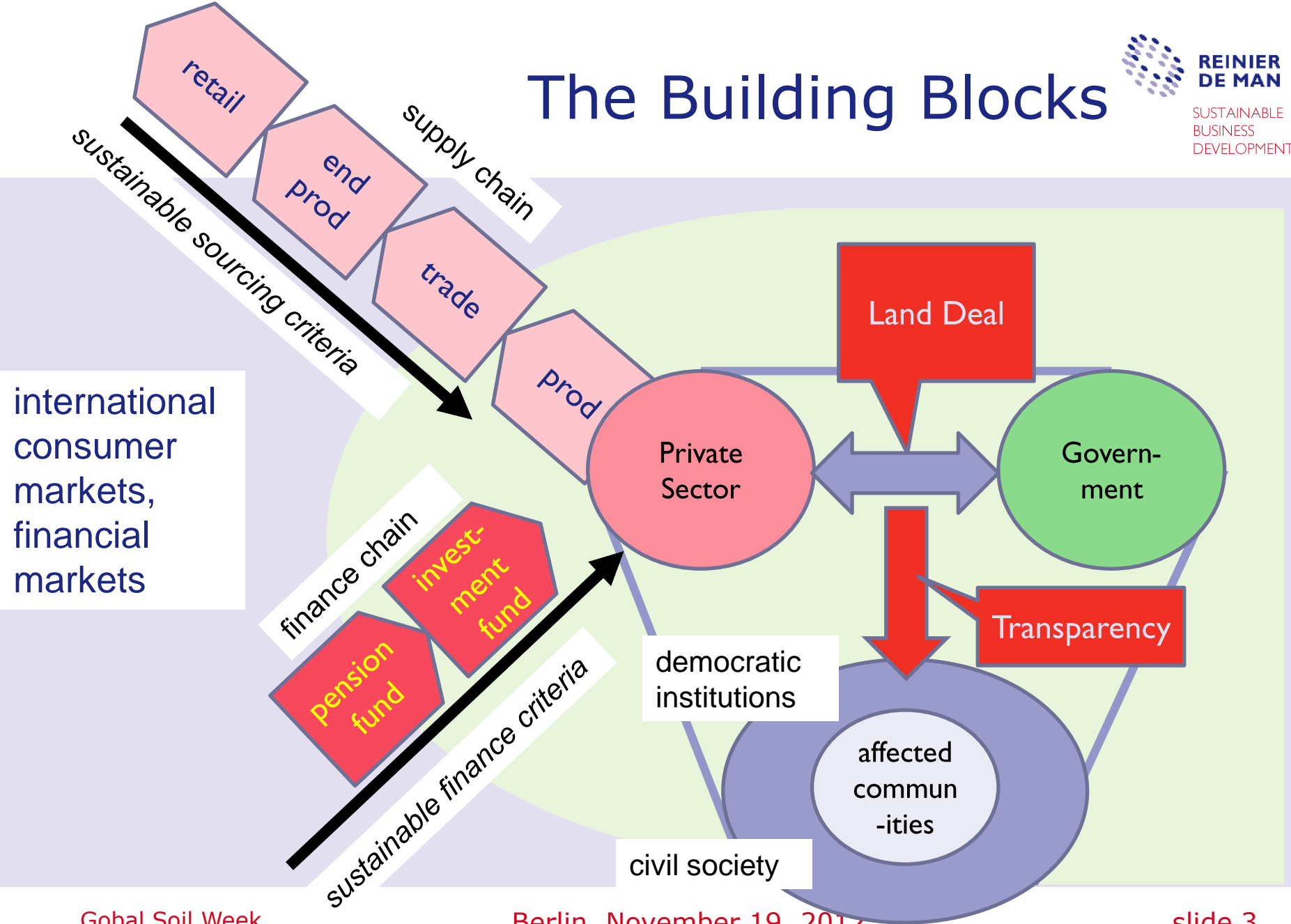
The Private Sector's Contribution Opportunities and Limitations

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Seven Questions

1. Transparent land deals: what players should be involved?
2. What interest in transparency does the private sector have?
3. What is the present motivation of the financial sector and companies in agro-supply chains?
4. What are the potentials and limits of the contributions by sustainable commodity initiatives / standards?
5. How to combine sustainability roundtables with transparency/accountability initiatives?
6. How to develop initiatives on transparent land deals further? What role of private sector?
7. What are the main bottlenecks/conditions for speeding up the development of effective instruments for transparency?

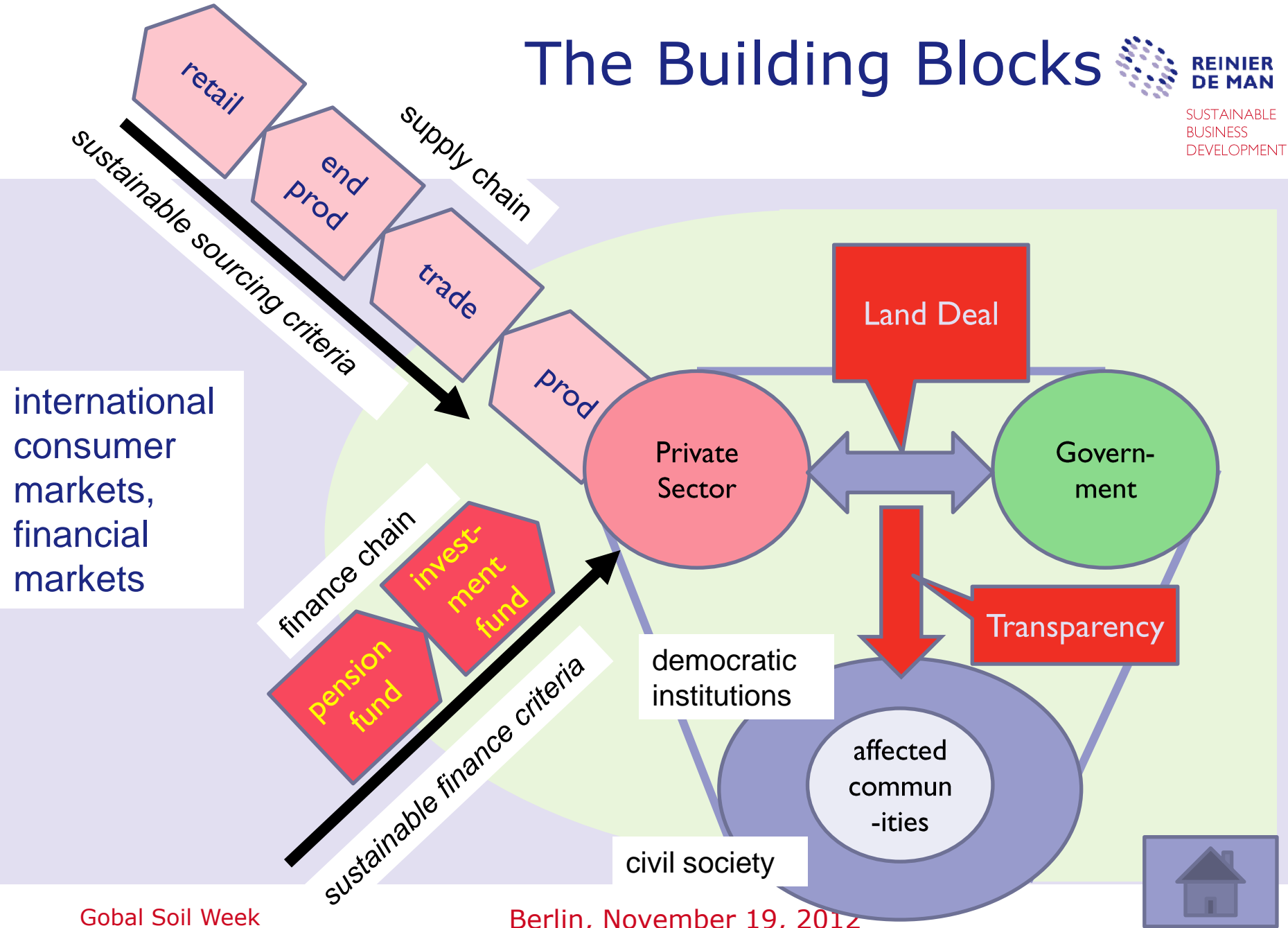
The Building Blocks



Seven Questions building blocks

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References (see www.rdeman.nl)

- Contributions to World Bank Conferences:
 - 2010: Land Issues in Voluntary Standards (paper)
 - 2011: Land related issues in sustainable commodity standards (side-meeting report)
 - 2012: Agricultural Commodities that Respect Land Rights and Food Security (paper + presentation)
- Other
 - Land Transparency Initiative Brainstorming, Berne 2011 (notes)
 - DEZA/BuZa Workshop Report, The Hague February 2012.
 - Settlement of Disputes on Land Rights, for Oxfam Novib, 2012 (paper + presentation)

1. Players

- Transparency about Land Deals: which players should be (minimally) involved?
 - Contract parties, usually governments (giving out land titles, leases) and private sector (investing in land, agriculture)
 - Political institutions and civil society
 - affected by land deals
 - responsible for political decision making or otherwise acting on behalf of affected parties

2. Self-Interest

- What interests do private sector players have in being transparent about land deals?
 - Financial players (investing in land/agriculture, seriously investing in funds that invest in land/agriculture) have strong interests in stable land deals:
 - transparency on land deals gives the stability that they need
 - a lack of transparency may produce conflicts that put investments in danger.
 - companies registered in countries such as UK, ..., may face legal prosecution at home when contributing to human rights abuse abroad.
 - Transparency is not in the interest of land speculators.
 - Companies that source their agricultural inputs from newly developed agricultural land have strong interest in stable, high-quality supplies, not interrupted by land conflicts, for several reasons:
 - supply security and related supply quality
 - corporate social responsibility issues.

3. Present motivation

- Are financial players and companies in supply chains for export commodities motivated to contribute to more transparency in land deals?
 - land issues (access to land, land rights, related food security issues) are increasingly taken seriously by private sectors in commodity supply chains from field to fork.
 - Multi-stakeholder sustainability standard initiatives (FSC, RSPO, RTRS, etc.) have included relevant standards that are now leading to real change on the ground.
 - Up to present, initiatives in the financial sector have been rather weak, overly cautious and sometimes merely symbolic. The financial sector is lagging many years behind the major commodity sector linked initiatives.

4. Contribution of Sustainable Standard Initiatives

- What are the potentials and limits of the contributions by the sustainability standard initiatives?
 - Examples from FSC and RSPO (my last World Bank presentation) show that these multi-stakeholder driven standards have a unique potential to trigger the needs for better governance, conflict resolution, etc.
 - Co-funding of these initiatives by governments in consumer countries (for example IDH the Sustainable Trade Initiative in the Netherlands) helps these initiatives develop from niche towards global market transformation and thereby substantially strengthen their impact, including their impact on land-related issues.
 - However, these initiatives may be the victim of their own success. Example: dispute resolution arrangements in RSPO and similar initiatives. They will face almost unmanageable capacity problems. The Dispute Resolution Facility (now being discussed in the Netherlands) can alleviate the problem, but not really solve it in the long term.
 - The best these initiatives can do in the longer run is creating pressure on institutional change in production countries, including pressure on the creation of better procedures for transparent land deals and for resolving related disputes.

5. Roundtables → Transparency

- How can the achievements of the sustainable commodity roundtables be combined with initiatives on transparency and accountability?
 - Future initiatives can highly profit from the land-related criteria developed by the Roundtables and the lessons learned when implementing them. However, the transparency / accountability issue has not been solved by the Roundtables.
 - For the creation of transparency, strong Public Private Partnerships with civil society participation are needed.
 - EITI provides a basic philosophy / methodology, which has to be adapted to land transactions. EITI itself is not the institution for transparency on land. The central idea, however, obligations of both private and public players to create transparency about their deals, is equally valid for transparency about land transactions.

6. How to develop?

- How can initiatives for increasing transparency on land deals be optimally developed?
 - The ultimate goal is to guarantee transparency about land deals, which necessarily includes transparency by governments and private sector companies. That means: binding obligations on both government and private sector.
 - First steps can be made by motivated private sector companies, NGOs and governments in consumer countries. The following step should always be the inclusion of the government(s) responsible for giving out the land titles, leases, etc.

7. Conditions

- What are the conditions for speeding up the present development of effective instruments for creating transparency on land deals? To mention just a few:
 - Bridge the gap between the language of business and the language of multilateral organisation and NGOs.
 - Work out the business case for transparency in more detail. Actively communicate this to selected business communities.
 - Focus on implementation rather than principles. For example: take the Global Witness Report as a starting point and discuss what it would mean when we implemented all the major measures suggested.
 - Start with a small number of national/regional learning processes in good cooperation with motivated governments, companies and civil society organisations.