

The Global Rush for Land: What about Water?

A new report from SIWI, *Land Acquisitions: How Will They Impact Transboundary Waters?* explores how the current surge in land acquisitions could impact transboundary water resources and relations, a topic that has received little attention previously. The report was recently launched at the 6th World Water Forum. In this short brief, Dr. Anders Jägerskog, summarises the key findings.

Increased water scarcity in parts of the world, such as the Middle East and parts of Asia, and the export restrictions by large food producers that emerged during the recent food price crises of 2007-2008 have led food importing countries to look for alternative avenues for maintaining food security. Major global food corporations and bio-energy producers are also looking to secure increased access to land and water resources.

The trend has gained considerable attention, as many are concerned that domestic food security in host countries may be placed under threat, and that local populations with customary access to land will be evicted or excluded when large scale agricultural development projects are ushered in. But most research focuses on the terms and conditions of the contracts for investment and leasing of land. The potential implica-

tions on local, national, and regional water resources have gone largely unmentioned and unexamined.

Land investment is a water investment, but it is not in the contract

Water has been neglected in the global rush for agricultural land. A large portion of investors in land come from regions facing water shortages, such as China, India, and the Arab Gulf countries, who do not have enough water to produce food to meet the increased demand in these emerging economies. With 70 percent of global water withdrawals used in agriculture, the rapid increase in cultivated farmland will require significant quantities of water to sustain production. Yet, millions of hectares of farmland in Africa, Southeast Asia and Latin America have been leased over the past decade with little to no explicit legal agree-

ment on how water can and will be used on the acquired properties. Water should be put into the land acquisition contracts in order to clarify the water requirements of the investors' projects and to regulate their water use.

Transboundary waters will be affected

The type of water (both blue: surface water and ground water resources found in rivers, lakes, streams, aquifers, etc; and green: rainwater stored in the soil as soil moisture) and the intensity of its use, will determine the extent to which transboundary water resources are impacted, and whether increased pressure on shared resources will create tensions between riparian countries. There has been no systematic research done that would help us project where that water will come from, and how much irrigation water will be withdrawn from transboundary basins.



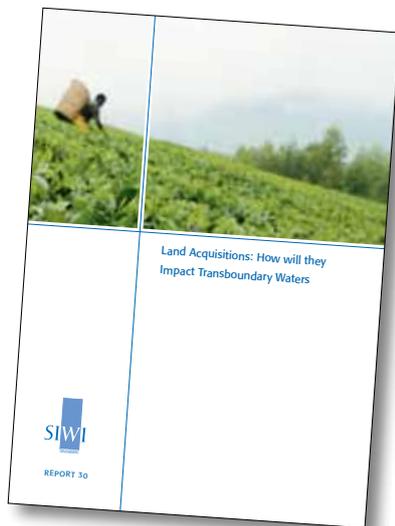
Water that is being used for irrigation in land leased by foreign parties does not feature in the transboundary discussions in many, if not all, shared basins.

Regional Economic Communities (RECs), and River Basin Organisations (RBOs) have little or no role in the land acquisitions on record to date, but land deals will very likely impact their mandate and ability to function.

Inviting regional organisations to play a more prominent role could help improve overall water management, but it is a challenging proposition. National governments would almost certainly object to what they would see as an infringement on their sovereignty for an issue of national priority. Still, regional organisations need to understand how new land deals will impact water resources and political relations between stakeholders in shared basins.

The role of water in the global rush for land will be the topic for the High Level Panel at the Opening Plenary of the 2012 World Water Week.

By **Anders Jägerskog**
Director, Knowledge Services, SIWI



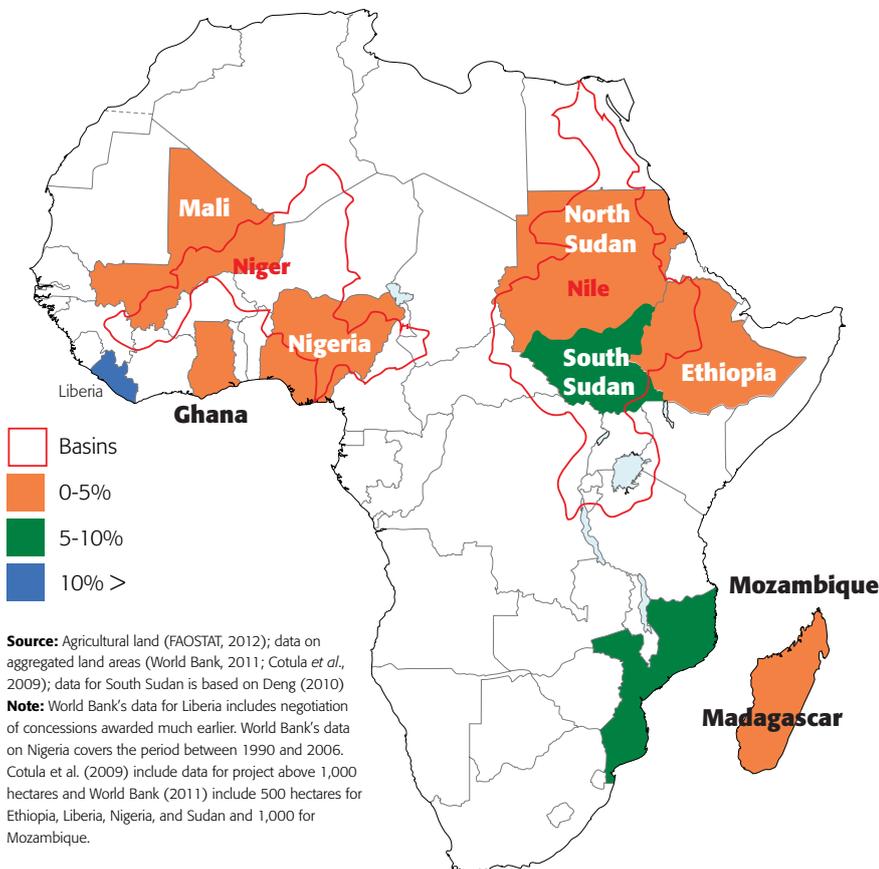
The report is available at www.siwi.org/publications

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KEY MESSAGES OF THE REPORT

- Land investment is a water investment. Water is often presumed to be included without explicitly being mentioned in land lease agreements.
- Regional Economic Communities (RECs), River Basin Organisations (RBOs) and regional organisations have little or no role in the land acquisitions on record to date. Large land deals will, however, very likely impact their mandate and ability to function.
- The type of water (green water or blue water and the intensity of its use) used for the land investments determines its effect on transboundary water management.
- Water that is being used for irrigation in land leased by foreign parties does not feature in the transboundary discussions in many, if not all, shared basins.
- Water needs should be put into the land acquisition contracts in order to clarify the water requirements of the investors' projects and to regulate their water use.
- Sustainable water use should be acknowledged explicitly in the international standards for responsible agro-business investments.

Large-scale land areas acquired in selected countries as percent of total agricultural land areas, 2004-2009



Investors eye African land and water resources

Low land lease prices, weak legislation, in expensive labour and the relative abundance of land and water have attracted many investors to Africa, and in particular the sub-Saharan region. While land prices in Brazil or Argentina hover around 5,000 USD per hectare per year, the annual rent for one hectare of land in Ethiopia can cost as little as 2-5 USD.

Liberia has been the most aggressive nation in the land market, and has already made 61 percent of total agricultural land, over 1.6 million hectares, available to investors. From 2004-2009, South Sudan leased out nearly 4 million hectares, roughly 3 percent of the new nation's total agricultural land area and Mozambique leased over 5 percent of available agricultural land, some 2.67 million hectares during the same period.