Overview and agro-ecological contexts of commercial investments in land in Laos

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Why commercial investments in land are promoted in Laos?

Turning land into capital

Growth

Rural development

Employment

New market
Projects approved between 1993 and 2017

Source: LCI 2017
What & who are happening where?: inventory of land investments
# Number of projects and areas per sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th># projects</th>
<th>Prospecting/exploration (ha)</th>
<th>Granted for implementation (ha)</th>
<th>Already developed (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td>859</td>
<td>10,735,077</td>
<td>415,527</td>
<td>242,566</td>
</tr>
<tr>
<td>Agriculture</td>
<td>449</td>
<td>n.a</td>
<td>238,603</td>
<td>87,657</td>
</tr>
<tr>
<td>Tree plantation</td>
<td>328</td>
<td>n.a</td>
<td>354,754</td>
<td>216,125</td>
</tr>
<tr>
<td>Hydropower</td>
<td>122</td>
<td>n.a</td>
<td>10,456</td>
<td>2,900</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,758</strong></td>
<td><strong>10,735,077</strong></td>
<td><strong>1,019,340</strong></td>
<td><strong>549,248</strong></td>
</tr>
</tbody>
</table>

Source: LCI 2017
Discrepancy between area granted and developed by provinces

Source: LCI 2017
Area granted (ha) per types of investment

Proportion of area granted by types of investment

- Foreign: 59%
- Domestic: 30%
- Joint-venture: 11%

Source: LCI 2017

Area (ha) per Investor Type

- Domestic: 794,383 ha
- Foreign: 181,477 ha
- Joint Venture: 123,673 ha

72%

Source: LCI in 2010

Proportion of area granted (ha) by foreign countries

- China: 49%
- Vietnam: 22%
- Non-GMS: 17%
- Thailand: 12%
## Predominant products

<table>
<thead>
<tr>
<th>Products</th>
<th># projects</th>
<th>Area granted (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agriculture</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sugarcane</td>
<td>17</td>
<td>96,083</td>
</tr>
<tr>
<td>Cassava</td>
<td>39</td>
<td>45,542</td>
</tr>
<tr>
<td>Large livestock</td>
<td>103</td>
<td>42,043</td>
</tr>
<tr>
<td>Coffee</td>
<td>68</td>
<td>11,053</td>
</tr>
<tr>
<td>Jatropha</td>
<td>14</td>
<td>10,862</td>
</tr>
<tr>
<td><strong>Tree plantation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rubber</td>
<td>202</td>
<td>215,773</td>
</tr>
<tr>
<td>Eucalyptus</td>
<td>22</td>
<td>109,463</td>
</tr>
<tr>
<td>Agarwood + other trees</td>
<td>13</td>
<td>10,402</td>
</tr>
<tr>
<td>Acacia</td>
<td>4</td>
<td>8,838</td>
</tr>
<tr>
<td>Agarwood</td>
<td>14</td>
<td>3,090</td>
</tr>
<tr>
<td><strong>Mining</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold + other minerals</td>
<td>66</td>
<td>268,343</td>
</tr>
<tr>
<td>Copper + other minerals</td>
<td>2</td>
<td>23,548</td>
</tr>
<tr>
<td>Bauxite</td>
<td>10</td>
<td>21,709</td>
</tr>
<tr>
<td>Potassium</td>
<td>18</td>
<td>20,749</td>
</tr>
<tr>
<td>Coal</td>
<td>45</td>
<td>17,636</td>
</tr>
</tbody>
</table>

Source: LCI 2017
Slope & elevation of areas targeted by commercial investments in land

Proportion of concession areas already developed by three categories of slope

- Flat land (<9%): 23%
- Slope (9-30%): 52%
- Steep slope (>30%): 25%

Concession areas already developed per sectors by three categories of slope

<table>
<thead>
<tr>
<th>Sector</th>
<th>Flat land (&lt;9%)</th>
<th>Slope (9-30%)</th>
<th>Steep slope (&gt;30%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>50,000</td>
<td>100,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Tree plantation</td>
<td>50,000</td>
<td>100,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Mining</td>
<td>50,000</td>
<td>100,000</td>
<td>150,000</td>
</tr>
</tbody>
</table>

Source: slopes based on FAO data in 2000
Types of land uses prior to the commercial investments in land

Proportion of concession areas already developed per land use classes in 2002

- Forest
- Unstock forest
- Agriculture
- Grassland
- Other
- Bamboo
- Shrub

Source: land use cover based on MAF/FIPD 2002

Example concessions are inside three forest categories

Source: three forest categories based on WCS 2010
Accessibility in areas targeted by commercial investments in land

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Travel time from concession areas to nearest provincial capital (hour)</th>
<th>Mean</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td></td>
<td>1.67</td>
<td>0.02</td>
<td>22.07</td>
</tr>
<tr>
<td>Tree plantation</td>
<td></td>
<td>1.90</td>
<td>0</td>
<td>12.57</td>
</tr>
<tr>
<td>Hydropower dam</td>
<td></td>
<td>4.39</td>
<td>0.24</td>
<td>17.45</td>
</tr>
<tr>
<td>Mining</td>
<td></td>
<td>2.59</td>
<td>0.02</td>
<td>18.67</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td><strong>2.34</strong></td>
<td><strong>0</strong></td>
<td><strong>22.07</strong></td>
</tr>
</tbody>
</table>

Source: mean of travel time is derived from GIS modeling
Commercial investments in land & smallholder commercialization

Source: Agriculture Census 2011, analyzed by Nanthavong, (2017)
Conclusion & recommendations

• Commercial investment in land (CIL) is a main driver of rural landscapes transformations – “upland?”.

• Domestic investors are catching-up with the foreign ones.

• CIL are mainly targeted in better accessible areas – “pro-poor?”.

• A big challenge – a “trade-off” between an effort to increase national forest cover and the need for development.

• CIL are great dynamics – more effort for continuously updating existing data & regularly data sharing is needed.

• Further analyses are still needed to have better understanding on contributions of CIL on agrarian transitions, poverty alleviation & rural development.