

# GOVERNANCE AND TENURE OF LAND AND NATURAL RESOURCES IN LATIN AMERICA



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*The views expressed in this publication are those of the author and do not necessarily reflect the views of FAO.*

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## List of abbreviations

CIREN	Centro de Información de Recursos Naturales
CONADI	Chilean Fund for Indigenous Land and Water
COPART	Comisión Paritaria sobre Derechos Relativos a la Tierra de los Pueblos Indígenas
FAO	Food and Agriculture Organization of the United Nations
FEPP	Ecuadorian Fund <i>Populorum Progressio</i>
GPS	Global Positioning System
IBIO	Banca de Inversión y Operación
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
JBIC	Japan Bank for International Cooperation
MAGA	Ministerio de Agricultura, Ganadería y Alimentación
MDG	Millennium Development Goals
MINAE	Ministerio de Ambiente y Energía
NGO	Non Governmental Organization
PACTA	Proyecto Piloto de Acceso a la Tierra
PRONAMACHCS	Programa Nacional de Manejo de Cuencas Hidrográficas y Conservación de Suelos
PTT	Programa de Transferencia de Tierras
SDC	Swiss Agency for Development and Cooperation
SNV	Netherlands Cooperation Organisation
SRA	Secretaría de la Reforma Agraria
UN	United Nations
WB	World Bank
WBCSD	World Business Council for Sustainable Development

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## Summary

This study characterizes the trends of good governance of tenure systems for natural resources in Latin America, emphasizing the land issue. Along with sizing the status of this issue at the level of macro policies, we will try to synthesize the debate on tenure of land and natural resources in general and have been analyzed new approaches and public and private experiences applied in market development, technical assistance, social control and national parks management. The final goal was to analyze the scope this issue can bring to FAO's action.

By analyzing how the countries have solved the problem of access to the land, we have identified three big situations: countries with active agrarian reforms, countries that have had agrarian reforms in the past and where the land issue is still subject of public debate and countries post-agrarian reform, where, in general, the policies of access to land are not included in the public policies device. This shows that in the region we must apply strategies that combine the approach to structural (access to land) and functional (tenure security, competitiveness improvement) issues, establishing a trade off that will depend on the reality of each country. The experiences with lands funds, for other side, show its usefulness to solve social conflicts, although in all the cases there are low coverage and a limited impact.

Another conclusion of the study is that for improving the governance of natural resources in the region it is essential improve the public management. All of the analyzed experiences evidence the importance of land tenure policies being part of wider political devices, with a wide legitimacy base and a long term projection. On one side, it is essential to have a promotion system to support producers that have received land, and also thousands of small producers and minifundists that are compelled to compete under open economies schemes, with no State support. In that sense, the tendency to institutionally dismantle the Agriculture Ministries observed in many countries for some years must be reverted.

Finally, the study noted the convenience of abandoning a unique scheme of governance applicable in any case, appealing to the population creativity in concrete social situations. Technocratic proposals to make institutional reforms must be avoided and the emphasis should be on wide dialogue and participation processes. The dichotomy between State and civil society is a false alternative that results in both areas operating in a separate way. The examination of the mechanisms used to provide programs with greater governance points out the importance given to the operation of social networks based on self-regulation and cooperation schemes. Technical assistance cooperation schemes peasant-peasant, "snowball" method to select actors in a technological innovation program, micro-credit crossed systems, productive enchainment between producers and suppliers, social control mechanisms and operation by agro-industrial chains or by cluster, reveal new operation ways of the win-win type, which have proven to be more effective to obtain the desired results.

Along with implementing these "new" governance mechanisms, we believe that it is essential to settle, in the region, the culture of dialogue, negotiation and social and political concordance to successfully face the huge challenges of governance, economic development and sustainability faced by all countries in the region.

## **Background**

This study has two main objectives. First, to characterize the tendencies of good governance of tenure systems for natural resources in Latin America, emphasizing the land issue. Along with sizing the status of this issue at the level of macro policies used by governments to foster agricultural and rural development, we will try to synthesize the debate on tenure of land and natural resources in general. We will define in advance that our analysis is focused on the issue of access and tenure of land, being this the main resource agriculture lies on, and that land implicitly incorporates other natural resources, mainly water and bio-diversity. Even so, at the final section of this study we will broaden the focus, to incorporate new public and private experiences applied to the management of that land and those natural resources. Among the various subject areas, this report is focused on market development, technical assistance, social control and national parks management experiences.

On the other hand, the study aims to analyze the scope this issue can bring to FAO's action. In that sense, it aims to identify those countries interested in the matter, either because land issues are subject of public analysis or because they are carrying out specific programs oriented to improve land and natural resources governance and tenure systems.

## **1. Governance and tenure of land and natural resources in Latin America: conceptual aspects**

### **1.1 A brief historic review**

To tackle this issue we will start by identifying three major stages in the recent Latin American agrarian history that generate a certain context from which “good governance” criteria stem for the management of natural resources.

- A first stage, at the end of the fifties, where the State plays a central role in agricultural policy, which is applied under an import substitution model aiming to industrialize each country. Agricultural policies are focused on the execution of agrarian reforms and big development projects that include infrastructure, credit and technical assistance, among other components. Within those projects technological packages are made known to be applied in each area in a standard way (Green Revolution): farmers are viewed as passive supports with the task of applying new knowledge coming from experimental stations. Agro-industrial companies and social movements are in a constitution phase, making the interventions aimed to promote agricultural development a responsibility of public offices. Given these factors, this was a time where only one problem (increase agricultural production), one solution (the Green Revolution technological packages) and one actor (the State) were identified.
- The second stage, implemented over the eighties and the nineties, was characterized by the detention of the Agrarian Reform processed and by a sharp reduction in the size of the State, contributing to reduce the impact of public programs applied in the rural area. In this stage many countries have promote a commercial opening process aiming to specialize local production by functions of



its comparative advantages which, along with the agro-exporting development, has generated a strong competition in the domestic market. In many countries the dominating view was a highly liberal one that gives the market a central role in the allocation of resources, strategy that clearly favours bigger size farmers and companies, affecting poorest rural areas.

- The third stage begins in the current decade and is characterized by the appearance of new problems that condition agrarian development (environment, food safety, poverty, territorial equity). As agriculture directly affects environment, public health, regional development or social balances, a progressive desectorization of agricultural policies appears. These are not only conceived within Agriculture Ministries, but they must also be negotiated with the ministries of Health or Environment, consumer organizations, and environmental and/or regional NGOs (Non Governmental Organization). The sector no longer operates only on a short term economic rationale: quality issues, social responsibility and sustainable development gain a progressive importance and, to a lesser or higher extent, they are being internalized by companies and producers.

Over this stage the forces generated in the previous stage – NGOs and social movements – are expressed, which, little by little, with more success in some countries than in others, generate a more inclusive and more complex agrarian agenda than that of the previous stage. The private sectors still plays a central role in the economic development process, but the role of the State and the social actors is also relevant. The linear or sequential decision approach (conception → evaluation → decision → implementation) is no longer valid, and is replaced by an approach based on a multiple interrelations process, carried out through a network of organized actors, both public and private, that combines cooperation and competition modes. Through their concrete experience, all actors involved define and adjust their operation modes and their exact functions, that is, they play a creative role. Innovation is though of as a collective technical creation process, where collective learning phenomena have a central role. Thus, an environment of multiple problems, various solutions and diverse public and private institutions to solve them is created, configuring a new scenario were governance scheme are deployed. In that sense, the legitimization of public action is no longer the result of efficiency or pertinence of the decisions by the authority, but also depends on the transparency, on the “way” of deciding.

## 1.2 The land issue: analysis perspectives

The land tenure issue has a new connotation in Latin America. In most of the countries the “*latifundium minifundium*” system has disappeared under the drive of agricultural reform policies, of frontier land share out, fragmentation by sale or inheritance and/or productive modernization processes. This has resulted in a great fragmentation of the rural property and a very heterogeneous distribution of land resources, with 77.5 million small producers and landless inhabitants in poverty conditions,<sup>1</sup> which exert a growing pressure on natural resources. Paradoxically, the region is still characterized by vast territorial areas with no human intervention, many of which have been devoted to natural reserves that are now relevant from the global point of view.

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<sup>1</sup> Martine Dirven. “Alcanzando las metas del milenio: una mirada hacia la pobreza rural y agrícola”. CEPAL. Serie Desarrollo Productivo, N°146, Santiago de Chile, January 2004.

All of these changes have ended up in the generation of new more dynamic and fragmented agricultural structures, where the resulting social inequality maintains the problem of land access as a public policy issue. Land is still an essential factor to obtain higher social equality, a greater global economic efficiency and a higher sustainability of the agriculture in the region.

What new aspects must include a land and natural resources tenure policy, in the context of the current Latin America? This has been the basic question for many researchers and governmental authorities and has been discussed in academic papers,<sup>2</sup> international conferences<sup>3</sup> and real projects tested to approach the land tenure problem over the last few years.

These experiences show the possibilities and the limits of the implemented strategies. There are lessons learned, such as the importance of opening spaces for social participation, of providing judiciary safety to the owners or of applying specific models, pertinent to the national reality of each country. Experience also points out that these are high cost policies, setting limits in terms of coverage. On the other hand, new issues arise, such as the multifunctional character of the rural environment, the importance of its environmental sustainability, the recognition of historical rights of indigenous people or the relevance extra agricultural work has acquired for many small producers. All of these elements are deployed under an approach called “new rurality”, in a scenario characterized by the globalization and commercial integration, and by a higher pressure on natural resources.

In the aim of contributing to the debate, we consider important to bear in mind four lines of conceptual reflection to identify new aspects of a land tenure policy.<sup>4</sup>

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<sup>2</sup> Though there is a vast literature, we have based our review on seven texts of general character that illustrate the debate over the last 15 years: Hans P. Binswanger, Klaus Deininger and Gershon Feder. “Power, distortions, revolt and reform in agricultural land relations.” Working papers, Agricultural Policies, The World Bank, July 1993; A. de Janvry, N. Key y E. Sadoulet. “Agricultural and rural development policy in Latin America: new directions and new challenges”. Documento de trabajo N° 815, Departamento de Agricultura y Recursos Económicos, Universidad de California, Berkeley, 1997; Absalón Machado y Ruth Suárez (Coordinators). “El mercado de tierras en Colombia ¿Una alternativa viable?” CEGA-IICA, julio de 1999; Carlos Jaramillo. “El mercado rural de tierras en América Latina: hacia una nueva estrategia”. In: Políticas Agrícolas. Los mercados de tierras rurales de América Latina. Número especial, Bogotá, Colombia, 2000; Stephen Baranyi, Carmen Diana Deere y Manuel Morales. “Estudio del alcance de la investigación sobre políticas de tierras en América Latina”. The North-South Institute, IRDC, February 2004; Sergio Gómez. “Reforma Agraria en América Latina. Una mirada al pasado y perspectivas”. Report to be presented at the seminar “La actualidad de la Reforma Agraria en Latinoamérica y el Caribe”, organized by CLACSO, to be held in October 26 2008. Santiago, septiembre de 2008 (first version) and; Paolo Groppo. “Acceso a la tierra y demás factores productivos: elementos para la construcción de una propuesta en América Latina”. Borrador de discusión, FAO, s.f.

<sup>3</sup> FAO, Conferencia Internacional sobre Reforma Agraria y Desarrollo Rural “Nuevos desafíos y opciones para revitalizar las comunidades rurales”. Porto Alegre, Brasil, March 7 to 10 2006; FAO, “Consulta de Expertos en Reforma Agraria en América Latina”, December 11 and 12, 2006, Santiago de Chile.

<sup>4</sup> As we pointed out at the beginning, when speaking of land we are considering other natural resources, such as water and biodiversity. It must be pointed out that in the Latin American tradition soil and water ownership is juridically linked, following the old Iberian agrarian right. Only Chile has, since 1990, a legislation (Decree with law force N°1122) that allows the trade of water Rights separately from soil, generating two markets that operate independently. See:

### **1.2.1 What is more efficient from the economic point of view?**

According to economic science, the market must easily channel land to those uses that return a higher economic and social value. However, recent studies show a great disparity in the intensity of land use. In lower or higher degree, every country in the region show wide extensions of non productive land or land devoted to extensive cattle breeding. Underutilization of this land is explained by the management difficulties of the exploitation of vast areas, undercapitalized and located in isolated zones that require a great investment in infrastructure. Other factors operate as well. For example, protection against inflation, access to subsidized credit or obtainment of tax benefits. In contrast to underutilized land, there are areas where land is intensively cultivated, either by a sector of modern entrepreneurial agriculture related to markets, or by low income farmers with an economy based on family work.

Thus, there is a debate on the optimal size of agriculture. Some believe that the recent performance of land markets in Latin America has not followed defined patterns allowing the prediction of an exploitation size over others.<sup>5</sup> Other authors believe that the small properties would be more efficient given that they are managed by owners, with lower costs in the supervision of hired employees, as opposed to big exploitations.<sup>6</sup> Under this approach, that we share, if that were the case, the dilemma between efficiency and equity would be solved in favour of small producers that want to have access to land ownership, providing the legitimacy base and the orientation criteria to approach the design of land tenure policies.

### **1.2.2 Where do agrarian structures go?**

Though the data we handle is not clear, we believe relevant having a dynamic view of the Latin American agrarian culture, because it allows us to place land policy over a much longer term horizon.

According to the National Employment Inquiry, in Mexico at the beginning of the decade of 2000, agricultural and livestock activity was developed in 3,3 million agricultural and livestock productive units, showing a contraction of the agrarian structure, if we consider that in 1991, there were 4,3 million exploitations<sup>7</sup>. The recent Agricultural Census performed in Chile also shows a loss in exploitations and, thus, a progressive increase of production scales. In the last ten years, there has been a decrease of 6.4 percent in the total number of censused exploitations, reaching -20 percent in some areas of the modern agriculture oriented to exports, located at the central zone<sup>8</sup>.

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<sup>5</sup> Ramón López y Alberto Valdés. "Fighting Rural Poverty in Latin América" In: Ramón López y Alberto Valdés, colaboradores. Rural Poverty in Latin America. Washington DC., Banco Mundial, 1997.

<sup>6</sup> Klaus Deininger y Manuel Rojas. "Nueva ruralidad y el tema de tierras". In: Edelmira Pérez y María Adelaida Farah (Compiladores), Desarrollo Rural y Nueva Ruralidad en América Latina y la Unión Europea. Universidad Javeriana, Colombia, September 2004. The same thesis has been introduced, in a more conceptual level, by Marcel Mazoyer and Laurence Roudart. "Histoire des Agricultures du Monde. Du néolithique à la crise contemporaine". Éditions du Seuil, November 1997.

<sup>7</sup> SAGARPA, "Programa Sectorial de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación 2001-2006". México, D.F., 2001.

<sup>8</sup> INE, Censo Nacional Agropecuario y Forestal 2007. Santiago, Chile. ([www.ine.cl](http://www.ine.cl))

Though we have not all the data to make a definite judgment on these tendencies, the conclusions that can be drawn are relevant. In that sense, the figures of Mexico and Chile show that both countries follow the International tendency showed by the more developed countries, where an active process of decrease in agricultural and livestock exploitations has been going on for many years. Apparently, this tendency would not be the same in Colombia, where the figures for 1984 and 1996 suggest an increase in the bimodal land tenure, where great extensions and minifundia have increased in detriment of medium property.<sup>9</sup> The same phenomenon has occurred in other countries within the region, such as Nicaragua and Honduras, in Central America, and Paraguay, Bolivia and Ecuador, in South America.

An analogous analysis, very ideologized, was performed in Europe during the second half of the XX<sup>th</sup> century, Sweden being the first country to accept this tendency, before 1950. In 1962, the French population census evidenced that the active agricultural population has decreased at 3.5 percent per year in the last preceding years, generating a great impact among specialists and caused the evolution of this debate. Today, the decrease in the number of agricultural exploitations in Europe is a generalized and widely studied phenomenon<sup>10</sup>.

It is also important to clarify this issue in the case of Latin American countries: a dynamic view of the agrarian structure assumes that all problems at the rural sector can not be exclusively solved within the sector framework, but in a wider context, where the key issue is the ability of the rest of the economy to integrate such rural population that migrates to the cities in the search of better living opportunities. This view does not exclude active public agrarian policies, playing a role to moderate these structural tendencies, and is opposed to approaches that assume a more static view of the agrarian structure, where retaining the rural population in the land is defined as a “national goal”<sup>11</sup>. This approach puts the sector effort into a national framework: the problems of rural poverty and agriculture development are conditioned by the dynamics of economy and society.

### **1.2.3 What is the role of land policy in the policy of the sector?**

Another basic element to analyze the land issue is related to its relative importance concerning other problems of the sectoral policy, that the governments of the region must deal with. Trade opening and globalization exert a growing pressure on agro-industrial exploitations and companies, forcing governments to deploy great efforts to provide them with public goods (sanitation, commercial publicity, innovation or infrastructure) and private goods (technical assistance, credit, land investment, others) to improve their competitiveness.

Land policy is part of a wider public policy device, essential to grant governance to each sectoral reality. In that sense, the analysis of land and natural resources tenure policies can not be formulated in an isolated way. On one hand, there is the classical

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<sup>9</sup> Absalón Machado, “Una visión renovada sobre la reforma agraria en Colombia”. En: Absalón Machado y Ruth Suárez (Coordinadores).” El mercado de tierras en Colombia ¿Una alternativa viable?” CEGA-IICA, July 1999.

<sup>10</sup> J. Klatzmann, “L’agriculture française”, Editions du Seuil, 1978, pag 162.

<sup>11</sup> We have drawn the expression from the debate on the impact of the TLCAN over Mexican agricultural area. See: Andrés Rosenzweig, “El debate sobre el sector agropecuario en el Tratado de Libre Comercio de América del Norte”, CEPAL, January 2005.

need to make complementary public interventions (technical assistance, credit, irrigation, others) to agrarian reform policies, to ensure newly settled peasants economic viability. On the other hand, there is the alternative cost of these land policies *vis a vis* other public interventions also necessary for the segment of those that already own their land. From the policy maker point of view, there is a competition for budgetary resources; there is a trade off between investments in the acquisition of land versus other programs.

But there is also the political dimension, related to social and environmental areas. In many cases the land problem has generated delicate social conflicts, as illustrated by the cases of Brazil, Bolivia, Colombia, El Salvador, Guatemala, Mexico or Nicaragua. Today, the environmental consequences arising from certain land policies are also relevant. To clarify what is more profitable socially speaking there is no unique recipe, but it is necessary to be within each national context and within each agricultural policy device.

#### **1.2.4 Emergence of new actors: indigenous peoples and rural women**

The analysis of land problems within the region has also been modified by the emergence, at the end of the eighties, of indigenous movements claiming their ancestral rights over land and natural resources, and also over their language, their culture, their autonomy and their social participation.

In 1990, there were about 40 million indigenous in Latin America and the Caribbean, 10% of the total population, distributed in all the countries except for Uruguay.<sup>12</sup> This population is divided into 400 ethnic groups with different languages, production methods, social organizations and world views, implying a great richness for the identity and diversity of Latin American societies.

Though an important part of this population lives in the big cities, these ethnicities keep a strong relationship with their ancestral land, where their relatives live and where they come and go between the city and the country. The production of these families is usually developed in narrow land surfaces, located in fragile and isolated geographical areas, thus a great part of this production is oriented to self consumption. This interaction with the natural environment has allowed them to accumulated valuable technical knowledge to handle natural resources, presenting agronomic and land management sciences a great challenge: how to take advantage of this knowledge to improve the productive capability of these exploitations, how to collaborate in the reduction of poverty and the improvement of environmental sustainability. There is also the challenge of improving access to land and to natural resources, and in general, the recognition of their political and cultural rights.

Women's relevance in agricultural production processes is another new phenomenon, forcing the rethinking of policies on access and management of natural resources. Though it is difficult to have an updated statistical view, some studies have systematized census figures over several years, indicating that women play the main role in 6.6 percent of exploitations in Guatemala, 9.4 percent in Paraguay and 13.7

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<sup>12</sup> W. Partridge, J. Uquillas y K. Johns. "Including the excluded: ethno development in America Latina and Caribbean". Paper presented at World Bank Conference on Development, Bogotá, 1996.

percent in the Dominican Republic, to 20.6 percent in Peru and 24.3 percent in Chile.<sup>13</sup> The same Studies point out that the unevenness in gender concerning land property is caused by male preference in inheritance, the privilege of man within marriage and a gender bias in land allocation state programs. Considering the importance of land property within the internal family dynamics (decision making, intra-family violence, economic autonomy, among others), some countries have promoted, over the last decade, legal reforms to improve gender equal status (inheritance rights, co-ownership regimes, joint titling among spouses) and have given a higher priority to women head of households in state support allocation processes. All the same, it is obvious that these tendencies are still incipient and that there is a long way to reach a more balanced development in this area.

### 1.3 The concept of governance

We will start by the conceptual definition proposed by FAO in its recent analysis of this issue: *“Governance is the system of values, policies, and institutions by which a society manages its economic, political and social affairs through interactions within and among the state, civil society and private sector. Land governance concerns the rules, processes and organizations through which decisions are made about access to land and its use, the manner in which the decisions are implemented, and the way that competing interest in land are managed”*.<sup>14</sup>

This perspective assumes a wide approach to tackle with the challenge of natural resources management, given that the idea of *governance* goes beyond government, to involve all the actors in the civil society. Following the multiple connotations this concept bears in the world debate, after its appearance at the Earth Summit in Rio de Janeiro (1992), the idea of governance expresses a new philosophy of public action that consists in turning the citizen into a primary actor in the development process. When all actors are called for action, its emergency in the academic and political debate is an answer to the “governance crisis” affecting various countries and regions throughout the world.

Confronting this data with the measurement criteria used by specialized studies, we will analyze the problem of land and natural resources governance from four perspectives:<sup>15</sup>

- **Regulatory quality:** existence of a clear, stable and safe legal frame to regulate conflicts in the management of natural resources.
- **Voice and accountability:** Legitimation of public action, as a result not only of efficacy, pertinence or acceptance of the decisions made by the authority, but also of the transparency, of the “way” to make decisions, the valuation of the various

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<sup>13</sup> C. D. Deere y M. León. “The Gender Asset Gap: Land in Latin America”. World Development, Vol. 31, N° 6, June, 2003. pp. 925-947.

<sup>14</sup> FAO, “Towards good land governance”. FAO Land Tenure Policy Series, Draft version 0.1. Rome/Nairobi, 2008.

<sup>15</sup> These first four criteria come from the annual Studies performed by the World Bank to measure governability levels in the world since 1996, and have been adapted to the reality of the study subject. World Bank. “Governance Matters 2008, Worldwide Governance Indicators, 1996-2007”. In: [www.worldbank.org](http://www.worldbank.org)

stakeholders in the design processes of such policies. Accountability of public officers for their actions.

- **Corruption control:** honesty from state officers, from the political class, from firms and social leaders. Transparency levels in the execution of private and public budgets.
- **Effectiveness of governmental action,** understood as the ability of state agencies to administer and manage natural resources, considering: (i) land access for the population that does not have land; (ii) juridical safety for tenure; (iii) “improvement” of productive land devoted to agriculture, and; (iv) management of territorial areas environmentally relevant.

We have added two complementary criteria that stem from the new tendencies observed in the management of public policies applied to the livestock and agriculture area in Latin America:

- **Public-private coordination:** alliances of the State and the private sector (companies, NGOs, social movements) to implement the policy of the sector, and more specifically, to implement programs linked to the access and management of land and natural resources.
- **State view, long term perspectives:** existence of long term strategies, with an implementation that goes beyond political cycles. This implies wider political and social consensus on what has to be done. Within this context, the idea is to seize the governance issue status of land and natural resources and the long term political commitments established around the issue.

Both issues are relatively new and are in process of development. The link with the private sector responds to the need of governments to establish links with private companies for the management of the policy in the sector, in a world growingly complex and globalized, and is reflected on the work carried out by clusters and/or agricultural food chain, implemented in many countries with various levels of success.<sup>16</sup> Private companies, on their side, establish new bonds with the community, NGOs and the government, driven by the obtainment of quality standards such as RSE, BPA, HACCP, ISO, FSC and many other international standards required in the world market.

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<sup>16</sup> Among the first -company clusters from the same geographical zone- we highlight Brazilian experiences in the promotion to the agro-business sector. Among the second, we highlight the experiences of the National Commissions by Area in Chile, or the System-Product Committees in Mexico, that promote the work of all participants in an agro-industrial chain, by function of a public-private work agenda. See as reference: Sergio Martínez, “La Experiencia de la Cadena de Valor Global del Limón Mexicano”. CONALIM. Power point presentation, Seminario de Expertos FODEPAL “Alianzas, Cadenas Productivas y Competitividad para un Desarrollo Rural Sustentable”, Campus Mederos, UANL, Monterrey, México. August 24 to 26, 2004. ([www.rlc.fao.org/prior/desrural/alianzas/semina/smartinez.pps](http://www.rlc.fao.org/prior/desrural/alianzas/semina/smartinez.pps))

As to long term policies, the efforts carried out by the various countries to define the most agreed strategies in agricultural policy must be valued.<sup>17</sup> Even though these experiences were applied in different political contexts and under diverse modalities, these approaches express a search for strategic routing for the agrarian sector and show the political will of governments to seek new mechanisms that improve governance of each sector reality. Among other lessons, these experiences show that governance in the agro-rural sector is benefited by the opening of participation channels, for a higher legitimacy of public policies. These experiences also show that to realize the approaches and to obtain the aimed objectives it is essential to count on effective budgetary resources applied persistently over time. This point is vital: coherent and well formulated political approaches are not enough. Budgetary resources and will and capability of the political management are also necessary. There is also the need for budgetary resources, political will and management capability to make them work.

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<sup>17</sup> Among other experiences we have mentioned the Acuerdo Nacional para el Campo signed in Mexico in 2003 and the experiences in Chile, Honduras, Ecuador and Peru to define State Policies for the agricultural sector, through various consultation modes. See: MINAGRI, “Una Política de Estado para la Agricultura, período 2000-2010”, Santiago, Chile, 2001; SAG, “Política de Estado para el Sector Agroalimentario y el Medio Rural de Honduras 2003-2021”, Tegucigalpa, Honduras, 2003; MAG, “Políticas de Estado para el Sector Agropecuario Ecuatoriano 2006-2016”, Quito, Ecuador, 2006; MINAG, “Política de Estado para la Agricultura 2007-2017”, Lima, Perú.



## 2. New mechanism of governance and tenure of land and natural resources

Within the new orientations to get an effective modernization of agriculture, governments and international organizations have promoted several projects and instruments to improve access to land property. There are also some experiences promoted by the private sector.

### 2.1 Agrarian Reforms

Perhaps the most fundamental intervention in land markets in the region have been those related to the agrarian reform processes. Experts classify them into two types, depending on the intensity of the attained redistribution. *“The first are the seven “deep” reforms, started by Mexico (1910-28), Bolivia (in the 50s), Cuba (in the 60s), Chile (1964-73), Peru (in the 70s), Nicaragua (in the 80s) and El Salvador (in the 80s). These reforms stood out for the redistribution of an important proportion of agricultural land- between 22% and 60%- and benefited a similar proportion of rural families. All of these reforms were carried out within high social conflict contexts and, in most cases; they involved forced expropriation of large land extensions”. The second class includes those reforms at the beginning of the seventies, fostered by the Progress Alliance and the reformist environment of that time.*<sup>18</sup>

Moderate reforms were applied in Chile (1962-1965), Ecuador, Venezuela, Brazil and Colombia, and though they did not distribute a substantial proportion of rural land, that served to reduce the importance of latifundia and to create new segments of land owners from the colonization of empty lands.

Important state support agencies have aroused under both kinds of agrarian reforms that have implemented paternalistic and clearly politically driven programs. Beneficiaries did not receive individual ownership titles and, in many cases, were forced to organize themselves into settlements or associations. Such processes have generated a low productive dynamism and a low return of the credits to beneficiaries, which were granted on a long term and low interest rate basis.

For some time, over the 70s and the 80s, the debate seemed closed, but the issue has emerged again in the region, especially in Brazil, where its singularities are facilitating an interesting agrarian reform. From the political point of view, such reform is viable given the existence of vast agricultural frontier territories,<sup>19</sup> of a number of big non productive properties and of active social movements that fight for the land. Besides, the idea of an agrarian reform relies on a strong political support and that of the medium urban classes that consider this process a way of making social reforms to diminish poverty and increase the size of the internal market<sup>20</sup>. In other countries of

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<sup>18</sup> Carlos Jaramillo, op. cit.

<sup>19</sup> In that sense, it is suggesting the idea issued by a Brazilian authority, who points out that in his country *“the agrarian reform is not an agricultural problem, but a territorial problem. It concerns not only one sector, but is a country problem”*. Luis Carlos Guedes, Ministro de Agricultura, Pecuaria y Abastecimiento, quoted in: FAO, Informe Final, Consulta de Expertos en Reforma Agraria en América Latina, December 11 and 12, 2006, Santiago de Chile.

<sup>20</sup> Stephen Baranyi, Carmen Diana Deere y Manuel Morales, op. cit.

the region, such as Bolivia, Venezuela and Paraguay, the issue is an important part of the public discussion.

### **Box 1. The agrarian reform in Brazil**

Since its return to democracy in 1985, Brazil has been one of the main Latin American countries to actively undertake the agrarian reform. Though a National Agrarian Reform Plan was approved that year, the increase in land occupation by the *Movimiento de Trabajadores Rurales Sin Tierra (MTS)* led the government of Fernando Henrique Cardoso (1995-2000) to considerably increase the rhythm of the expropriation of land and the organization of agrarian reform settlements. Though the results are controversial, it is a fact that during the time of Cardoso, more land was expropriated and more families were benefited than over the thirty years of previous agrarian reform. According to official data, between 1995 and September 2002, 635,035 families were benefited by the agrarian reform, figure that decreases to 218,534 if we compare the period with the period 1964-1994. The expropriated surface is about 20 million hectares, approximately six percent of the useful agricultural land recorded by the Agricultural Census 1995/96.<sup>21</sup>

The Agrarian Reform in Brazil was accompanied by credit support, through PROCERA, and by various initiatives to modernize the rural property cadastre and to create a national property record. To decentralize the agrarian reform, the pilot project *Cédula da Terra* was promoted to implement the market assisted agrarian reform, partially funded by the World Bank in five northeastern states. Likewise, in 1998 the *Banco da Terra* was created with the hope that the market assisted agrarian reform project would spread at a national scale. The process became less conflicting and the price of land decreased by substituting state land expropriation by direct negotiation between the buyer and the seller, given that big landowners received full payment in cash instead of partial payments in government bonds, and also because beneficiaries bought the land at a lower cost because they have to reimburse the government the funds granted to make the acquisition.

The *Banco da Terra* differs from the program *Cédula da Terra* in the fact that the fight against poverty is not one of its objectives. Therefore, beneficiaries with family incomes higher than those allowed by the *Cédula da Terra* can participate in the program. Besides, the whole funding is in the form of loans. The program *Cédula da Terra* has flexible loans-subsidies financing plans under which each beneficiary receives a fixed sum; the amount used to buy the land is considered a loan, while the balance is a subsidy. The subsidy part is destined to cover the settlement costs, the acquisition of technical assistance, and the investments in infrastructure. This was the part financed by the initial loan of 90 million US dollars from the World Bank. The funding offered by the government to buy land must be reimbursed within a period of 20 years at a 4 percent interest rate. The *Cédula da Terra* was intended to benefit 15,000 families within a three years period (1998 to 2000) with 400,000 hectares of land.

The agrarian reform boost occupied an important place in the electoral platform of President Lula, so that in 2003, the II National Agrarian Reform Plan was created. This Plan has the singularity of being designed in coordination with social movements and other country entities, and unlike the previous approach, it aims to integrate actions under a sustainable territorial development, articulating settlements with other public programs directed to peasant agriculture and traditional communities.<sup>22</sup> Moreover, this plan proposed a strong increase in coverage, with sufficient resources to assist 520,000 families between 2004 and 2007.

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<sup>21</sup> Stephen Baranyi, Carmen Diana Deere and Manuel Morales, op. cit.

<sup>22</sup> Ministerio de Desarrollo Agrario-INCRA, op. cit.

## 2.2 Agricultural frontier land share-out

State land allocation policies have also been a determining factor for the agrarian structure in all the countries in the region. Formerly, the allocation of vast extensions of frontier land to prominent people was the most determining factor for the extreme property concentration. In the last decades, this policy has been growingly used to relieve social pressures, either through oriented colonization programs, or through the regularization of tenure for settled *de facto* tenants in state land. These policies, along with the inability of States to regulate public land access, have promoted new migratory waves of spontaneous settlement, substantially reducing the availability of land.

Bolivia, Brazil, Colombia, Ecuador, Guatemala, Paraguay and Venezuela have been the more active countries in the area of colonization, in the last few decades. In most cases, colonization projects have benefited relatively reduced population groups demanding for land. Besides, it has attracted migratory masses that have been hard to control, contributing to the indiscriminate destruction of natural resources, creating conflicts with indigenous populations<sup>23</sup>.

This option does not necessarily imply social conflicts in the traditional sense of the term, that is, those originated by land expropriation to the big landowners segment. However, given its environmental importance, is growingly resisted at the local and international level, resulting in new types of social conflicts and new types of political costs. These facts, along with the lower land availability, finally limit this policy option.

## 2.3 Land Funds

They are the option used in the last few years to solve access problems and have been mainly promoted by the World Bank. Their objective is to provide credit for the acquisition of land to small buyers that would not normally have access to resources in the capital market. In that sense, these funds promote voluntary land transactions, where governments mediate between buyers and sellers, avoiding an artificial rise in land prices. This system is intended to support the sub-division of great land extensions and to disseminate prices information among market agents, providing a better transparency to these transactions. There are experiences of this type in Guatemala, El Salvador, Honduras, Ecuador, Mexico, Chile, Brazil and Colombia. They have also been called “market assisted agrarian reforms” and/or “community managed agrarian reforms”.

These Funds have received different kinds of criticism. On one hand, it has been stated that the lack of an adequate institutional context hinders a good functioning of the market, preventing the participation of poor peasants. One of these institutional limitations is connected to the existence of a strong information asymmetry between sellers and buyers, because the institutions are unable to guarantee property rights (records) and to characterize land (cadastre), transaction costs are too high (as a result of legal uncertainty, bureaucracy and taxes) and there is a mistrust in the excessive

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<sup>23</sup> Carlos Jaramillo, op. cit.

centralism for conflict resolution (courts of justice). It has also been observed that when these funds operate in high social conflict contexts, political pressures are generated on state agencies finally resulting in land acquisition at artificially high prices. Other limitation refers to the lack of long term financing programs for the acquisition of agricultural land, reducing the participation of peasants concentrating them only in the wealthiest segment. But perhaps the most apparent limitation refers to the high cost of these programs: they solve the situation of a very limited number of beneficiaries, and high costs of land and of the work capital necessary for its exploitation, clearly point out that those funds are not a solution at a national scale. They are mainly valid to solve limited conflicts.

In a similar line, it must be noted the existence of private initiatives aiming to improve land distribution, granting long term credits to low income beneficiaries that acquire the land in the market. Perhaps the most widely known experience in this area is that of the Ecuadorian Fund *Populorum Progressio* (FEPP), a private foundation with a social non profit purpose, ecumenical and sponsored by the Ecuadorian Episcopal Conference, created in 1970. Through this mechanism, between 1977 and 2001, the FEPP helped 10,885 families to access 55,300 hectares, a very important amount if we consider that, in 25 years of agrarian reform in the country, 500,000 hectares were surrendered.<sup>24</sup> Additionally, the FEPP supported the title process of approximately 500,000 land hectares, benefiting 4,800 indigenous and African-Ecuadorian families, and legalized near 55,000 other non indigenous land hectares to about 1,800 families. Complementary, the FEPP has granted credit, irrigation infrastructures and technical assistance to set the production of the assigned and regulated land. For that purposes, the FEPP has implemented a company specialized in fair trade (CAMARI) and a savings and credit association (CODESARROLLO), among other specialized companies.

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<sup>24</sup> FEPP-Coalición Internacional para el Acceso a la Tierra-FIDA. “El costo de la tierra. ¿Pueden los fondos para la adquisición de tierras ser útiles a los pobres? Enseñanzas de la experiencia del Ecuador”. Febrero de 2005.

## **Box 2. The Program for the Young Rural Entrepreneur and the Land Fund in Mexico**

This program is promoted by the Mexican government (Secretaría de la Reforma Agraria - SRA) and the World Bank since 2005, and is oriented to support youngsters between 18 and 39 years old that live in common land and communities, who are provided with training and finance to settle productive projects in acquired or rented land. The objective is to settle these youngsters in their place of origin, opening new income and employment opportunities. The project also aims to benefit farmers older than 65 years old, interested in selling or renting their land to younger people, and to receive patrimonial management and social security benefits. In the process and design of this Project, specific attention has been paid to the participation and inclusion of indigenous peoples.<sup>25</sup>

The Program for the Young Rural Entrepreneur and the Land Fund in Mexico is applied in 12 states in regions where it is necessary to stimulate the economic and social development through the implementation of productive projects to compete in the agro-business market. The program is developed in two stages. In the first, the SRA selects and trains youngsters through school-projects developed in groups, providing technical, entrepreneurial, environmental and human development training, to create their own business; at this stage, beneficiaries are granted a training scholarship as a stimulus, to make them prioritize their training. The financial support for the installation of the project, and the acquisition or the lease of land rights, is provided in the second stage, these rights can be transferred by their own family or neighbours. In this stage, applicants may receive subsidies to buy land rights (with a limit of US\$ 17,200) and to lease land rights (with a limit of US\$ 5,300), along with a credit support for a term of 10 years, at market interest rates, negotiated with the financial institutions. The program also subsidizes and finances, with bank credits, the development of agro-entrepreneurial projects (equipment, infrastructure, labour capital) and the management and technical advisory.<sup>26</sup>

During 2007, the Program exerted US\$ 46 million, among which 56 percent have been used to train 7,500 youngsters interested in executing projects. The remaining balance has been deposited in various financial institutions, as guarantee fund to buy lands and to execute agro-entrepreneurial projects, assisting 850 applications of young rural entrepreneurs.

Though this program is in the middle of its implementation stage and, thus, it is hard to issue an evaluative judgment, it is interesting that the focus of the Program is on rural youngsters and in the connection between them and the rural population that is about to retire, and in need of social benefits. Therefore, this model is an answer to the aging process of the rural population in Mexico.<sup>27</sup> Though this tendency is repeated in every country in Latin America, there is little experience in the execution of analogous programs of settlement of young farmers in the rural environment.<sup>28</sup> Another interesting trait is the existence of a line of subsidies to promote the leasing of farm rights.

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<sup>25</sup> [www.sra.gob.mx/internet/informacion\\_general/programas/fondo\\_tierras/index.html](http://www.sra.gob.mx/internet/informacion_general/programas/fondo_tierras/index.html).

<sup>26</sup> Secretaría de Reforma Agraria. Reglas de Operación del Programa Joven Emprendedor Rural y Fondo de Tierras. Estados Unidos Mexicanos, Diario Oficial, Monday 31 December 2007.

<sup>27</sup> According to the 2000 Registro Agrario Nacional, 55% of common landowners are over 50 years old. 24, 5% of them are 65 or older. For an analysis of the aging process of the Latin American rural population and its political consequences, see: Martine Dirven, "El mercado de tierras y la necesidad de rejuvenecimiento del campo en América Latina: un primer esbozo de propuestas". División de Desarrollo Productivo y Empresarial, CEPAL, May 2001.

<sup>28</sup> The Federación Nacional de Cafeteros de Colombia promotes a program of this type (Proyecto Modelos Innovadores-Jóvenes Caficultores) supported by the IDB, initiated in 2006. Its objective is to achieve a first stage of 1,000 youngster accessing land under associative schemes, creating an incubator company (ACCESO Café Ltda.) that channels the resources from the private banks to buy land, negotiates the farms and carries out the financial follow-up, among other steps. See: [www.cafedecolombia.com/proyectosocial/jovenescaficultores](http://www.cafedecolombia.com/proyectosocial/jovenescaficultores).

### Box 3. Land Funds in Central America

These Land Funds originate from the social movements that shake Central America in the decade of the 80s and come to replace the strategy followed back then, that consisted in responding to the demand for land through agrarian reforms based on land expropriations. In the context of the neo-liberal models implemented over the nineties in these countries, a new strategy for land distribution based on the market is applied, where credit programs to buy land and development of agricultural companies are established.

- El Salvador: Peace Agreements signed in 1992 command a specialized institution, the Land Bank, to finance the buying of land for ex soldiers and for the civil population included in such Agreements, mandate that is executed through the Programa de Transferencia de Tierras (Land Transference Program) (PTT).
- Guatemala: As part of the Peace Agreements of 1996, Guatemala creates a Comisión Paritaria sobre Derechos Relativos a la Tierra de los Pueblos Indígenas (Paritary Commission on Rights of Indigenous People Land) (COPART), composed by government delegates and leaders from more than 350 indigenous and peasant organizations. In this context emerges the Land Fund in 1999, as a decentralized entity oriented to facilitate the access to land to poor peasants and to execute promotion productive projects. For these effects the financial support includes an agrarian credit to buy land and a subsidy to facilitate capitalization of enterprises. Since 2004, the Land Fund and the Ministerio de Agricultura, Ganadería y Alimentación, MAGA, have united efforts to create the Land Leasing Trust fund, to support families in poverty situation or extreme poverty. Through this program, finance is granted to the leasing of land and the execution of short term productive projects; provision of supplies, technical support to agricultural production and commercialization, which contribute to employment generation and incomes that reduce their social vulnerability.
- Honduras creates the Proyecto Piloto de Acceso a la Tierra (Pilot Project for Access to Land) (PACTA) aimed to provide access to land to small producers through buy and sell transactions among private agents. The program has an experimental character and aims to the creation of sustainable enterprises, with support from the government, financial institutions, local development organizations and private service suppliers (technical assistance, training). To do so PACTA grants credits at market rates, with a maximum due term of 10 years. As each financial entity decides the granting of the loan, PACTA can not arbitrarily select the beneficiaries, which has favoured the credibility of the program.<sup>29</sup>

In the case of Guatemala and Honduras these programs have worked as credit programs as such, while in El Salvador, these loans have been forgiven by political reasons.<sup>30</sup> The experience of Guatemala evidences the relevance of having legally recognized property Rights and an institutional framework to guarantee the safety of such rights. It also points out the importance of integrating land policies with credit and technical assistance policies, eliminating pectoral incentives that distort the efficient allocation of resources and the need for a macroeconomic stability that prevents the accumulation of land for speculative purposes.<sup>31</sup>

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<sup>29</sup> T. Korcowski, H. Reyes et al. "PACTA. Desarrollo rural en Honduras por medio del acceso a tierras y el fomento de empresas productivas". In Breve N° 75, Banco Mundial, July 2005.

<sup>30</sup> Javier Molina. "Acceso a la tierra por medio del mercado: experiencias de Banco de Tierras en Centroamérica". Estudios Agrarios, s.f.

<sup>31</sup> CNOC-CONGCOOP. "FONTIERRAS, el modelo de mercado y el acceso a la tierra en Guatemala. Balance y Perspectivas". Guatemala, September 2002.

#### **Box 4. The Chilean Fund for Indigenous Land and Water**

This Fund is being implemented since 1994 and its operation has been conceived as an answer to the multiple land conflicts originates from the mapuche communities reduction process, carried out between 1884 and 1929. To this aim, CONADI provides a subsidy of up to US\$ 40 thousand by individual up to 75 percent of that amount by adult, when the application is made by community. The selection mechanism considers as main variables the existence of previous savings, size of the family group and socio-economic condition.

Between 2004 and 2007, CONADI bought and transferred 47,184 hectares to 4,681 indigenous families. The Land and Water Fund also includes a transfer program for fiscal land that has in fact being occupied by indigenous communities from different ethnicities (aymará, atacameño, quechua, colla, mapuche, kawésqar, yagán, rapa nui). Between both dates 218,959 hectares have been regularized, benefiting 23,223 families.<sup>32</sup> Within that time frame, CONADI has invested in all of the programs US\$ 154 million, from the fiscal budget. Over 15 year's work of the Fund, operational problems have been detected. Among many, we include the following:<sup>33</sup>

- The lack of an initial quantification and of objective data has resulted in land reclamations that can not be legally processed and that can not be dealt with from the budgetary point of view. This problem has been solved, over the last few years, through studies that have identified the potential demand for land and water.
- The populist idea that the demanded land limits were the reach of the memory of the elders of the community has been spread. This memory generally pointed a hard to prove territorial limit from the legal point of view, and unrealizable in practice. This led to a high political pressure on CONADI and to a great frustration within the communities.
- Confusion has been generated between territory (a political concept) and land (an economic concept) which has resulted in the idea that it is possible to rebuild the ancestral territory from the acquisition of CONADI's land. Beyond the implication of this in terms of the Chilean Territory Integrity, it is not possible given the budgetary restrictions and that there are landowners that do not want to sell their properties.
- Given the criteria of privileging the acquisition of conflicted land, there has been speculation in the land market that has made the land increasingly expensive. In 1994, CONADI bought at an average of US\$ 456 per hectare and in 2000 the price paid was US\$ 2.600. Some alliances among indigenous communities, big properties owners and speculators have created a vicious cycle with disastrous consequences for CONADI's budget. A study on this matter concluded that there is an over payment with regard to appraisal values and/or to market prices, with values ranging from 70% to 460%.<sup>34</sup>
- There have been deficiencies in the implementation of mechanisms to support agricultural development and to improve the productivity of the land surrendered to communities.

More recently, CONADI has been accused of acting outside the regular administrative mechanisms, under illegitimate pressure actions such as illegal land "takings". More generally, there is also the idea that surrendering land has not solved the poverty problem, which is true and constitutes a very important challenge. Nevertheless, it is an irrefutable fact that land, along with language and the organization within the community, are the determining factors for the reproduction of the mapuche culture and society. This reality, along with the need to repair long dated land conflicts, fully justifies the operation of this Fund.

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<sup>32</sup> Guillermo Dascal, Cristian Moscoso y Juan Pacheco. "Informe Final Programa de Tierras y Aguas Indígenas". DIPRES-MIDEPLAN-CONADI, junio 2008.

<sup>33</sup> CONADI, "La Política de Tierras de la Corporación Nacional de Desarrollo Indígena". CONADI-MIDEPLAN, Santiago de Chile, 1999.

<sup>34</sup> Eduardo Díaz, Carlos Cares y María Eugenia Castro. "Estudio de Precios de Mercados de Tierras y Análisis de Bases de Datos del Programa de Predios en Conflicto y Subsidio". Universidad de la Frontera, Temuco, Chile, May 2000.

### **Box 5. The case of INDUPALMA in Colombia**

Another interesting experience is the Programa Expansión de la Frontera Palmera, promoted by INDUPALMA, an agro industrial company created in 1961, which produces crude palm oil, with 10,000 palms and an extracting plant that processes 60 tons of the fruit per hour.<sup>35</sup>

INDUPALMA is located at the northeastern region of the country, in the Barranca-Catatumbo corridor, a zone where conflicting bands of guerillas and paramilitary groups operate, directly affecting INDUPALMA. In 1977, its General Manager was kidnapped, fact that occurred along with a conflict with unions and the guerilla, and that determined high labor costs. At the beginning of the nineties, the company was on the verge of disappearance: from 100% of income, 84% was spent on labor costs demanded by unions. After this crisis, INDUPALMA has changed its approach and has implemented a new entrepreneurial development strategy. Among other elements INDUPALMA promoted the creation of Associated Work Associations, to externalize the agricultural tasks. In a first stage, these tasks were only hired to workers, and then the company sold them the machinery and later implemented a plan to make them buy the land and invest in plantations.

With the support of FINAGRO, a local bank, INDUPALMA has acquired 9,620 previously acquired hectares, allocating them in 10 hectares lots by peasant. The operation is developed through investment credits to buy land, at 10 or 12 years term, where the company guarantees harvest buying contracts up to 28 years.<sup>36</sup> Today, INDUPALMA has created an Investment and Operation Bank for palm projects (IBIO) that has been a key to boost investment on land and plantations; for the next few years they are studying the extension of the plantation to 45,000 additional hectares. These peasants also receive technical support to structure and execute these investment projects, to develop an entrepreneurial mentality and turn them into real landowners.

This is a singular experience because it is a land buying program promoted by an economic organization articulated to the market, without intermediaries or external support that subsidize the operations. This program is based on the ability of the palm business to generate the necessary income to support the allocated families, pay for the land and execute the investment programs. In that sense, it is significant that the studies carried out by this entity point out that an associated peasant family lives with 3,5 hectares of palm, the rest of the land being destined to generate the surplus for land buying and investment.

Another interesting trait is that INDUPALMA has a Land Bank, that is, an information system aimed to establish a communication channel both with landowners that wish to offer their land to INDUPALMA, for different purposes (palm sowing, administration or sale), and land buyers that want to access this source of information. This service is addressed to landowners and investors interested in making businesses and projects in palm cultivation and processing. In a simple and free way, the Land Bank database allows any person to register the specific details of their land and its registration a group of configurable e-mail addresses. Finally, the association of a private company with cooperative groups configures an innovating governance model, establishing a win-win economic relationship, capable of generating a self sustained economic growth.

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<sup>35</sup> Véase: [www.indupalma.com](http://www.indupalma.com)

<sup>36</sup> Miguel Faduz. "Alianzas para la paz: el modelo INDUPALMA". Advisory report, April 2001



## 2.4 Tenure safety

Some estimates point out that about 50 percent of farmers in the region do not hold safe titles on their land.<sup>37</sup> For that reason, specialists agree in the relevance of land tenure safety for the Latin American agrarian development. On one hand, it implies an adequate characterization of land resources (cadastre), allowing for the generation of information on the quantity, quality and value of such resources<sup>38</sup>. Besides reducing information asymmetry in the land market and supporting tenure regulation programs, cadastres have positive externalities (tax paying, competitiveness, territorial arrangement, others) that justify their prioritization by public powers. On the other hand, tenure safety depends on judiciary systems capable of rapidly and impartially guarantee property rights. Juridical safety on the land is essential to access credit, secure the stability of investment processes, carry out a suitable management of natural resources and develop a dynamic market in sales, leasing and other land transactions.<sup>39</sup>

Unlike land access, the challenge of tenure safety is a more manageable issue for governments. It is reflected on the multiple title programs applied in the last decades, promoted by the IDB and the World Bank in most of the countries within the region. As pointed out by an specialist, in the last few years, these projects have been experiencing operational improvements, differing *“from the previous ones by: i) the use of modern, efficient and equalitarian methodologies in the title process, particularly the method known as systematic “wipe out” by zones, which allows economies of scale in the visit to the field and the development of the activities of cadastral maps, title granting and legal registration in an integrated process, ii) the requisite of recording, with no exception, the titles in the public record and iii) the preoccupation for the modernization of record and cadastre institutions (see the following attach). Besides, their goals are less ambitious and complex than in the past and seek for a gradual advancement towards more solid land property systems.”*

*“Though the new wave of tenure regularization projects promises to correct many of the deficiencies of the previous efforts, the results of the new projects are still to be assessed. Evidently, the systematic wipe out” has dramatically reduced costs and has facilitated the equalitarian access for all the population to the title process. However, official project documents still show a wide range of costs per title, reflecting the lack of common implementation methodologies and adaptation to diverse national realities. In some cases, they show apparently high costs per title that mainly are caused by legal restrictions that prevent the adoption of wipe out methodologies”.*<sup>40</sup>

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<sup>37</sup> Ramón López and Alberto Valdés, op. cit.

<sup>38</sup> The INCRA cadastre of Brazil points out that only 50, 86% of the total area of the Brazilian territory has been cadastrated. See: Ministerio de Desarrollo Agrario-INCRA. “Brazil. II Plan Nacional de Reforma Agraria”. Brasilia, 2006.

<sup>39</sup> In their study, “The access to land through leasing”, Alain de Janvry, Karen Macours and Elisabeth Sadoulat show that the land leasing market improves efficiency and equity, but in contrast to Europe, they show little development in Latin America. While in Belgium, France and Germany, values exceed 60%, in the region only 12% of the land is under lease, with values ranging from 2% in Mexico, to 21% in Uruguay. In: BID, “Access to land in the rural development agenda”. Department of Sustainable Development, Washington, July 2002, pp 29-76.

<sup>40</sup> Carlos Jaramillo, op. cit.

### **Box 6. The Program of Clearing Ownership Titles in Chile**

In 1977, the Program of Clearing Ownership Titles was created and was executed by the Ministerio de Bienes Nacionales to speed the ownership title clearing for urban and rural private properties. Until then, this function was performed through judiciary resolutions, making this process very slow and, thus, rarely requested by the population. This Program included a subsidy to solve the lack of titles (or its defective tenure) by the poorest population, considering that it prevented families to fully incorporate them in the productive process, given their limitations to participate in technical and credit assistance programs.

To widen up its activities in the rural area, in 1992, the Government of Chile subscribed a loan agreement with the World Bank. This project included a titling component aimed to regularize 43,500 properties within 4 years. Between 1996 and 1997, the Ministerio de Bienes Nacionales carried out a cadastre of properties that were in a irregular situation, determining an approximated figure of 65,000 cases (29,000 rural), number considered underestimated by many specialists because of the design problems of such cadastre. The difficulties to determine the potential demand increase if we consider that the clearing issue is dynamic by definition, the properties going from generation to generation, and it is always necessary to regularize such transfer.

The beneficiary eligibility criteria of the Program have been:

- To have the exclusive and continuous possession of the property for more than 5 years
- Not be subject of pending legal actions or discussion on the real state
- The property should be limited with fences or closing structures
- The valuation of the property should not exceed US\$ 50,000
- Being accredited as beneficiary of poor resources by the municipality

In 2002, after the end of this loan, the Program undergoes several reformulations. On the one hand, there is an attempt to provide with a logic of territorial development, making efforts to integrally deal with delimited territorial units, which implies a focalization work from the state agencies (social households, women, other) to provide a more integral attention. On the other hand, counterparties, specially the wealthiest population, are requested for contributions, considering that the average value of each settlement reaches US\$ 378. Finally, the Program starts the operation through Pro Ownership Titles Committees that group neighbors that provide part of the clearing cost.<sup>41</sup>

This experience was reverted in 2004. First, the Program didn't have the professional teams required to absorb the operational requirements necessary for this approach. Second, experience indicated that there was an atomized and spread effective demand, corresponding to the advancement levels reached by the issue within the country. For these reasons, the Program now operates through annual box office calls that capture a demand of 13,000 cases a year, with a 50% of land regularization.

A last characteristic of the Chilean case is related to the fact that rural properties are well characterized. This work is carried out by the Centro de Información de Recursos Naturales (CIREN), a public institution that provides information on the status of renewable natural resources (climate, water resources, soils) and of the rural property division, with an updated cartographic base, based on orthophotos and high resolution satellite images.<sup>42</sup>

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<sup>41</sup> Ministerio de Bienes Nacionales. Evaluación del Programa de Gestión Territorial de Regularización. Santiago, 2002.

<sup>42</sup> Véase: [www.ciren.cl](http://www.ciren.cl)

## 2.5. Investments to “improve” the land

The search for mechanisms to value the land already owned by small producers is a relevant line of work in almost every country within the region. Apart from the growing demand to reach higher levels of competitiveness, it is valid given two considerations: first, there are objective limitations, political and financial, to solve the structural problems of access to land. Second, these mechanisms may have an impact on the income of millions of peasant families that produce without technical and credit support from public programs, which conforms a social demand and a production potential equivalent, in terms of “public policy”, to the creation of new land.

Most of the countries in the region have investments programs to improve staff provision and management of productive resources. Many of these programs have been supported by International agencies (IDB, WB, IFAD, FAO, other), others work with fiscal budget and there is finally an emergent sector of programs driven by the private sector. All of them are focused on the development of agriculture and other economic activities in the rural area, to improve infrastructure and to increase social capital of local communities. Table 1, shows these projects that cover a wide range of issues.

All of these programs share a growing concern for the improvement of governance and the achievement of a higher impact, and thus they have searched for a higher participation of producers’ organizations and other agencies from the private sector. The objective is to attain a higher impact, by promoting a higher distribution of responsibilities among all actors and a higher empowering of beneficiaries. For these reasons, in the debate over these programs the focus is on issues associated to third parties participation of public services, social networks, social control mechanisms, productive chains and micro-credits.

### **Box 7. The “snowball” method to select actors in a technological innovation program executed under a social networks approach in Mexico**

In this method a first set of technological leader producers is selected (focal nodes) who are asked to name reference contacts for technical and commercial information purposes, or simply by friendship. Both groups form a “first wave” that also serves to identify a “second and a third wave”, which is incorporated to the technical assistance program. This mechanism ends when resources are exhausted and/or when the common repetition of names saturates the system. One of the virtues of this mechanism is that the producers themselves – and not the officers from a public program – that determine the potential universe of beneficiaries, generating a self-regulation mechanism that contributes to the success of the experience. Another interesting aspect is that this segmentation is made according to the ability of innovating, the ability in commercial management or according to friendship bonds, originating specific social sub-networks (social, technical, commercial, management). Such segmentation makes possible a technical assistance program differentiated by function of the abilities and/or the bonds among beneficiaries.<sup>43</sup>

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<sup>43</sup> Manrubio Muñoz, Roberto Rendón et al. *Redes de innovación. Un acercamiento a su identificación, análisis y gestión para el Desarrollo Rural*. Universidad Autónoma Chapingo-Fundación Produce Michoacán, México, 2004.

### **Box 8. Horizontal Technical Assistance: the Peru Case**

In the area of technical assistance, Peru shows at least two interesting intervention formats. On one hand, the Programa Nacional de Manejo de Cuencas Hidrográficas y Conservación de Suelos (PRONAMACHCS), program with more than 25 years in operation, financed by the Japan Bank for International Cooperation (JBIC) and by the National Treasury, which provides the infrastructure to Andean communities, under the logic of basin management: irrigation, soil preservation, reforestation, and productive support.

On the other hand, there is the horizontal transference scheme (peasant-peasant) “Yachaq/Yachachiqs” (Y/Y) used in some governmental projects, supported by IFAD and SDC. This approach is especially interesting given that its horizontal character promotes the technological exchange between technicians and peasants, mobilizing the cognitive abilities of local actors. It also allows for a cheaper approach to communities, widening the technical assistance coverage.<sup>44</sup>

In peasant communities of the high Andean area of the south sierra of Peru there are community innate leaders, formed in practice (trial-error), that outstand among others because of their greater knowledge in the area of technological practices to handle natural resources. These leaders promote and transmit the knowledge, the know-how and the local practices, helping the recovery of traditional technologies and technological innovation. These leaders, named Yachachiq, enjoy recognition and respect from the authorities and the families within the community. For that reason, when training events that are promoted by external support institutions are announced, they are rapidly identified and proposed as community representatives.

Observing this valuable human capital, some regional institutions from the Departamento del Cusco have developed a peasant to peasant training program in the area of irrigation, between 1985 and 2000, methodology that is retaken in 1997 by the Project MARENASS, executed by the Ministerio de Agricultura with the support of IFAD. This methodology is characterized by:

- The identification of peasant leaders (Yachachiqs) at the peasant communities’ level.
- The reinforcement of their abilities through experts (Yachaqs) and tutorship programs to other zones in the region (inter-learning).
- When Yachachiqs come back from training programs with experts and tutorships, they recreate this knowledge and apply it in their parcels, eventually teaching neighbor families in their community.
- This program is reinforced when the project MARENASS launches contests among families and communities to improve the productive infrastructure. To do so, Yachachiqs become trainers and also promoters of these contests.<sup>45</sup>
- Apart from their links to the project, Yachachiqs operate also as bonds between the families and the community directive.

This is an efficient and low cost methodology. Through more than 4,000 Yachachiqs, technical assistance services have been given (at December 2005) to 36,644 peasant families. Among other results, 2,033 hectares of cultivation terraces have been built, the use of irrigation water in 5,965 hectares has been optimized, 2 million plants of fruit forestry species have been planted and 6,329 hectares have been sowed with forage. In the area of household, 23,247 improved fireplaces. This methodology is currently applied in other projects within the region, such as Puno corridor, Sierra Sur, MASAL, IAA, ITDG in Peru, and Project Patacamaya and PROMARENA in Bolivia.

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<sup>44</sup> C. Sotomayor. “Origen de la metodología de capacitación de campesino a campesino – Yachaq – Yachachiqs”. Minuta técnica, Lima, Perú, s.f.

<sup>45</sup> See: MASAL-MARENASS. “Los concursos campesinos en la promoción del desarrollo en la Sierra Sur del Perú”. Cusco, April 2008.

### **Box 9. Inclusive Businesses in Ecuador**

The approach over Inclusive Businesses seeks to promote solidary welfare networks for populations in poverty situation through their inclusion in the productive processes and systems under market logic. The methodology proposed by the Inclusive Businesses approach is an opportunity to empower and develop vulnerable populations, through public-private collaboration schemes.

This approach seeks the generation of businesses that, in benefiting communities and low income people, benefit the company (or public institution) participating in the initiative. This approach seeks to promote the insertion of low income families in new productive activities, attaining safer styles of life and, at the same time, new markets for the companies. These entrepreneurial solutions, after recovering their initial costs and becoming self financed solutions, can grow and spread beyond the limited possibilities of the best corporate philanthropic projects currently abundant.

The practice of Inclusive Businesses has been officially recognized by the United Nations (UN) as a positive exercise in the road to the Millennium Development Goals (MDG). At the international level an association called Council for Sustainable Development, (WBCSD), has been created and is integrated by 175 big companies in the world, with activities that affect the lives of more than 2,500 million people every day and have compromised their contribution to the integration into the market of vulnerable groups. The WBCSD affiliated companies wish to foster the contribution to development of their businesses.<sup>46</sup> This line of work is now being actively supported by the Inter-American Development Bank and by the Netherlands Cooperation Organisation (SNV) that, in 2006, signed an agreement to foster the implementation of Inclusive Businesses in eight countries within the region, including Ecuador.<sup>47</sup>

It must be pointed out that in Chile and Mexico analogous programs are applied, in the sense that they promote enchainment to articulate supplier groups with and agro-industry that demands for a certain raw material (with defined terms, operation modes and technical standard). This instrument, called Supplier Programs, allows for the incorporation of the market approach in technical assistance, because it is granted by the agro-industry.<sup>48</sup>

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<sup>46</sup> World Business Council for Sustainable Development. “Negocios para el Desarrollo. Soluciones empresariales para apoyar el logro de los Objetivos del Milenio”. Switzerland, July 2006 ([www.wbcsd.org](http://www.wbcsd.org)).

<sup>47</sup> See: SNV-WBCSD, “Alianza para los Negocios Inclusivos. Negocios Inclusivos, Iniciativas Empresariales Rentables con Impacto en el Desarrollo”. ([www.inclusivebusiness.org](http://www.inclusivebusiness.org)).

<sup>48</sup> See: [www.corfo.cl](http://www.corfo.cl), Section “Todos nuestros programas de apoyo”, Instrument “Programa de Proveedores”. For further information see: Martínez, H., Namdar M. et. al. “Asesoría Técnica en la Agricultura Chilena: Estado del Arte, Perspectivas”. Report presented at the Conferencia Internacional de INDAP “Sistemas de innovación y Asesoría Técnica en Agricultura: Nuevas Miradas, Nuevas Perspectivas”, Santiago, CEPAL, November 13 and 14, 2007.

### **Box 10. Social Control in Chile and Mexico**

One of the challenges in the construction works of infrastructure is to attain a high technical quality of the constructed works, which implies the development of an ability to obtain a product or service according to a certain profile. This challenge is bigger when the operation is made through third-parties systems, where the responsible state agency (in this case, INDAP), sub-hires the advisors that design the projects and the companies in charge of their construction. The reduction of the uncertainty and the risks concerning the definition of such products or services assumes a confidence in the ability of the building company. This uncertainty can only be reduced or eliminated through the definition and application of institutional certification and control techniques that create confidence among the actors.

As in other certification processes, the introduction of Social Participation and Control Systems is associated to the information asymmetries between the farmers that promote the works and the building companies in charge of their realization. To solve this problem, INDAP has designed a Social Participation and Control System that promotes the organized participation of the producers involved in irrigation projects, under certain rules and regulations. These experiences have been applied by INDAP since the middle of the nineties, inspired by a Mexican model.<sup>49</sup> The system applied by INDAP has worked as follows:<sup>50</sup>

- The farmers' assembly chooses the Project Committee, composed by three people representing the interests of the producers. The election of the Committee must be recorded in written undersigned by all the assembly members
- An agreement is signed between the Project Committee and INDAP, stating the duties and rights for the parties. The Committee must:
  - Gather all the background of the attending producers (producer identification, name of the farm, list number of the farm, location and surface, legal situation of the farm, taxes).
  - Meet the advisor to guarantee that the project answers the interests of the producers
  - Participate in the selection of the building company
  - Make inspections to the works under construction, preferably in the presence of the builder and/or an INDAP officer and set forth observations
  - Receive in order the surrendered construction
  - Provide periodic information to the work assembly about the labour developed by the Committee
  - Watch the fulfilment of the contributions by the producers

To finance these activities INDAP subsidizes the Committee for the time its members leave their work to fulfil their role concerning the construction. Each Committee must hire, for once, a specialized professional to issue a technical opinion concerning one or more issues, with a small additional subsidy for this purpose.

The accumulated experience has allowed the detection of recurring problems: use of material in inadequate dosage (cement, other); use of low quality materials and equipment (pumping engines, ducts, other) or that do not comply the technical specifications initially included in the project; non-fulfilment of the technical specifications of the construction works (channels width, frame splitters, other); inadequate location of the works. Among other results this system allows to: build the irrigation works the producers really need; gather the experience of farmers, valuing their empirical knowledge, elevating the quality of the works and, at the same time, contributing to reinforce their identity and self-esteem; timely detect problems and solutions; facilitate the consolidation of irrigating associations; Facilitate a dynamic and responsible dialogue with advisors, building companies and authorities

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<sup>49</sup> SARH-PROCAMPO-Secretaría de la Contraloría General de la Federación. Contraloría Social en PROCAMPO. Áreas de Temporal y Unidades de Riego. Manuales de Capacitación, DF, México, 1993.

<sup>50</sup> For further information, see: INDAP. "Sistema de Participación y Control Social del Servicio de Riego Campesino". Santiago, November 1996

## 2.6 National Parks and community

All countries in the Latin American region have important territorial areas destined to national parks, many of which are becoming subjects of new ways of management. The main paradigm that currently dominates the discipline of handling and management of protected natural areas and forestry areas is to preserve biological diversity and, at the same time, to generate economic activities that drive social development.

These issues have been analyzed in various international conferences, such as the V<sup>th</sup> World Parks Congress at Durban in 2003<sup>51</sup>. There, new goals related to local communities, indigenous peoples and preservation were set forth:

- Protected areas should be handled as part of a wider ecosystem, being terrestrial or marine landscape, and should involve society as a whole and not only professionals and experts
- Preservation must respect human rights and, thus, it must generate a positive impact on people's life
- Attention must be paid to the links between biological diversity and cultural biodiversity, and to the conditions that favor local communities

In the area of governance, this event has recommended four management modes: governmental, co-handling (participation in multiple direct interested parties), private and community (areas preserved by communities). Following these orientations, many Latin American countries are opening the management of their patrimonial areas to neighboring communities, many indigenous that find there the possibility of other income sources. Countries like Mexico, Costa Rica, Ecuador, Panama, Chile, Brazil or Argentina are developing several experiences to find solutions to environmental deterioration and rural poverty.

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<sup>51</sup> [www.iucn.org/themes/wcpa/wpc2003](http://www.iucn.org/themes/wcpa/wpc2003)

### **Box 11. National Parks Management: the Case of Costa Rica**

One of the models that have developed an innovating approach in the preservation of nature, explicitly incorporating the human component, is that of the Refugio Nacional de Vida Silvestre Gandoca Manzanillo (Regama), in Costa Rica.<sup>52</sup>

This experience is developed in the Caribbean zone of Costa Rica, a region characterized by its biological and cultural richness, where there is an active civilian society that has successfully struggled in the environmental and labour area.

Although the Refugio dates from 1985, its positive implementation has generated a conflict among local groups, preservation organizations and governmental officers, because there have been differences in opinion concerning the future of the area. This has originated a negotiation that resulted in the elaboration of a Management Plan for the Refugio, with the participation of various specialists and the local community. The Refugio was divided into 15 zones, 9 terrestrial and 6 marine-coastal, coordinated by a mixed structure where all the involved entities have participated.

One of the positive aspects of this experience are the eight years of work for the construction of a Management Program designed in a participative way, defining the management axes for the Refugio. This has allowed a good relationship between the local population and the Ministerio de Ambiente y Energía (MINAE), and also objective advances in the natural capital protective actions. Among the detected weaknesses we can point out:

- The information on the decision making and co-handling structures must be improved.
- The community organizational structures must be strengthen
- The preservation and development issues must be integrally dealt with, to guarantee environmental and social sustainability
- The issue of the redistribution of the benefits derived from preservation must be retaken

Yet, this experience shows the validity of the approach that incorporates local communities in the management of these preservation areas that is being applied in other national parks in Costa Rica and in most of the countries within the region.

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<sup>52</sup> Vivienne Solis and Marvin Fonseca. “Gobernabilidad en el Manejo de Areas Silvestres Protegidas en Costa Rica: La Experiencia de Manejo Conjunto del Refugio Nacional de Vida Silvestre Gandoca Manzanillo (Regama)”. Coope i Dar R.L., Costa Rica, s.f.



### 3. Conclusions

#### 3.1 The use of agrarian reforms

In the analysis on how have the countries solved the land issue, in a general view, three major situations can be identified:

- Countries with active agrarian reforms, where this process is in course and is executed at big scales, through expropriations and/or through the acquisition of land. The Brazilian experience is paradigmatic, because it combines both modes and the agrarian reform is a national issue, though these processes are gaining importance in other countries, especially in Venezuela, Bolivia and Paraguay.
- Countries that have had agrarian reforms in the past and where the land issue is still subject of public debate. The current public policies are centrally limited to the surrendering of land in the agricultural frontier areas and/or the titling of rural properties. There are also land banks promoted by the State and/or by the private sector. The reference countries are Colombia, Ecuador, Peru, Mexico, Guatemala and Honduras, among others.
- Countries after an agrarian reform, where Chile could be the reference country. The debate is politically closed, there is no agricultural frontier and land titling programs have cleared most of the total surface. The policies of access to land are not included in the public policies device, with the exception of an indigenous land and water fund, permanent title clearing programs and mortgage credit lines to buy land. Although with their special characteristics we could also include in this category Uruguay and Argentina.

Considering the above, it is apparent that in the region we must apply strategies that combine the approach to structural (access to land) and functional (tenure security, competitiveness improvement) issues, establishing a trade off that will depend on the reality of each country. The Brazilian experience shows that agrarian reforms are effective when they are part of a national project and are thus supported by wider political sectors. On the other side, the Chilean experience and of other countries evidence the political infeasibility of this type of processes, either because there is no articulated social demand – the agrarian structure is already fragmented – or because they generate uncertainty on the stability of the property system, affecting investment and eventually competitiveness in the sector. To make these options clear it is necessary to make more research on the optimal sizes in agricultures and on the evolution courses of agrarian structures.

### 3.2 The limits of Land Funds

The experience of the land funds shows its usefulness to solve social conflicts, as illustrated by the cases in Central America and Chile. Beyond the various operational problems detected, these funds are contributing to solve complex social conflicts. Yet, the costs of this policy determine that they must have low coverage in terms of the number of benefited families, and thus have a limited impact. Though the scope of private initiatives is also limited, the experience of the FEPP in Ecuador notes the role NGOs and international cooperation organizations could have in this area by making an effective contribution to the solution of this problem. The cases in Mexico (Rural Young Entrepreneur Program and Land Fund) and of the Federación de Cafeteros de Colombia are interesting because they are explicitly oriented to the settlement of young farmers without land and to the population over 65 years old. The INDUPALMA experience is also suggesting, it operates without subsidies and links the payment for land to a productive activity carried out under a vertical integration scheme with an agro-industry directly linked to the market. This case shows a path for those organizations that promote Inclusive Businesses in the region, because the achievements of INDUPALMA prove that the problem of access to land may be part of the strategy.

**Table 1. Land Funds in some Latin American countries**

Country	Program Name	Start Year	Hectares Bought	Number of families	Subsidy/beneficiary (in US\$)
Guatemala	FONTIERRA	1999	54,611 <sup>1</sup>	9,874	2,500
El Salvador	PTT	1992	91,000 <sup>2</sup>	32,000	1,800
Honduras	PACTA	2002	1,108 <sup>3</sup>	414 <sup>3</sup>	Up to 3,500
Chile	CONADI-FTA	1994	47,184 <sup>4</sup>	4,681 <sup>4</sup>	40,000 <sup>4</sup>
Ecuador	FEPP	1970	55,300	10,885	s.i.
México	Joven Emprendedor	2005	-	850 <sup>5</sup>	17,200 (buying)
	Rural y Fondo Tierras.				5,300 (leasing)
Colombia	INDUPALMA	2002	9,620	960 <sup>6</sup>	Market credit

Notes: 1: At October 2001; 2: Over a 4 years period (1992-1995); 3: At July 2005  
4: Between 2004 and 2007; 5: Rural youngsters trained in 2007; 6: Own estimation

The limits of both mechanisms – agrarian reforms and land funds – show the need to pay attention to the design of institutional schemes that promote land leasing. It is necessary to develop ways to access land that are politically more feasible, flexible and cheaper than the subsidized buying of land. To achieve a dynamic land market development it is essential to guarantee property rights and have institutional schemes to face conflicts for land. This is essential to promote any policy in land access, productive investment and environmental sustainability. Considering the importance for rural families of the possession of ownership titles, and the technological advances observed in this area (GPS, satellite cartography, other), one may wonder if it is feasible to propose ambitious goals to attain a substantial advance to set a difference in the next years.

### **3.3 Support systems are essential to agriculture**

Improving public management is essential to improve governance of natural resources in the region. All of the analyzed experiences evidence the importance of land tenure policies being part of wider political devices, hopefully expressed under the form of state policies, with a wide legitimacy base and a long term projection. On one side, it is essential to have a promotion system to support producers that have received land, and also thousands of small producers and minifundists that are compelled to compete under open economies schemes, with no state support. In that sense, the tendency to institutionally dismantle the Agriculture Ministries observed in many countries for some years must be reverted. This obligation implies that governments should engage in a trade off between investing their budgetary resources (always limited) in promotion public programs versus land policies, a decision undoubtedly complex and that finally depends on the local reality.

### **3.4 The importance of applying new governance schemes**

The experience review also points out the convenience of abandoning a unique scheme of governance applicable in any case, appealing to the population creativity in concrete social situations.

- Technocratic proposals to make institutional reforms must be avoided and the emphasis should be on wide dialogue and participation processes. As illustrated by the Central American experience, the participation of beneficiaries in the selection of land is a key for the good operation of land funds.
- The dichotomy between State and civil society is a false alternative that results in both areas operating in a separate way. The new approach must focus on strengthening the state along with valuating the contribution from non state organizations, seeking to establish strategic alliances among the actors.
- The examination of the mechanisms used to provide programs with greater governance points out the importance given to the operation of social networks based on self-regulation and cooperation schemes. Technical assistance cooperation schemes peasant-peasant, “snowball” method to select actors in a technological innovation program, micro-credit crossed systems, productive enchainment between producers and suppliers, social control mechanisms and operation by agro-industrial chains or by cluster, reveal new operation ways of the win-win type, which have proven to be more effective to obtain the desired results. All of these experiences share the fact that they mobilize local cognitive resources, profit from social capital, distribute power and promote self-responsibility, thus controlling corruption and improving effectiveness of public and private programs.
- The analysis of the national parks management experiences with the participation of local communities is operationally feasible and contributes to empower the preservation of the patrimony, contributing with cultural elements that enrich such management. To strengthen this line of work, the possibility of promoting these experiences under an Inclusive Businesses approach and other association

formulas among the state, the base groups, the NGOs and the private companies must be explored.

**Table 2. Governance criteria and experiences**

CRITERIA	EXPERIENCES	COMMENTS
Regulatory quality	Titling Program in Chile	Program persistently executed over time, supported by the juridical belief on land property
Voice and accountability	Parks in Costa Rica	Effective system for local communities participation in park management
Corruption control	Social Control in Chile/Mexico	Users participation is intended to reduce potential corruption problems and, at the same time, makes the application of public subsidies more effective
Action effectiveness	Indupalma in Colombia	The proper business management carried out by the organization of producers has allowed the effective advancement in land acquisition
	Horizontal Technical Assistance in Peru	Program that values local cognitive resources, allowing for an increase in coverage
	“Snowball” method in Mexico	Approach that values local cognitive resources to increase the impact of a technological innovation program
Public-private coordination	System-Product Committees in Mexico; National Commissions by Area in Chile	Mechanism to improve the coordination between the state and de private sector by agro industrial chain
	Inclusive Businesses in Ecuador	Program implemented by private companies in coordination with the government and the IDB
	Supplier Programs in Chile and Mexico	Program subsidized by the State to improve the integration between agricultural industries and suppliers
State View	State Policies in Chile, Honduras, Ecuador and Peru	Mechanism of dialogue to give strategic routing for the agrarian sector
	Agrarian Reform in Brazil	Process wit a wide political and social support
	Land Funds in Central America and Chile	Instruments aimed to solve civil conflicts (CA) or indigenous conflicts (Chile) and, thus, have been supported by political sectors of those countries

### **3.5 Confidence as a key factor to build the future**

Along with implementing these “new” governance mechanisms, we believe that it is essential to settle, in the region, the culture of dialogue, negotiation and social and political concordance to successfully face the huge challenges of governance, economic development and sustainability faced by all countries in the region. We have come to an historic moment where the different actors are beginning to understand that solutions must be thought, analyzed, negotiated and agreed among those involved in the development of the rural world. This verification is the main political inheritance from the International Conference on Agrarian Reform and Rural Development that took place in Brazil in march 2006, which “resounds” with other statements put forward at FAO (Participative and Negotiated Territorial Development) and by many people and institutions looking for a growing and more balanced development of the Latin American agricultural and rural sector.

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