



Foreign land acquisitions in Africa – An analysis of the impacts of individual land deals on local communities

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Abstract

The paper analyzed the impacts of foreign land deals on the local communities in which those projects are located in a number of African countries. The study aimed to critically investigate the extent to which those foreign land transfers impacted positively and/or negatively on the local communities. Out of all the six case studies analyzed, the overall pictures show that most of these land deals have impacted negatively to local communities. This has been evidenced by the fact that, in most cases, local peasant farmers lost their farming lands to the new land deals, with other households forced to relocated, while others lost their animal grazing areas. Additionally, very few affected people were meaningfully compensated. As way forward, the study recommends the following. First, local communities should be involved right from the start on any land deal project. Second, all potential benefits promised by the investors should be signed and have fixed periods upon which they are expected to accrue to the affected communities. Third, the promised benefits should be costed so that the potential beneficiaries can see the magnitude of such promised benefits. Last, there should be evaluations at interval years to see whether the promised benefits turned into reality.

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1 Introduction

Although foreign nationalities have been engaged in agriculture activities in Africa for many years, it is the scale at which the interest of these foreign entities over the last few years which has dramatically aroused a critical analysis of their motives years (Friis and Reenberg, 2010). This debate is also provoked by the fact that some (if not much of) the land leased by African government to foreigners was previously occupied by poor local and indigenous populations who have little control over such land transfers (Aryeetey, 2010).

These resource seeking (rather than market seeking) foreign direct investments (FDIs) in African agriculture sector have been driven by a plethora of reasons including the desire by investors to ensure food security for the citizens of their home countries, energy (biofuels) and industrial production (investment), high rates of return in agriculture, and increased conducive investment environment in the African continent (Tolossa, 2011; Friis and Reenberg, 2010; Cotula et al. 2009; Görge et al. 2009; Kugelman and Levenstein, 2009; and Smaller an Mann 2009), among other factors.

Whilst there is debate about the potential benefits and risks associated with foreign direct investment (FDI) in the form of large scale land acquisitions in African agriculture, there is limited systematic evidence of the actual impacts of such investments on the local communities in which those activities are carried out. As pointed by Ansoms (2011), a thorough analysis of the benefits and costs of investment injections through large-scale agricultural land acquisitions are still rare. This lack of evidence maybe be due to limited availability of detailed information and data on such investments (Gerlach and Liu, 2010) given that such transactions are highly opaque and few details are made available to the public (Kugelman and Levenstein, 2009). Thus, according to World Bank (2010:ix), ‘With little empirical data about the magnitude of this phenomenon, opinions about its implications are divided’.

Among the various purported benefits of FDI in the form of large scale land acquisitions in African agriculture includes: employment (job) creation, technology transfer, access to capital markets, productivity improvement, increased exports, more efficient marketing, adoption of high standards (quality), Infrastructure development, Positive impacts on balance of payments, additional tax revenues and food security

On the other hand, potential negative impacts include: displacements of households, local farmers lose their farmlands, loss of livelihood as land is given to foreigners, loss of biodiversity due to monoculture, increased high risky of pesticides (due to monoculture), land degradation and water pollution, and increased food insecurity.

It is important to note that most of these positive and/or negative impacts have been considered at macro or national level in most studies, with scant investigations at local communities’ level. Thus this study differ in that it will provide an analysis at local level by analyzing the impacts of individual cases of FDI in the form of large scale land acquisitions in a number of African countries. The impacts studied have been limited to the local communities in which these land deal activities are situated.

2 Study questions and objectives

2.1 Study questions

The following are the study questions to be answered:

- i.** What have been the positive and/or negative impacts of land deals to communities directly affected by them?
- ii.** What caused the deals to have positive and/or negative impacts?
- iii.** What policy implications at local community level can be gained from these individual case studies?

2.2 Study objectives

The following are the study's objectives:

- i.** Assessment of the positive and/or negative impacts of land deals to local communities directly affected by them.
- ii.** Analysis of the various attributes which contributed to the deals having positive and/or negative impacts.
- iii.** Policy implications at local community level can be gained from these individual case studies.

3 Methodology

The study was based on literature review of various individual case studies of FDI in the form of large scale land acquisitions in some African countries. Only case studies with clear local community impacts (positive and/or negative) have been analyzed.

4 Case studies

It is important to note that policy documents on large-scale land acquisitions in Africa rarely make a thorough analysis of the diversity of subgroups existing within the rural population as most analysis sticks to a differentiation between the 'poor' and the 'non-poor'. Nevertheless, Krishna (2009: 948) rightfully claims that "'the poor' does not constitute a valid category for analysis or action: it is no more than an article of speech'. As such, subgroups of poor have different identities, different material interests, different degrees of agency, and different interests with respect to land and natural resources (Vermeulen & Cotula, 2010). As a result, they have different needs in terms of policy design. Policy documents reflecting upon the opportunities and risks of large-scale land deals on the one hand, and institutional innovations that transform 'smallholders' into rural entrepreneurs rarely take this diversity of rural actors into account.

To this end, a rigorous investigation of the ‘new agriculture’ should not only stick to an estimation of the effects upon productivity, upon job creation, and – in the best case – upon overall income distribution. Rather, there is need for a much more detailed analysis of effects in terms of opportunities and threats to the socio-economic livelihoods, the agency, and the cultural identities of different local interests groups. Such analysis should furthermore consider the dimensions of time (short, medium and long-term) and space (local context, regional context, national context, supra-national context) (Ansoms, 2011). On the basis of such analysis, policy makers could then take that diversity of interests into account and weight them off against each other, and against the overarching objective of poverty reduction. This study therefore concentrates on various case studies from different African countries analyzing the impacts of large-scale foreign land grabs upon local livelihoods.

Whilst every effort has been exerted to pin down all the relevant impacts at community level, it should be noted that most land transfer deals including commercial bio-fuels projects in Africa are in early stages of development and therefore, in some cases, it may be too early for detailed assessments of the impacts of land transfers on food security and access to natural resources for specific local groups (Vermeulen and Cotula 2010: 902). Thus, the case studies presented here account for the impacts up to date (and some of the impacts may change in future).

4.1 Kabuye Sugar Works (KSW) in Rwanda

4.1.1 Brief background

Since 1997 to date, the KSW which is owned by Madhivani Group which originates from India was granted a land lease of approximately 3.150 hectares in the Nyabarongo swampland for 50 years. The land leased to the Madhivani was originally used by local peasants who used to cultivate diverse crops for their livelihood, food security and as a means to supplement their proceeds from the other pieces of land from the hills. Further, the local peasants were not consulted and properly informed about the whole transfer of land from them to Madhivani Group.

4.1.2 Positive impacts of KSW to local communities

The following are some of the positive benefits which are claimed to have accrued to the local community in which this KSW operates.

4.1.2.1 Employment¹

Since KSW started operating in 1997, the company directly employs 5000 to 6000 people as manual labour force to work in the sugar cane factory. When the indirect labour force is added, this number is assumed to be bigger.

¹ This employment figure need however to be treated with care as it is gross figure – it does not indicate how many local people were employed in the same land area before the land was tranfered to KSW.

4.1.2.2 Processing of sugar cane for private farmers

The Kabuye Sugar Works (KSW) claims that it processes sugar cane for 1200 – 1500 private farmers spread over the territory of 2200 hectares.

4.1.3 Negative impacts of KSW to local communities

4.1.3.1 Loss of farming rights

The 3000 hectares of land which was leased to KSW was not from ‘unused’ land, but rather it was taken away by the government from local peasants who were using that land to cultivate their variety of crops. Thus, local farmers were displaced from their land fields in favour of foreign land users.

4.1.3.2 Threat to food security

Loss of farming areas has been a threat to local farmers’ food security needs. Most farmers who were growing food crops for their subsistence requirements on the land which was leased to KSW are finding it difficult to produce the same amount of food they used to produce on their former fields.

4.1.3.3 Loss of livelihood

The local farmers lost their means of livelihood since some of these farmers were growing cash crops for sale so as to get income to buy other necessities.

4.1.3.4 No compensation for loss of farming rights

While the norm in most circumstances is that when land owners in a particular area are required to vacate that same land (whether physically or in terms of use), they should be compensated, this was not the case with the KSW. Rather, local farmers were never compensated, whether in kind or in monetary terms.

4.1.3.5 Police intimidation

Cases were reported to the fact that some of those who did not hand over ‘their land’ voluntarily were confronted with strong intimidation by the police and by local defense forces. As one peasant farmer claim, peasants were being put in prison or ‘chased’ from their swampland ‘by bullets’.

4.1.3.6 Lower wages

Whilst around 5000 to 6000 locals are employed in KSW factory, the wage rate that they get is relatively low. For instance, in 2007, factory labourers were paid 400 Rwf per day. This daily wage rate was even lower than when one works for another individual person. For example, in 2007, when working on other people’s plots as wage labourer, a physically

strong man earned up to 500 Rwf per day (work from the morning until 1PM). For women, and physically less capable men, the salary was 300 Rwf per day.

4.1.4 Conclusion

The KSW case study reveals that the large-scale land deal between the Rwandan government and Madhivani Business Group has been far from optimal in terms of securing local livelihoods. This is even recognized by the Privatisation Secretariat (2002: 6), stating that “the privatization of Kabuye Sugar Office and its purchase by KSW in 1997 has been cited explicitly as an example of an operation which instead of benefiting to the population, has made people poorer in taking their fields”. As a result of KSW land deal, thousands of peasant families lost access to their swampland plots. For some who cultivated cash crops or used their land to extract clay for brick-baking, this meant a loss in their monetary income-generating capacity. Others, who concentrated on subsistence crops and used the swampland plots as a safety-net in times of setback, lost an important risk-coping mechanism.

4.2 New Nigerian Farms in Shonga District, Kwara State (Nigeria)

4.2.1 Brief background

In an effort to pursue Kwara State Government’s goal premised on the understanding that the pathway to socio-economic development is to create a class of commercial farmers who will utilise the large expanse of arable land and equitable climate with which the State is endowed, the governor of the State invited foreign farmers into the area. It was in 2004 when the governor, with political support from the Federal Government of Nigeria and other donors that he invited a delegation drawn from the Commercial Farmers Unions of South Africa and Zimbabwe for a one-week fact-finding visit to Kwara State. The visit, which was paid for by the Kwara State Government, led to the signing of Memorandum of Understanding (MoU) in 2004 between the Kwara State Government and the Zimbabwean farmers (who suddenly became landless in the wake of the forced and violent land reform process in Zimbabwe between 2000 and 2002).

The main driver of transferring land to foreign investors was based on the fact that Nigeria’s small-scale sub-sector has been considered by many to have failed, notwithstanding the fact that imports are largely made up of wheat and rice, in response to changing preferences among the urban population.

Following the signing of the MoU in 2004, the Kwara State Government invoked the provisions of the Land Use Act of 1978 (which vests control of land in the state government) to appropriate 13,000 hectares of land from the local farmers in Shonga District. The land was then allocated 1,000 hectares to each of the 13 commercial farmers from Zimbabwe on a 25-year lease, in the first instance, and renewable thereafter, at no cost whatsoever to the farmers.

Unfortunately, thirty-three farming villages were found in the area ear-marked for the commercial farms. Here the local farmers were practising rotational (‘bush’) fallowing. They had their cultivated farmlands and their economic tress scattered amongst fallow lands. The large scale commercial farmers required contiguous farm sites and so some of the farm lands of the local inhabitants were appropriated by the state in order to create large contiguous tracts of land that were then shared out to the commercial farmers. To achieve this with minimum disruption of

local livelihoods, a ‘buffer zone’ was created around each village. The buffer zones extend 500 m from the edge of each village, and within them, the local farmers are allowed to continue farming.

It is interesting to note that no settlement has had to be relocated to make way for the commercial farms. Only those who desired more land than was available in the buffer zones have sought this additional land. About 120 persons have been provided with land in Farm 16. Such farmers do not move house, but commute to the new farm sites.

4.2.1 Positive impacts of New Nigerian farmers to local communities

4.2.1.1 Investments on the farms

The farmers invested heavily in land clearing, residential buildings and farm infrastructure such as on-farm roads, storage facilities, workshop, equipment, boreholes to supply water for household and farm uses, electricity generators and chicken and livestock pens (by the dairy and poultry farmers). Amenities such as boreholes have been helpful to the local communities.

4.2.1.2 Employment

Commercial agricultural activities in this area have substantially increased the demand for labour that has generated a significant income multiplier effect on the local economy. The size of direct employment on the farms is close to 3000 at peak period. Not only general labour has been demanded, but also a number of artisans and technicians who provide services on the farms and in the homes of the farmers for a fee.

4.2.1.3 Compensation

Unlike other land appropriations, financial incentives were used by the state to manage local resistance to land appropriation in Shonga District. By first quarter of 2011, total of US\$58,000² has been paid as cash compensation to 1,990 out of the 2,771 local people who were affected by land appropriation. They include those who gave up some of their lands under cultivation, or fallow lands, or both, to accommodate the commercial farms.

4.2.1.4 Reduced imports

Following the commercialization of the farms, Nigeria’s imports especially of powdered milk from Holland and China have declined as the new farmers have been producing and supplying the same products on the local market. Other crops such as rice, cassava and soybeans; and chicken which the commercial farmers produce are also in great demand by industries across the nation, thus reducing the need to import.

4.2.1.5 Impact on agricultural practices in Shonga District

Presence of commercial farmers in the area resulted in local farmers adopting better crop management, especially with regards to keeping the right seed population and timely weeding. In the area of improving the local cattle breed, some commercial cattle farmers have been working with a

² The question of whether this amount was ‘enough’ or not is outside the scope of this study

pastoralist who has a large herd to develop better milk-producing cows through careful selection over several generations. Lastly, some commercial farmers have impacted positively on the local pastoralists by providing a steady market for their milk. In this regard Shonga Dairies purchases approximately 150

4.2.2 Negative impacts of New Nigerian to local communities

4.2.2.1 Loss of farm land

More than eight local farmers lost their farm land through appropriation to the new commercial farmers. These local farmers used to grow crops such as-rice, maize, sorghum, yams, cassava, melon and ground nuts before the coming of the commercial farmers. Whilst they were given some pieces of land, most of them claim these new fields are small and there are scattered.

4.2.2.2 Loss of grazing pastures

The land appropriation in the area resulted in loss and/or restricted grazing pastures for pastoralists who used to previously graze their animals in the now new commercial farms.

4.2.2.3 Limited availability of natural resources

Following the vast clearing of large tracks of land, access to natural resources such as wood, wild fruits, grasses and rangeland have been limited if not completely removed in some parts of the farming surroundings.

4.2.3 Conclusion

Overall, most local farmers considered the New Nigeria farms in Shonga District to have impacted positively on the area. These local farmers cited employment of local people on the farms, provision of infrastructure in the district such as electricity, mobile phones, water from boreholes, and upgrading of Shonga township road as some of the positive developments. The local farmers however consider that the long term prospects for development in the District would be good, if and only if the State Government continues to invest in infrastructural development in the area.

4.3 Naunetsi Ranch Bio-diesel project - Zimbabwe

4.3.1 Brief background

The Nuanetsi Ranch was owned by Imperial Cold Storage Company of South Africa until 1989 when it was purchased by the Development Trust of Zimbabwe (DTZ)³. During the height of the country's fast track land reform program (FTLRP) Nuanetsi ranch became one area which could possibly absorb a large number of farmers although it belonged to a locally

³ The Development Trust of Zimbabwe is a local company that was formed by Zimbabwe African Peoples Union (ZAPU) political party to carryout investments on behalf of the party.

based trust⁴. DTZ however decided to offer part of the ranch for resettlement. A number of small holder farmers began to engage in cattle keeping. In 2008 DTZ went into a partnership agreement with a consortium of private investors to form Zimbabwe Bio-Energy (ZBE) with a view of establishing a bio-diesel project and other agribusinesses on the ranch. The joint venture terms between ZBE and the DTZ have given the company land utilisation powers but the land remains the property of the trust. As a result of this partnership, the peasants who settled themselves at the height of the land occupations have been regarded as illegal occupants by various players within the government, even though there was never a common voice from the government on the status of the resettled peasants. To date, although the project has started operating, it is not yet fully operational as it continues to face controversies and contentions.

The main reason behind establishing the bio-diesel project is the simple fact that Zimbabwe imports all of its fuel requirements, and as such, any opportunity that affords the country to potentially produce its own fuel will be supported by the government. As such, although this project was an agreement between private companies, the government threw its support, as much as possible to ensure that the project becomes a success, and that support continues even today.

4.3.2 Positive impacts of Naunetsi bio-diesel project on local communities

4.3.2.1 Employment opportunities

The sub activities, done within the project area, besides bio fuels production includes crocodile farming, cattle ranching, and game keeping. These activities have provided employment opportunities for some members of the local communities. For instance, in 2010, it was reported that the crocodile department alone had already created more than 2,000 jobs⁵.

4.3.2.2 Potential exports?

Preliminary estimates suggests that once fully operational, Nuanetsi ethanol plant will produce about 500 million litres per year, far more than what the Zimbabwean market is able to consume, making it another ideal export product for the country to benefit from.

⁴ Zimbabwean law dictates that indigenous property is protected from redistribution in the framework of fast track land reform. Because of the indigenous ownership of the Nuanetsi Ranch as a property of the DTZ, the land has never been acquired by government for redistribution or earmarked as such. However, this did not stop it from being invaded by the land hungry peasants.

⁵ www.zimsituation.com Zimbabwe Bio Energy sets the record straight regarding Nuanetsi Ranch Jan 16 2010). Accessed 28 December 2010.

4.3.3 Negative impacts of Naunetsi bio-diesel project on local communities

4.3.3.1 Eviction of farmers

Although the project's activities which include dam building, sugar mills and irrigation are being discussed, all involving significant displacement of people - including perhaps up to 6000 households from Naunetsi, what is currently known is that soldiers and police were (back in February 2009) given authority to evict a large number of farmers on Naunetsi ranch so that the project could take off. Some farmers however continued resisting their evictions.

4.3.3.2 Boundary conflicts

The project has also caused serious boundary conflicts between the traditional leaders of the areas involved. It is believed that Chief Chitanga who is also Chivi/Mwenezi senator who supports the project is campaigning for the removal of people under the jurisdiction of Chief Mpapa. This has caused serious resistance from Chief Mpapa and his people and this has caused a lot of violence as the farmers try to keep what they have.

4.3.3.3 Destruction of livelihoods

The evictions of farmers surrounding the area have destroyed the livelihood of most local farmers who lost their fields from which they used to plant both cash crops and food crops for their income generating and subsistence consumption.

4.1.4 Conclusion

Whilst the project has been considered as one of the biggest agrarian projects in the post 2000 period in Zimbabwe, the project's purported positive benefits are however arguably growing in the wake of the destruction of the livelihoods of many smallholder farmers and their families. In fact, there is a general sense among local communities of betrayal among the farmers as their political leaders, who hitherto had encouraged them to settle on the farms are now standing aside as they are threatened with eviction. In short, the Naunetsi case clearly reveals the role played by the politicians in alienating the peasants from the sources of livelihoods.

4.4 Chisumbanje bio-diesel project – Zimbabwe

4.4.1 Brief background

Although the Chisumbanje bio-diesel project was mooted as far back as the 1960s, it only started operating in 2009 following a build, operate and transfer (BOT) agreement between the Agricultural and Rural Development Authority (ARDA) and a multi-national private company, Macdom Investments Pvt Ltd. This project was developed following the stalling of the Naunetsi project which took time to take off due to the controversies surrounding it (and even today it is not yet fully operational as these controversies continue). Despite the fact that

the US\$600 million Chisumbanje ethanol plant is being carried out on government owned land, it has threatened the livelihoods and welfare of number villagers who live along the Sabi River. To make matters worse, local communities were not involved in the land deal, although a few selected political elites approved the project. If all projections go according to plan, the project is expected to produce 70% of the country's fuel needs⁶.

4.4.2 Positive impacts on Chisumbanje communities

4.4.2.1 In-kind compensation

Whilst the local communities, especially farmers were not involved from the start, the company running the project at Chisumbanje have tried to involve and compensate the farmers meaningfully. For example, Macdom Investment Pvt Ltd did set aside portions of land for smallholder farmers to engage in horticulture projects to compensate for their losses. The company also provides the farmers with irrigation services and gives them logistical support. Furthermore, some farmers are also contracted by the company to grow sugar cane which they sell to the company.

4.4.3 Negative impacts on Chisumbanje communities

4.4.3.1. Loss of farming land

Some local farmers had been using the now taken land as fields for their annual cropping in which they planted a variety of crops including maize, millet, sorghum etc for their survival and livelihood. However, following the agreement between ARDA and the private company, the land was no longer available to these farmers. As such, they did lost their farming land.

4.4.3.2 Displacement of households

A number of smaller holder farmers who had been using the land, especially on permanent basis had decided to settle permanently on some parts of the estate. Following the launch of the project, these local farmers were asked to leave to the pave way for the ethanol project.

4.4.3.3 Increased poverty

As reported by one newspaper, “Thousands of families are wallowing in abject poverty after their displacement⁷ from their communal lands to pave way for a bio-fuel project by the Agricultural and Rural Development Authority (ARDA) and Macdom Pvt Ltd outside the knowledge of local leadership”. The displacement of local community households has pushed some of them into poverty as they lost their means of viable survival.

⁶ <http://biofuelsdigest.com/bdigest/2011/09/21/zimbabwe-cane-ethanol-project-ready-to-distribute/>.

⁷ <http://www.zimeye.org/?p=30233>. (11 May 2011). Chisumbanje villagers in poverty after displacement by Rautenbach

4.4.4 Conclusion

Despite the fact that the owners of the project at Chisumbanje have tried to involve and compensate the farmers meaningfully, overall the local communities seems to have been affected negatively by the project.

4.5 New Forests Company (NFC) in Kilolo District (Tanzania)

4.5.1 Brief background

Kilolo is a hilly district is located in the Southern Highlands of Tanzania's Iringa region. It has a humid climate with favourable conditions for the cultivation of food crops such as maize, beans, potatoes, vegetables and fruits (Locher, 2011). Following a Danish project which encouraged the protection of natural forests and the establishment of community based tree nurseries in the 1990s, currently most households' plant timber on some of their plots. At the same time, high demand for timber in Tanzania and abroad has further attracted several investors from other Tanzanian regions, which lead to increasing plantations of pine, eucalyptus, cypress and other fast growing softwoods.

In 2006, the UK-based New Forests Company (NFC) was introduced to Kilolo district by the district's Member of Parliament. The company presented itself as sustainable forestry business driven by commercial timber economics (The New Forests Company 2011).

Since it started in operations, NFC has acquired land in six villages and is still in the process of acquiring more land in the same and few more villages in Kilolo district. Unfortunately, in most of the cases the acquired land involves holdings of individuals although some reserve village land is involved as well.

Overall, the way in which NFC acquired land in the Kilolo district has been marred with privacy and controversies as the local communities were not given full information at each and every stage, although they were sometimes invited to attend some of the meetings. The Kilolo local community claim that it is only a few politicians, including the local MP who knew what was really happening.

4.5.2 Positive impacts of NFC on Kilolo communities

4.5.2.1 Feeder road improvements

Since the company started its operational activities, it has significantly improved the feeder roads to the respective area. This is a positive development as the local communities can also use these roads to access other areas which previously used to be difficult to reach.

4.5.3 Negative impacts of NFC on Kilolo communities

4.5.3.1 Loss of land

A number of local farmers lost their land as it was taken away from them by government and given to NFC. This resulted in them losing their source of livelihood and survival.

4.5.3.2 Loss of grazing areas

Local peasants lost several disperse plots of grazing areas due to land transfer and this has resulted in them having to find grazing pastures in other neighbouring, but far villages.

4.5.3.2 Compensation?

Although some villagers were compensated, while other did not receive any compensation, those who received were not satisfied with the amount, and especially the lack of clarity about the size of the land.

4.5.4 Conclusion

The overall impacts as of now of the New Forests Company on the Kilolo local communities is that it has negatively affected many people, with little positive impacts on the local people.

4.6 Neumann Kaffee Group in Mubende (Uganda)

4.6.1 Brief background

Following government's leasing of land to a German coffee company, Neumann Kaffee Group, 401 families (approximately 2041 individuals) were forcibly evicted in August 2001. The evicted families were not adequately consulted during the land allocation process. Furthermore, during the eviction process the army demolished houses, destroyed property, and confiscated staple crops such as cassava and potatoes. With regards to compensation, the reality on the ground indicates that since the eviction, only 2% of the evictees have been compensated but not adequately.

4.6.2 Positive impacts of Neumann on Mubende communities

4.6.2.1 Employment?

As a result of eviction, some farmers/peasants were employed as casual labourers/day labourers by the coffee plantation. They receive 2000USH (about 1 USD) per day for a fixed amount of work. If the work has not been completed, they do not receive the money. Often therefore the labourers receive 1USD for two days work. Some workers reported waiting weeks before being paid. In other words, the Kaweri Plantation made the affected families dependent on wages by taking their land. Prior to the eviction they were able to work independently and earned significantly more than the wages they currently receive. Overall,

and as indicated by Action Aid commissioned study which was conducted by Margaret and Nuwagaba (2002), there has been a significant reduction in most people's income following the evictions.

4.6.2 Negative impacts of Neumann on Mubende communities

4.6.2.1 Loss of farming plots

Most of those evicted are still living on the border of the plantation and it remains uncertain whether they will be allowed to stay there. After being chased away from their former land, now they just have small plots of land, some of them in un-fertile areas.

4.6.2.2 Loss of means of livelihood

After losing their land, the affected families now have small plots of land for farming that are insufficient to provide their families with food for the whole year. As one of the evictees noted, 'having no land for us means to have no food'.

4.6.2.3 Property destruction

Since the army was employed to effect the eviction of the affected households, rather than asking the victims to pack their property, the army rather demolished houses, destroyed property, and confiscated staple crops such as cassava and potatoes. Thus, many people, besides losing their land, also lost property and had to start again looking for new sets of property during these difficult times.

4.6.2.4 Loss of access to water

Before the displacement, nearly two thirds of the people could get their water from boreholes. However after the evictions, currently only a fifth has access to the boreholes while half of them have to rely on unprotected wells. While the project has created a new water pump, the safety of the water has been questionable given that it was once found to be contaminated with potentially dangerous concentration of iron.

4.6.2.5 Loss of access to health care facilities

Prior to the eviction, the families could access relatively well-stocked private pharmacies, now most of them depend on the public dispensary which is 15 kms away. As a consequent of the hygiene situation, death rates have increased significantly

4.6.2.6 Limited access to education

The eviction led to the closure of the high quality primary school in the area, which implied a disruption of educational services for the affected families. The new school constructed later does not have the same quality of infrastructure than the lost one. In addition to this

immediate impact, school dropouts have increased. This is due to several factors that include the inability of the affected families to pay the fees and the distance to the new school.

4.6.4 Conclusion

In summary, the operations of Neumanna Kaffee Group in Mubende area have impacted negatively on the people of this community.

4.7 Overall findings

Whilst it may be too early to judge the potential impacts of most land deals on the African continent on the local communities in which they carry out their activities, as of now, it can be safely concluded that most of these land deals have impacted negatively to local communities. As has been shown, in most cases, local peasant farmers lost their farming lands due to these land deals, with other local farmers were forced to relocated (though with no compensation), while other locals lost their animal grazing areas. Again, whilst most land deals promised compensation to the affected households, from the cases studies presented in this study, in general, most affected local families did not get any compensation despite the fact that their land was taken even more than five years ago. Table 1 provides a summarized version of the analyzed impacts in a compact form for each of the six investigated land deals.

Table 1: Summary of foreign land deals impacts on local communities

Name of Project	Kabuye Sugar Works (KSW)	Kwara State	Naunetsi	Chisumbanje	Kilolo District	Neumann Kaffee
Impacts of Project						
Positive impacts						
Employment (job) creation	Yes	No	No	n/a	Yes	No
Increased exports	n/a	Yes	n/a	n/a	n/a	n/a
Infrastructure development	n/a	Yes	n/a	n/a	Yes	n/a
Negative Impacts						
Displacements of households	Yes		Yes	Yes		
Local farmers lost their farmlands	Yes	Yes	Yes	Yes	Yes	Yes
Lose of livelihood	Yes	Yes	Yes	Yes	Yes	Yes
Increased food insecurity	Yes		Yes			
Los of grazing areas		Yes		yes	yes	
Compensation	No	Yes	No	Yes	?	
Increased poverty	Yes	Yes	Yes	Yes	Yes	Yes
Destruction of property						Yes
Overall Conclusion	Negative	Positive	Negative	Negative	Negative	Negative

Source: Author compilation

Key: 'n/a' – means information not given on this issue

5 Lessons learned and policy recommendations

This section provides the lessons learnt from the various case studies presented in this paper and provide policy recommendations based on the learned lessons

1 *Lack of consultations with local people*

From the case studies, most, if not all land deals were mostly between government (whether local governments or national governments) and the foreign company, without serious involvement of local communities right from the start. As such, most of the analyzed land deals have not delivered meaningful benefits to the affected communities. This simply emanates from the fact that lack of involvement of local people from start means also that planning of such investments did not take localized or home-grown approaches for helping the local communities into consideration.

Policy recommendation – To ensure that land investment deals maximize the benefits they can offer to the affected communities, there is need to involve those communities right from the start. The communities should be asked to propose possible ways in which such investments can benefit them.

2 *Purported benefits to be treated with care?*

Most land deals were presented for acceptance to the local communities as benefiting the local people by flashing some of the ‘potential’ benefits such as employment, and social infrastructure development (schools, clinics, etc), among others. However, for most investors, once they got those land deals signed, they ‘forgot’ to bring those promised benefits to the communities.

Policy recommendation – To ensure that such promised benefits are concretized and that the foreign investor companies are held accountable, the local communities should insist for at least two attributes: (i) that all promised benefits should be concretized by putting them on paper and signed and (ii) the promised benefits should be costed (in the case of employment, minimum number of people to be employed per annum should be indicated) so that local communities get an idea of the magnitude of the promised benefits,

3 *Benefits should be tied to time periods*

Most land deals projects are generally vague when it comes to the time period for which the promised benefits are supposed to start accruing to the affected local communities. Thus, most investors take advantage of that lack of clarity and continue to promise the same benefits even 10 years after the project has already started.

Policy recommendation: The promised benefits should have fixed time periods on which the affected local people should expect to start positively benefiting from such projects. For instance, if the project promises to employ say 200 people from the local community, it should be stated whether these people will be employed on

permanent basis; or whether they will be employed six months after the project has commenced etc.

4 *Continuous project monitoring and evaluation*

Since most revealed case studies have impacted negatively on the local communities to date, as way forward, the following recommendation should be considered.

Policy recommendation: There should be a clause which forces the investor and local communities to (independently or jointly) review provision of promised benefits at agreed intervals, say after every 5 years. To ensure that the investors are held accountable, especially to the benefits which they promise the local community, the investor and the local communities should, a priori, agree to the targeted benefits, and the necessary measures which can be taken should the investor fail to bring the promised benefits to the affected communities. Unless, the investor is made to account and forced to deliver the benefits he/she promise to the local communities, the affected local people will continue to be negatively impacted, while the investor will be enjoying his/her profits from the 'new' land as long as the project lasts!!

6 Conclusion

The study investigated the impacts of foreign land deals on the local communities in which those projects are located in a number of African countries. Specifically, the study analyzed the extent to which those foreign land transfers impacted positively and/or negatively on the local communities. Overall, the presented case studies show that most of these land deals have impacted negatively to local communities. As has been shown, in most cases, local peasant farmers lost their farming lands to the new land deals, with other households forced to relocate, while others lost their animal grazing areas. Over and above that, very few affected people were meaningfully compensated.

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