



Social and Environmental Impacts of Agricultural Large-Scale Land Acquisitions in Africa—With a Focus on West and Central Africa

Rights and Resources Initiative

Supporting forest tenure, policy, and market reforms

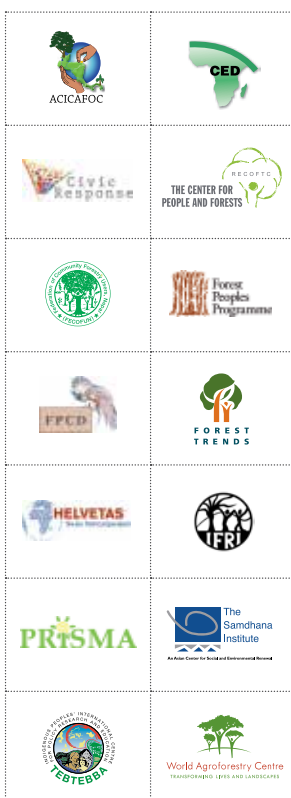
SUMMARY

This brief attempts to go beyond databases on the extent and trends of Large-Scale Land Acquisitions (LSLAs) to review the evidence on the social and environmental impacts of LSLAs in Africa, with a particular focus on West and Central Africa (WCA). The objective of a longer paper, from which this briefing is drawn (Richards, 2012), was to document impacts. Most reports in the LSLA databases, such as that of the International Land Coalition (ILC), focus on the expected or predicted social, governance and environmental impacts, but relatively few report on what has actually happened, who has been affected and how. This is because most of the reports are prepared before the implementation stage has been reached, and often before a deal has been reached. This review of eighteen agricultural LSLAs case studies draws entirely on secondary data sources, which were purposively selected from the relatively few cases reporting actual as opposed to predicted impacts. Most of these are from the recent ‘African land rush’. That only eighteen cases could be found with a minimum of impact data reflects both the newness of attention to the problem and the fact that many LSLAs have not yet been implemented.

Key findings on the impacts of LSLAs include:

- The main tenure effect has been direct or implied expropriation of customary rights in the way that the State has exerted its tenure rights over land and resources involved in LSLA deals;
- Customary rights holders are marginalized in multiple ways—through weak consultation, lack of a consent process, inadequate compensation and the failure of promised new jobs to materialize;
- Conflicts, sometimes violent, between communities and companies, as well as intra-community tensions, are common;
- Traditional leaders with decision-making authority over land and resources have often approved LSLA agreements to their own economic and political benefit, but at the cost of the majority of rights holders;

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- Virtually unlimited water rights have been granted to LSLAs with severe downstream livelihood effects; and
- Various other adverse social, cultural, institutional and environmental impacts discussed below.

This review also revealed a key research gap as regards the comparison (for example, as regards agricultural productivity) of LSLAs and alternative tenure or economic models, such as smallholder agriculture, based on secure tenure and community-company collaboration options like outgrower schemes. This analysis is urgently needed so policy makers can assess the real costs and benefits of LSLAs and their alternatives.

INTRODUCTION

There are many reports on the causes, process and probable impacts of LSLAs in Africa and other developing regions (e.g. Anseeuw et al. 2012, Odhiambo 2011). An LSLA is defined here as being above 1,000 hectares. The focus of this report is on ‘actual’ as opposed to predicted impacts of LSLAs in West and Central Africa (WCA), but includes some additional case studies from East Africa where LSLAs have been widely reported.

The 18 case studies summarized here are neither a representative nor random sample. Rather they are those that best document social and environmental impacts. Most of the cases analyzed paint a rather negative picture. It is unclear whether this is due to a bias towards reporting negative impacts, or whether this group of case studies is a fair reflection of reality. Every effort was made to find a positive or good practice LSLA example to provide balance, but these were unsuccessful.

For assessing the impacts of the LSLAs, a classification system was derived from the combination of a poverty-based analytical framework (OECD 2007) and the ‘land governance’ classification system employed by the International Land Coalition (ILC 2012), resulting in four categories of impacts:

- Tenure (land titles, land and resource access, and related bundles of rights)
- Land governance impacts, including effects on rights, political capabilities and conflicts
- Livelihood and poverty impacts:
 - » Economic and protective capabilities: effects on the ability of poor women and men to practice livelihoods and adopt coping strategies
 - » Human and socio-cultural capabilities, including effects on health, education, culture, community cohesion and other forms of social capital
 - » Political and governance capabilities (beyond the land governance process)
- Environmental impacts

While the LSLAs case studies are rich in information on local social impacts, they provide relatively little information on the national impacts or macro-economic benefits. Further, they are of variable quality and provide inconsistent information (e.g. changes in tenure status, land use and livelihoods).

TABLE 1: Estimated LSLA areas in selected African countries (000 hectares)

Source	World Bank: Deininger et al. 2011	GIZ: Görden et al. 2009	IIED: Cotula et al. 2009
Time period:	2004-2009	2009	2004-2009
Country:			
Ghana			452
Liberia	1,602		
Mali		160	163
Nigeria	793		
Ethiopia	1,190		603
Madagascar		1,702	803
Mozambique	2,670		

Source: Cotula (2012).

SCALE AND TRENDS OF LSLAS IN AFRICA

The most extensive database on LSLAs is maintained by the ILC. From this database we learn that 625 cases out of 1217 on the database were considered “reliable”, and of these, 36 percent were signed land deals, and 32 percent were being implemented (Taylor 2012). Comparative analysis is complicated by differences in the sources’ definitions of the minimum size of an LSLA, and at what point a potential deal becomes an LSLA. Data from media reports tend to be overstated as compared to research-based figures (see Table 1) (Cotula, 2012). In Africa, the real scale of LSLAs remains elusive because: many reported deals do not have signed leases; few land deals have started implementation; many LSLAs are later abandoned with poor information on what happens to that land; different definitions of ‘large-scale’; and some deals involve takeovers of existing farms rather than new or ‘greenfield’ investments.

Another aspect of the recent African land rush is the importance, especially in WCA, of ‘Small-Scale Land Acquisitions’ (SSLAs) by local or national elites, as opposed to national companies or investors acting on behalf of international companies (although this is also very important). For example, a survey of 99 land investments in Benin, Burkina Faso, Mali and Niger found that 95 percent of land deals were by national investors with an average size of 85 hectares, over half of them less than 50 hectares (Hilhorst et al 2011). Another probable trend is that the African land rush has slowed after its peak in 2008 due to such factors as the global financial crisis, grass-roots resistance and socio-political crises in countries such as Libya and Mali.

CHARACTERISTICS OF LSLA CASE STUDIES

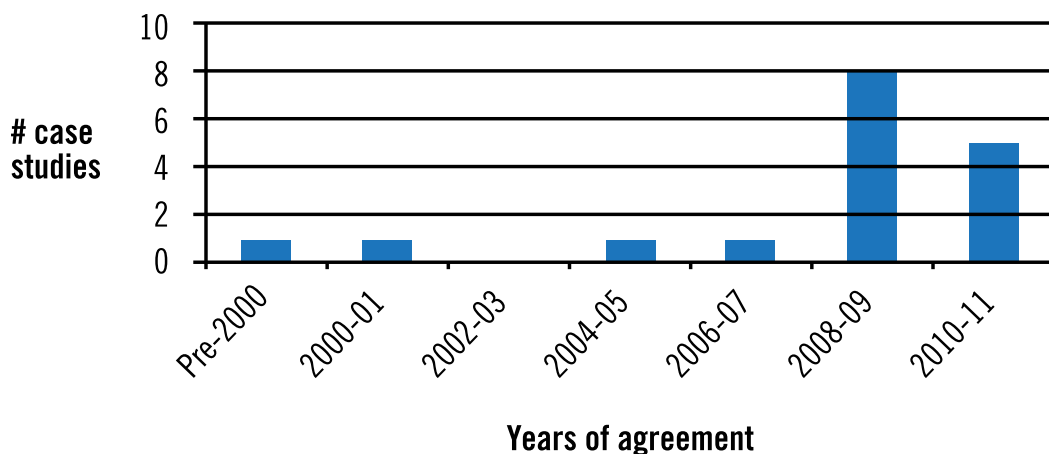
The main characteristics of the 18 LSLA case studies are presented in Table 2, and can be summarized as follows:

- Most (14) of the case study LSLAs have been negotiated after 2007 (Figure 1);
- Most (12) were between 5,000 and 100,000 hectares in size (Figure 2);

- All of the case studies involved customary land tenure to some extent. Community tenure was more formalized or stronger in Ghana, Liberia, Mozambique and Tanzania, although this proved of little protection to rights holders (Figure 3);
- As regards previous vegetation or land use, half of the case studies were predominantly agricultural landscapes, six had significant areas of forest, woodland or bush-fallow, and three were marshland or swampy areas, two of them containing farms (Figure 4); and
- The proposed or actual land uses of the LSLAs were as follows: four oil palm plantations; four biofuel plantations, in three cases from jatropha and in one case ethanol from sugar; two sugar cane plantations; three cereal plantations; two producing a range of annual crops; one vegetable growing business; a timber plantation; and a logging operation (Figure 5).

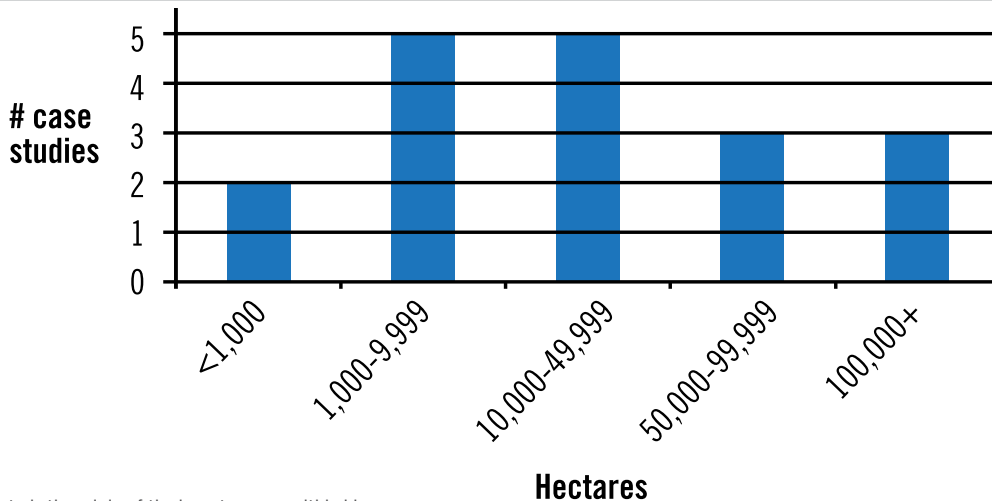
The LSLA investors were mainly from Europe (9), the US (3), other African countries (2) and home governments (2) (Figure 6).

FIGURE 1. Years when LSLA case studies agreed (n = 17*)



* In one case study, the data was not available.

FIGURE 2. LSLA case study areas (n = 18)



* In one case study the origin of the investors was withheld.

FIGURE 3. Former tenure type in case studies (n = 18)

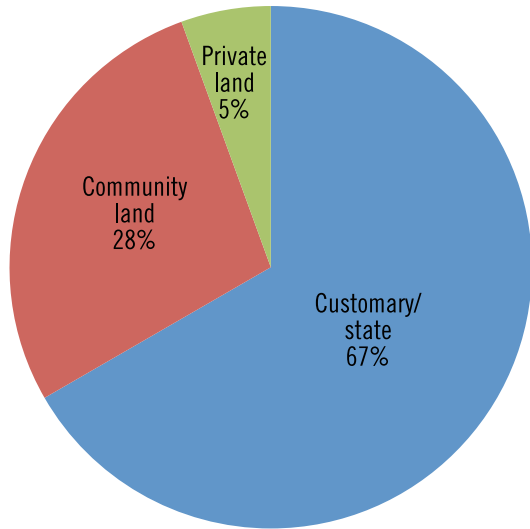


FIGURE 4. Former land use in case studies (n = 18)

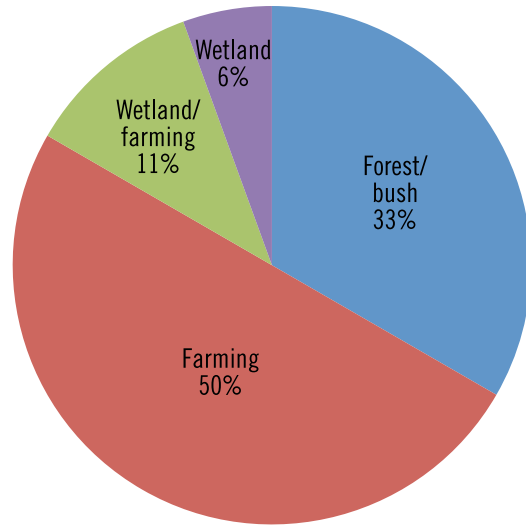


FIGURE 5. Proposed land use in case studies (n=18)

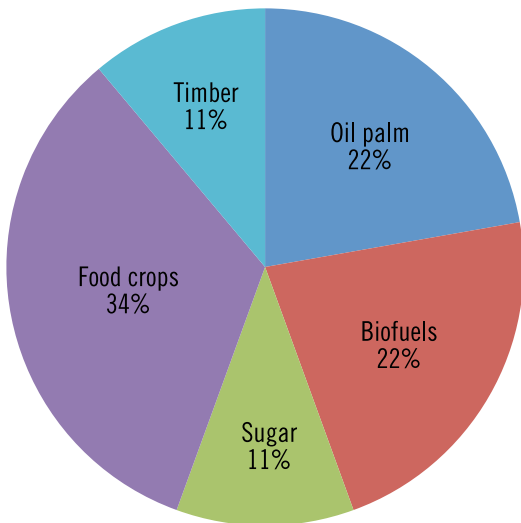


FIGURE 6. Origins of main investor(s) in LSLAs in case studies (n=17*)

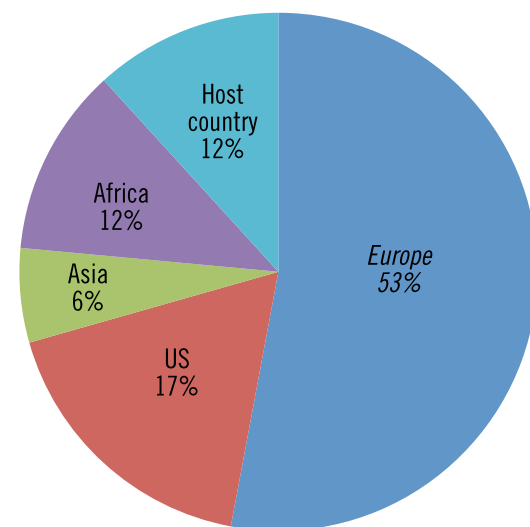


Table 2. Main characteristics of the 18 LSLA case studies

Case study	Project name	Country	Year LSLA	Area Hectares	Proposed land use	Former land use	Former tenure	Origins of investors
1	SOCAPALM oil palm	Cameroon	2001	62,000	Oil palm & rubber	Mainly forest	Customary/state	France/ Belg./ Singap.
2	Herakles oil palm	Cameroon	2009	73,086	Oil palm	Forest & bush-fallow	Customary/state	US
3	Biofuels plantations	Ghana	2008	14,000	Jatropha	Forest, bush-fallow, crops	Community land	Withheld
4	Prairie Rice	Ghana	2008	1250*	Rice	Farming, fruit on commons	Community land	US/Ghana
5	Atlantic Resources	Liberia	2010	840,000	Logging & oil palm	Forest	Community land	Malaysia
6	Malibya rice project ¹	Mali	2009	100,000	Irrigated rice	Vegetables, fruit, millet	Customary/state	Libya
7	Moulin Moderne	Mali	2010	20,000	Wheat	Millet, fruit trees	Customary/state	Mali
8	ProCana sugar cane ²	Mozambique	2007	30,000	Sugar cane – ethanol	Maize, cash crops, cattle	Community land	UK/Mozambique
9	Chikweti plantations	Mozambique	2009	30,000	Pine & eucalyptus	Forest/marshland, firewood, “masuku” fruit, NTFPs	Customary/state	Swedish ethical fund
10	Kabuye Sugar Works	Rwanda	1997	3,150	Sugar cane	Swamp: food/cash crops	Customary/state	Uganda
11	Agribusiness projects	Senegal	n.r.	610	Tomato/sweetcorn	Mainly unused, marshland	Customary/state	Italy/UK/France/Moroc.
12	Addax sugar cane	Sierra Leone	2010	20,000	Sugar cane	Rice, other crops	Customary/state	Switz., Afric. Dev. Bank
13	Quifel Agrobusiness	Sierra Leone	2009	126,000	Oil palm	Food crops, palm oil	Customary/state	Portugal
14	Socfin plantations	Sierra Leone	2011	6,500	Oil palm/rubber	‘Prime agricultural land’	Customary/state	Belgium/ France
15	Sun Biofuels	Tanzania	2009	8,211	Jatropha	Miombo – timber, firewood	Village Land	UK
16	Agrisol agribusiness	Tanzania	2009	80,000	Crops/livestock	Wetlands, vgs., tobacco	Customary/state	US/Dubai
17	Nansanga Outgrower	Zambia	2011	9350	Various crops	Various – productive land	Customary/state	Zambia
18	Macha Mission	Zambia	2005	200	Jatropha	Range of food & cash crops	Private land ³	Netherlands

1 Currently suspended due to the Libya crisis.

2 This LSLA was cancelled but the land was subsequently declared as available to other investors willing to follow government guidelines.

3 The land belonged to a church mission but had customary claims dating back to 1906.

TENURE AND LAND GOVERNANCE IMPACTS

- Expropriation of customary property and usage rights and loss of access to productive land or cultivated areas for the duration of the lease (30-99 years), and possibly beyond and with very low or zero (half the cases) compensation;
- Absence of consultation or consultation primarily restricted to traditional chiefs and sometimes heads of household prior to approval of the LSLA in most cases;
- Use of forged, misleading or illegal documents in the consultation process;
- Cases of coercion and broken agreements with communities; and
- Recurrent protest, clashes and sometimes court cases because of all the above.

LIVELIHOOD AND POVERTY IMPACTS

Economic and Protective Capabilities

- Loss of access to food, forest resources and related income resulting from lost access to productive land and common pool resources (e.g. forest, woodlands and pasturelands);
- Absence of compensation in half of the cases. Where compensation was paid, it was low and inefficient distribution mechanisms tended to result in social conflict;
- Significantly fewer jobs provided than promised by the investors, most of them low paid and/or taken by outsiders; and
- Negative impacts on women and the landless due to loss of access to the commons.

Human, Socio-Cultural and Political Capabilities

Because most of the LSLA deals did not respect customary rights and were based on flawed consultation processes, they resulted in a range of negative livelihood, socio-cultural and political consequences, including:

- Increased intra and inter community conflicts over resources (7 cases);
- Physical violence to people and/or property (6 cases);
- Displacement or migration (6 cases);
- Negative impacts on health or health services (3 cases);
- Destruction of graveyards (2 cases) and threats to sacred sites (2 cases); and
- Devastation of the habitat and culture of several hundred indigenous (pygmy) people in one case study (#1 in Table 2).

More positively, a combination of grassroots resistance and NGO support has strengthened the political capability of vulnerable groups in some countries, as described in Box 1.

BOX 1. EMERGING CIVIL SOCIETY MOVEMENTS IN RESPONSE TO LSLAS

In the Office du Niger area of Mali, farmer organizations denounced the situation and organized meetings in 2010 and 2011 to mobilize resistance after the army was brought in to support an investor. These struggles attracted the support of the NGO Via Campesina. The latter helped grassroots organizations develop a plan of action including policy and technical training, alliances with the media to lobby for tenure and policy reforms, and establishing legal support systems and watchdog units.

In Sierra Leone, 90 farmers affected by LSLAs met in 2012 with help from the NGO Green Scenery. They demanded a moratorium on new deals, and launched 'Action for Large-Scale Land Acquisition Transparency' (ALLAT). This is comprised of civil society organizations and grassroots groups, and aims to monitor LSLAs and sensitize communities to the dangers.

Sources: Inter-Réseaux 2011, Oakland Institute 2011a, Oakland Institute 2011b

ENVIRONMENTAL IMPACTS

- Reported deforestation in seven cases of LSLAs, including one involving high conservation value (HCV) forest (case study #2). This has implications in terms of biodiversity loss, soil erosion and carbon emissions;
- Disruption of the quality and seasonal quantity of water available to people and their productive activities – many LSLAs also tend to be 'water grabs'; and
- An Environmental Impact Assessment (EIA) was mentioned in only four cases in spite of it being a legal requirement in most countries, and in no case was one seen by communities before a land deal.

BOX 2. NEGATIVE EXTERNALITIES OF WATER EXTRACTION IN THE OFFICE DU NIGER AREA, MALI

Many groups depend on seasonal flooding in the Niger Delta: Bozo people for fish, Fulani herders on the bourgou grass, and others who grow millet or eat grass if the millet crop fails. The Delta is also hugely important for biodiversity. But it is not as wet as it was. Most blame upstream irrigation facilitated by the Office du Niger which claims to have 2.5 million hectares "available for development". Likely investors were from Libya, Saudi Arabia, China and Burkina Faso.

It is estimated that current irrigation in the Office du Niger area removes 70 percent of the dry season flow. Together with drought and an upstream hydro dam, this has killed several formerly flooded forests and half the bourgou grass. If current irrigation plans go ahead, including a Chinese sugar project, water offtake could rise from 188 m³ to 445 m³ per second, and cause 20 percent of the Delta to dry out, resulting in virtually no water flow in the dry season, and drastic declines in forest, fish and bourgou. For each person benefiting upstream, it is estimated that about four people in the Delta would lose their livelihood – women and the poorest are most vulnerable.

Sources: Hertzog et al 2011, Pearce 2012, Wetlands International 2010, Woodhouse 2012

CONCLUSIONS AND RECOMMENDATIONS

Social, Governance and Environmental Impacts

This review of LSLA case studies revealed a generally negative set of impacts – the most pervasive of these were:

- Tenure impacts: LSLAs have resulted in conversion from customary to state tenure for leasehold periods ranging between 30 and 99 years (average 54 years) between governments and lessees;
- Minimum consultation, transparency and doubtful legality, often accompanied by coercion, political pressure or deception, which in turn has led to violent protests or clashes, some arrests, court cases, and in three cases, doubts in the legality of the LSLAs;
- Traditional authorities or chiefs often have a key role in land deals, and tend to put personal interests first;
- Minimal or no compensation and/or rental payments to displaced customary rights holders;
- Disappointing levels and conditions of employment in the new agricultural enterprises;
- Adverse effects on women and pygmies, both previously highly dependent on the commons;
- Adverse social and cultural effects, including abuse of sacred sites, disruption of social networks, and impeded access to health and education services;
- Weak early delivery (in the life of LSLAs) by companies of promised social infrastructure and services, suggesting that longer term benefits may be disappointing;
- Increased intra- and inter-community conflicts arising from LSLAs, often associated with increased competition for the remaining farmland, and erosion of social capital;
- Severe effects on downstream livelihoods arising from the almost unlimited water extraction rights often granted to LSLAs;
- Significant deforestation and damage to wetlands; and
- Failure to undertake environmental and social impact assessments, and when carried out, to make them available to local stakeholders.

More positively, in Mali and Sierra Leone at least, new civil society led networks have emerged with the aims of sensitizing communities to their rights and to potential dangers of LSLAs, and lobbying governments for policy and regulatory reforms.

Policy and Research Implications

The main policy implications of this research are firstly the need to recognize and support the customary property rights that underpin rural livelihoods in most of Sub-Saharan Africa, and secondly to greatly improve the governance basis of LSLAs especially around their transparency and informed consultation and consent processes, with the eventual goal of mandatory free prior and informed consent (FPIC) by customary land holders. African governments should also aim for a more informed decision-making basis to their rural development policies; the apparent preference for the 'LSLA model' in some countries may

be based on some mistaken assumptions, such as its relative agricultural productivity compared to smallholder agriculture. See, for example, research from Burkina Faso (GRAF 2011). In order to convince governments to engage in the necessary regulatory and policy reforms there is therefore a need to go beyond exposing local social and environmental impacts – the focus of most LSLA reports – to assess broader national economic impacts. Economic research is needed to generate a robust comparative analysis of LSLAs and alternative development options such as smallholder agriculture (based on secure tenure) and outgrower schemes. Such research should include agricultural productivity, contributions to tax revenue, economic growth and net job creation, as well as poverty indicators.

Some Recommendations for Going Forward

Research is also needed on:

- The impacts of non-agricultural LSLAs (mining, tourism, etc.), as these are currently very poorly documented;
- The impacts of Small Scale Land Acquisitions (SSLA)s given their rapidly growing importance in the WCA region; and
- The rates and consequences of abandonment of LSLAs.

Other recommendations from this study include the need for:

- Increased support for civil society led alliances and networks;
- Independent certification of LSLA contracts and compensation;
- Mainstreaming into national legislation the 2011 Nairobi Action Plan on Large-Scale Land-Based Investments in Africa and other Africa Union guidelines;
- Checks on the powers of traditional authorities over land tenure decisions;
- Strengthened ex ante social and environmental impact assessment and monitoring; and
- Stricter regulation and increased transparency of water extraction by LSLAs.

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RRI is a global coalition of 14 Partners and over 120 international, regional, and community organizations advancing forest tenure, policy and market reforms. RRI leverages the strategic collaboration and investment of its Partners and Collaborators around the world by working together on research, advocacy and convening strategic actors to catalyze change on the ground.

RRI is coordinated by the Rights and Resources Group, a non-profit organization based in Washington, D.C. For more information, please visit www.rightsandresources.org.

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