

NGO accuses EU company of illegal African land grabs

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European food companies are illegally grabbing land from smallhold farmers in Africa as part of the G8 New Alliance project, says an Action Aid report published this month.

Funded by the EU, European and US governments, the [New Alliance for Food Security and Nutrition](#) promotes public-private agricultural partnerships with the aim of improving food security. An estimated €7.57bn will be invested in 10 African partner countries as part of the project.

Yet Action Aid conducted an [investigation](#) into one of New Alliance flagship projects - [Swedish company EcoEnergy](#)'s plans to develop a sugarcane plantation in Tanzania – and has condemned it as an illegal land grab.

The NGO said that similar land grabs have also happened in Nigeria and Mozambique to make way for rice and sugarcane plantations.

EcoEnergy

EcoEnergy has secured a 99-year lease of more than 20,000 hectares of land for a sugar cane plantation in the Bagamoyo area of Tanzania. In the first phase of the project around 1,300 people will lose all or some of their land, while some will also lose their homes.

Although the company conducted consultations with affected villagers, Action Aid claims that the majority of people were not offered a choice of whether to be resettled or not.

The NGO also claims that during the consultations EcoEnergy withheld crucial information about how the project will change farmers' livelihoods.

"By failing to obtain the free, prior and informed consent of the communities in the area affected by the project, EcoEnergy is grabbing the land of these communities," said the report.

The report also condemned the risky outgrowers scheme that farmers are expected to buy into, requiring them to borrow around €15,000, roughly 30 times their annual salary.

In a response to Action Aid, EcoEnergy said that locals were given the chance to negotiate terms but confirmed that they had no choice but to accept resettlement.

"This is involuntary resettlement and choices provided are not 'whether they should stay or go', but through a consultative process and a negotiated agreement of how they resettle."

The company also claimed that the project will inject US\$45 to \$50 million a year into the local economy, although Action Aid said this estimate is inflated and that the company has on previous occasions given *"misleading information"* about the project's finances.

Policy mismatch

While a 2009 OECD report stated that *"contract farming appears to be the main road towards making African agriculture more market-oriented"*, for Action Aid director Yaekob Matena it means discrimination and less food security.

Metena called for governments to stop supporting the initiative.

"Despite the positive noises from Brussels, the early indications suggest that [New Alliance is] on course for an EU development policy mismatch that pits the interests of large multinational agribusinesses against those of the small regional farmer they aim to help," he said.

"EU governments and other donor agencies must practice what they preach when it comes to joined-up, coherent development. This means taking a far more hands-on approach to ensuring projects involving the private sector are genuinely fair and inclusive. It also means attaching stringent conditions to funding, including criteria for safeguards, accountability and transparency."

Not a new issue

Action Aid's report echoes concerns voiced in an Oxfam review last September which also condemned agricultural public-private partnerships (PPPs).

"PPPs are by and large unproven and risky, and are likely to skew the benefits of investments towards the privileged and more powerful, while the risks fall on the most vulnerable," it said.

EcoEnergy was not available for comment