63A%2F%2Fejatlas.org%2Fconflict%2Fmarkala-sugar-project-sosumar-illovo-sugar-refinery-in-cercle-de-segou-mali)

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efinery-in-cercle-de-segou-mali)

# Markala Sugar Project: SoSuMar/Illovo sugar refinery in Cercle de Segou, Mali

#### **∨** Description

In 1999 USAID contracted the US company Schaffer and Associates to undertake a feasibility study for a sugar refinery in Malis Office du Niger. Schaffer subsequently formed the Société Sucrière de Markala (Sosumar) with African sugar giant Illovo, a subsidiary of Associated British Foods, as the majority owner. In 2007, Schaffer, Illovo and the Government of Mali signed a contract allocating Sosumar a 50-year lease (renewable) on 17,000 ha of land for sugar-cane plantations, but the Office du Niger map shows a total of 39,538 ha. Illovo said the projects implementation remains dependent upon the Government of Mali fulfilling certain undertakings while a US Embassy cable released by Wikileaks in 2009 indicated that the delay was due to competing claims to the land by another sugar refinery in the area, owned by China Light Industrial Corporation for Foreign Economic and Technical Cooperation (CLETC). On May 28th, 2012, Illovo discontinued their involvement with the project, publicly citing concerns of political instability and the 'deteriorating security situation' in Mali. Local people still cannot farm the lands because it remains fenced and continue to protest industrial farming in the region.

See more...

#### **→** Basic Data

#### Name

Markala Sugar Project: SoSuMar/Illovo sugar refinery in Cercle de Segou, Mali

# Country

Mali (/country/mali)

#### Province

Cercle de Ségou

#### Site

Segou, Sana, Sansanding

### Accuracy of Location

HIGH local level

#### **▼** Source of Conflict

### Type of Conflict (1st level)

Biomass and Land Conflicts (Forests, Agriculture, Fisheries and Livestock Management)

### Type of Conflict (2nd level)

Dams and water distribution conflicts
Land acquisition conflicts
Water access rights and entitlements
Transport infrastructure networks (roads, railways, hydroways, canals and pipelines)
Intensive food production (monoculture and livestock)

### Specific Commodities

Water (/commodity/water)
Sugar (/commodity/sugar)

#### → Project Details and Actors

# Project Details

The project was to develop a plantation to produce 190,000 tonnes of sugar and 15 million litres of ethanol annually, from an investment of \$240 million of the Mali Government and \$300 million of private companies. 8,000 direct jobs and 32,000 indirect were claimed to be created. \$21 million dollars were spent at the time of nullification.

### Project Area (in hectares)

# Level of Investment (in USD)

540.000.000

# Type of Population

Rura

### Potential Affected Population

1,640

#### Start Date

2007

# Company Names or State Enterprises

Illovo (/company/illovo) from South Africa (/country-of-company/south-africa) - technical partner

Associated British Foods (/company/associated-british-foods) - owns 51% of Illovo

Societe Sucriere de Markala (SOSUMAR) (/company/societe-sucriere-de-markala) from Mali (/country-of-company/mali) - 70% owned by Illovo, 4% by Schaffer

Schaffer Global Group (/company/schaffer-global-group) - initial testing, development, and investment

CaneCo (/company/caneco) from Mali (/country-of-company/mali) - cultivation of sugar, 90% owned by Malian Government, 10% by SOSUMAR

#### Relevant government actors

Malian government, Office du Niger

### International and Financial Institutions

African Development Bank (AfDB) (/institution/african-development-bank)

Kuwaiti Funds (/institution/kuwaiti-funds) from Kuwait (/country-of-institution/kuwait)

Organization of the Petroleum Exporting Countries (OPEC) (/institution/organization-of-the-petroleum-exporting-countries)

US Trade and Development Agency (USTDA) (/institution/us-trade-and-development-agency)

 $US\ Agency\ for\ International\ Development\ (USAID)\ (/institution/us-agency-for-international-development)$ 

Inter-American Development Bank (IADB) (/institution/inter-american-development-bank)

### Environmental justice organisations and other supporters

Via Campesina, http://viacampesina.org, open letter/petition, http://viacampesina.org/fr/index.php/les-grands-ths-mainmenu-27/rrme-agraire-mainmenu-36/792-mali-lettre-ouverte-a-monsieur-le-gouverneur-de-segou

#### ▼ The Conflict and the Mobilization

### Intensity of Conflict (at highest level)

HIGH (widespread, mass mobilization, violence, arrests, etc...)

### When did the mobilization begin

In REACTION to the implementation (during construction or operation)

### **Groups Mobilizing**

Artisanal miners

Indigenous groups or traditional communities

International ejos

Local ejos

Trade unions

Women

Local scientists/professionals

## Forms of Mobilization

 $Community-based\ participative\ research\ (popular\ epidemiology\ studies,\ etc..)$ 

Development of a network/collective action

Involvement of national and international NGOs

Land occupation

Lawsuits, court cases, judicial activism

Official complaint letters and petitions

Street protest/marches

# ✓ Impacts

# **Environmental Impacts**

Visible: Food insecurity (crop damage), Large-scale disturbance of hydro and geological systems

# Socio-economic Impacts

Visible: Displacement, Loss of livelihood, Specific impacts on women, Violations of human rights

### → Outcome

### **Project Status**

Stopped

# Pathways for conflict outcome / response

Migration/displacement
Withdrawal of company/investment

# Do you consider this as a success?

Not Sure

### Why? Explain briefly.

Due to publicly released 'socio-political crisis and also the difficulties of financing' and wikileaks released 'competition from SUKALA' on May 31st, 2012, Ilovo and SOSUMAR withdrew from the agreement (two days before the second village hearing). At the time if cancellation however, damage to livelihoods, especially women's was already done and protests continue against other corporations in the area.

#### **▼** Sources and Materials

# References

Oakland Institute, 2011, 'Comprendre les Investissements Fonciers en Afrique: Rapport: Mali'

[click to view] (http://www.oaklandinstitute.org/comprendre-les-investissements-fonciers-en-afrique-rapport-mali)

# Links

Bloomberg, 'Illovo Pulls out of Mali Sugar Project on Security Concerns'

[click to view] (http://www.bloomberg.com/news/2012-05-28/illovo-pulls-out-of-mali-sugar-project-on-security-concerns-1-.html)

International Sugar, 'Mali- Financing for Markala Sugar Mill secured by Illovo'

[click to view] (http://www.agra-net.com/portal2/isj/home.jsp?template=newsarticle&artid=20017924603&pubid=ag043)

Via Campesina, 'Malian farmers want their land back'

 $[click\ to\ view]\ (http://viacampesina.org/en/index.php/main-issues-mainmenu-27/agrarian-reform-mainmenu-36/1293-malian-farmers-want-their-land-back)]$ 

Wikileaks, 2009, 'A spoonful of Chinese Sugar Sourts US Investors in Mali'

[click to view] (https://www.wikileaks.org/plusd/cables/09BAMAKO104\_a.html)

'Mali: Des paysans arrêtés alors quils travaillaient leurs champs accaparés'

[click to view] (http://stopauxaccaparementsdesterres.over-blog.com/article-mali-des-paysans-arretes-alors-qu-ils-travaillaient-leurs-champs-accapares-103932982.html)

### Media Links

'Why Poverty' Directed by Hugo Berkeley & Osvalde Lewat

[click to view] (http://www.youtube.com/watch?v=O\_pKnP-2mOQ)

### Other Comments

According to AB Sugar's website, 'Illovo is one of the world's lowest cost sugar producers'

Wikileaks: 'Since the projects inception in 1999, Schaffer has received nearly USD 2 million in USG funding from the U.S. Trade and Development Agency (USTDA) and USAID'

#### 

# Contributor

Aliza Tuttle

# Last update

24/06/2014

# **▼** Comments



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