

**Implications of land deals to livelihood
security & natural resources management
in Benshanguel Gumuz Regional State,
Ethiopia**

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Structure of presentation

1. Background
2. Objectives
3. Description of the study area
4. Literature: Framework for evaluating land deals
5. Methodology
6. Result & discussion
7. Conclusion
8. Recommendations

Background

- ❖ Ethiopia's poverty reduction strategy focus on commercial agriculture with export diversification (Teshome 2006)
- ❖ 1.19 million ha of land is leased out to large scale farms in Ethiopia (Deininger et al 2011)
- ❖ 51% of them account to land acquisition by foreign investors

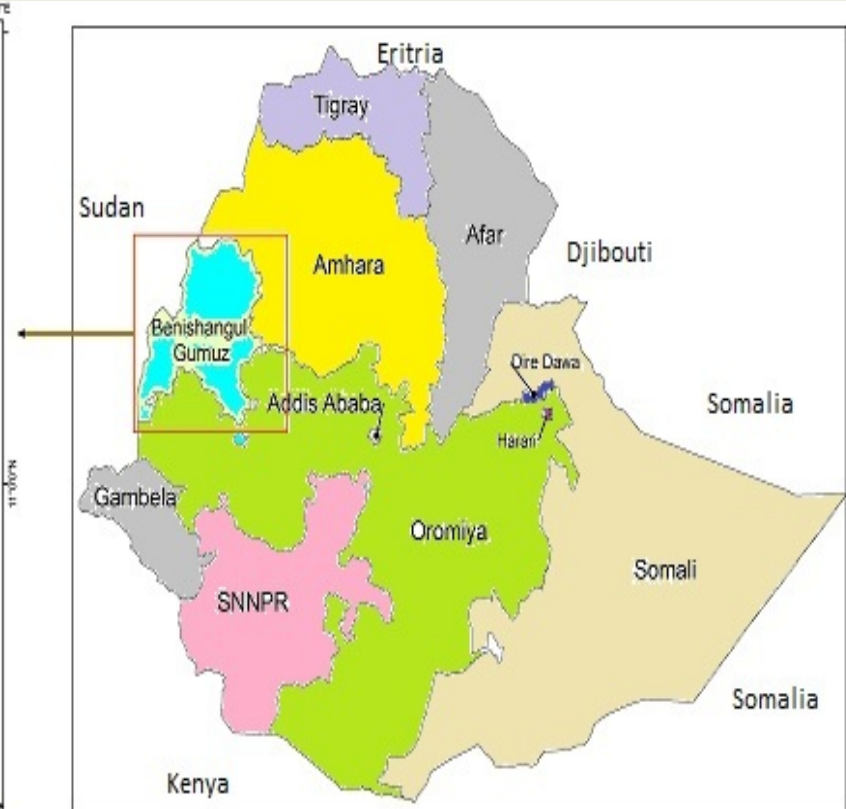
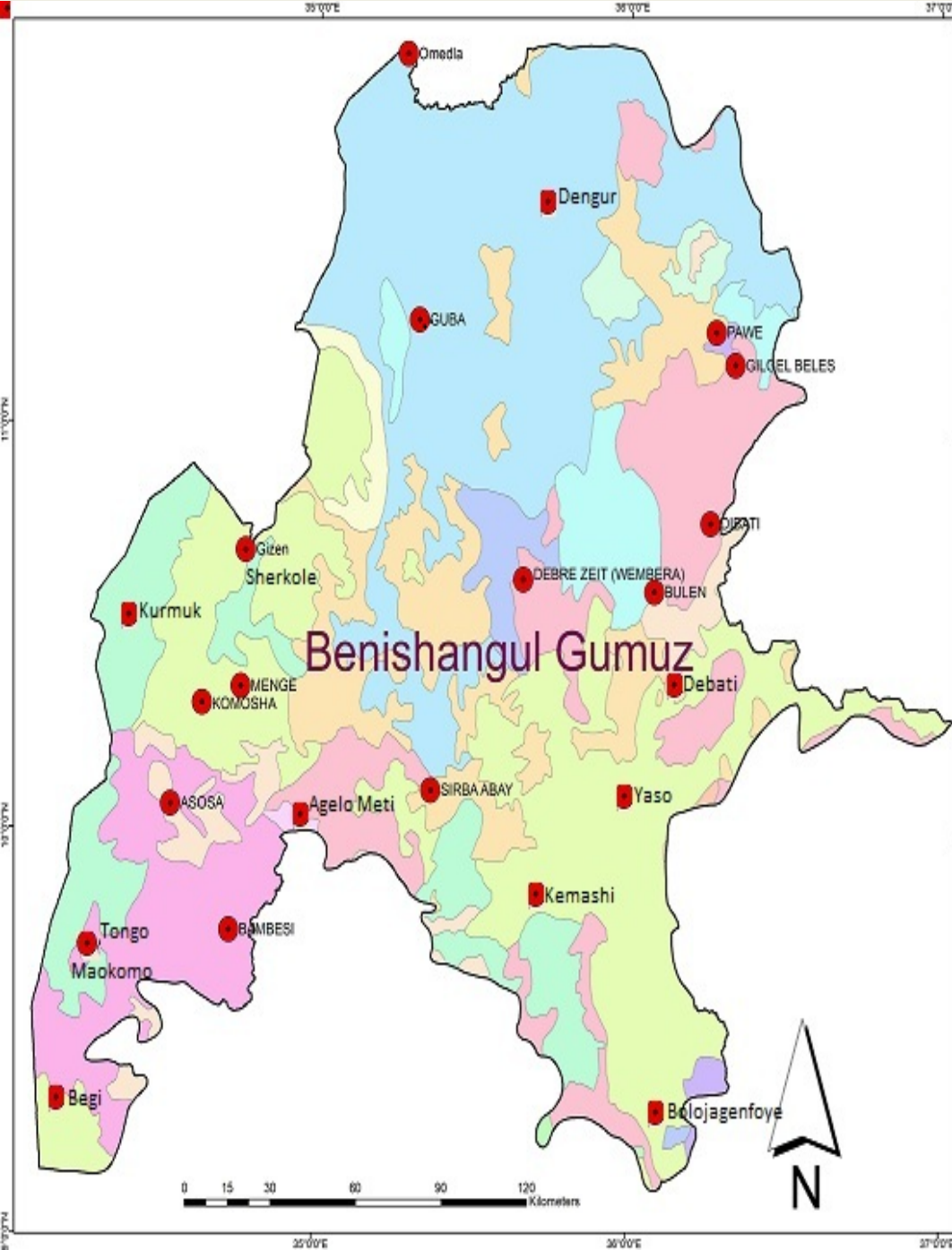
Large scale farmland acquisition:

- As opportunity (von Braun and Meinzen-Dick 2009; Deininger et al 2011)
 - Employment, technology transfer, increasing domestic availability of food supply
- As a threat to livelihood of rural poor (Mersha 2009; Grojnowski 2010; Fitzgerald 2010; Rice 2009; Mihretie 2010; McLure 2009)
 - “Land grabbing”, “bio-colonialism”, “agro-colonialism”

- ✓ Ethiopian gov't: country's strategy to achieve food security objectives.
- ✓ Empirical findings are limited
- ✓ This study is conducted in Benshanguel Gumuz Region, Ethiopia.

Objectives

- To explore the nature of land deals
- To identify the implications of commercial agriculture to natural resource management in Benshanguel Gumuz Regional State
- To describe the implications of land deals to livelihood security in the region



Legend

● Towns /Districts

Open Grassland

Land cover

Bushed Shrubbed Grassland

Open Grassland/Bushed Shrubbed Grassland

Dense Bushland/Cultivated Land

Open Shrubland

Dense Shrubland

Open Woodland

Dense Woodland

Perennial crop cultivation/Disturbed High Forest

Intensively Cultivated

Riparian Woodland or Bushland

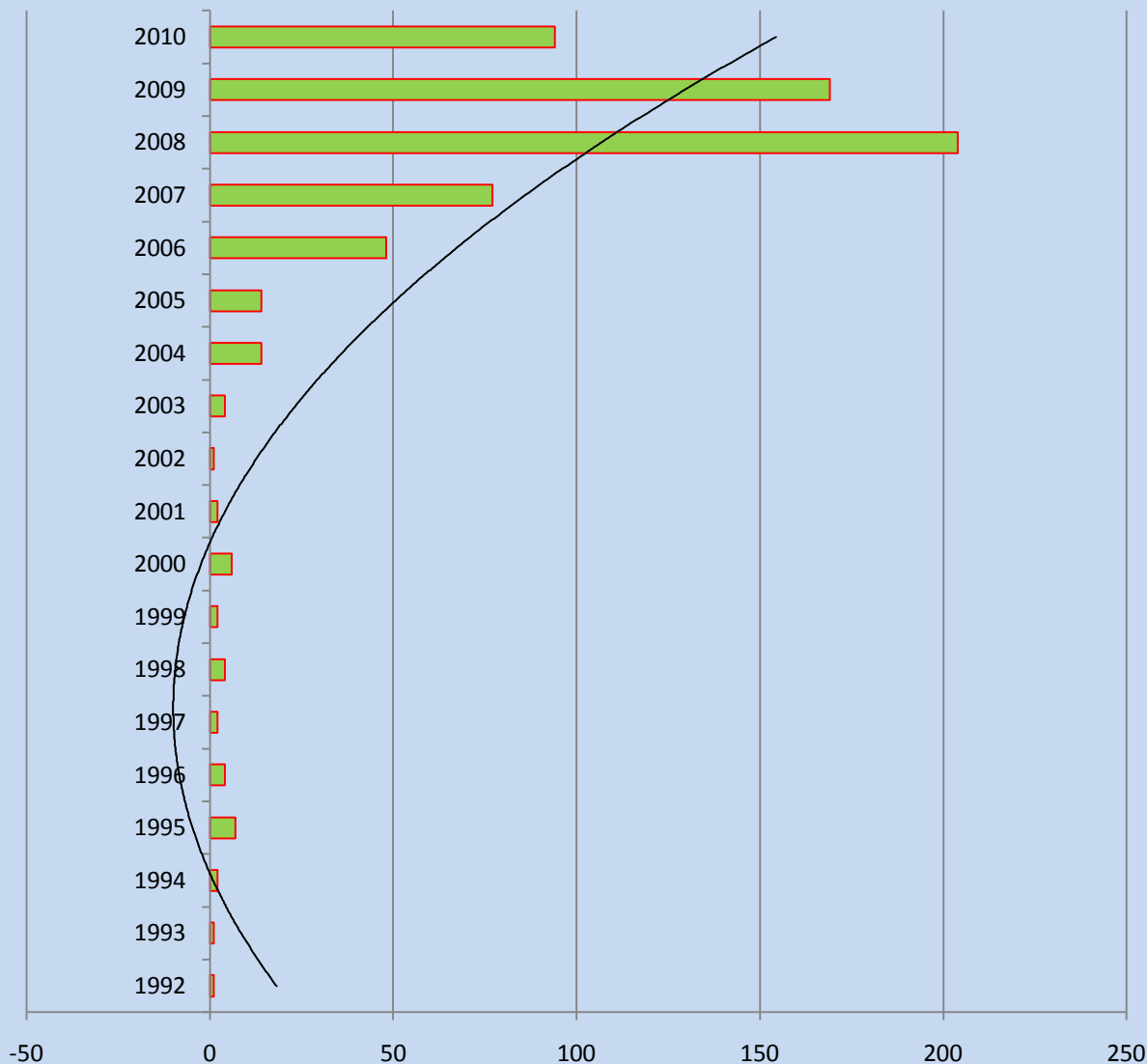
Moderately cultivated

State Farm

Wooded Grassland/Bushed Shrubbed Grassland

Wooded Grassland/Cultivated Land

Trends of Agricultural Investment in Benshanguel Gumuz Regional State



 No. of Investment Projects in Benshanguel Gumuz Regional State

 Poly. (No. of Investment Projects in Benshanguel Gumuz Regional State)

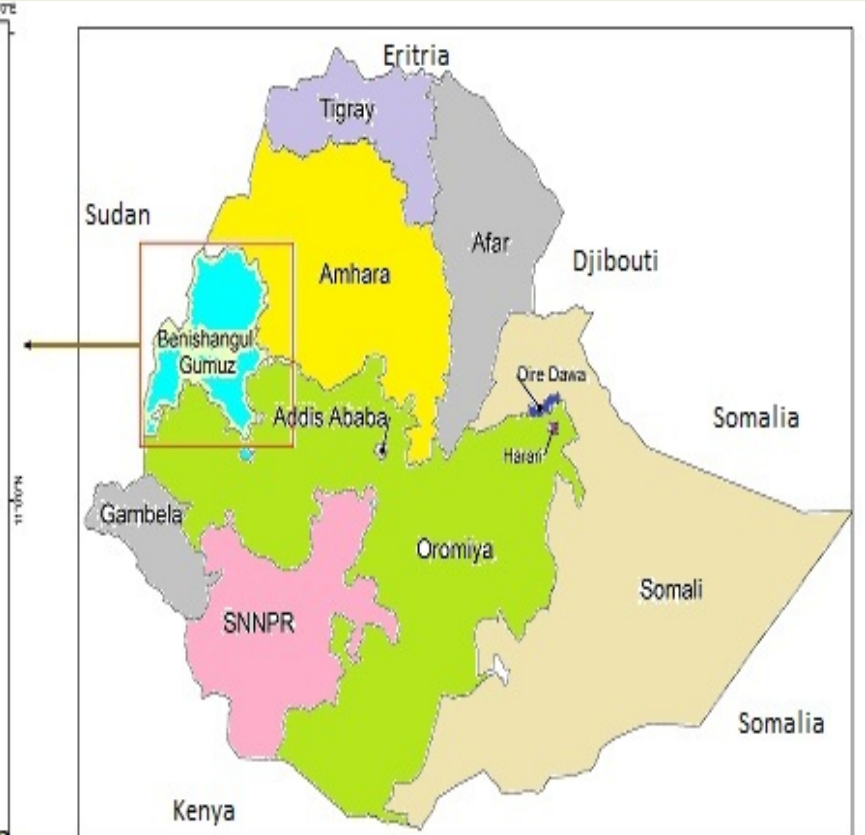
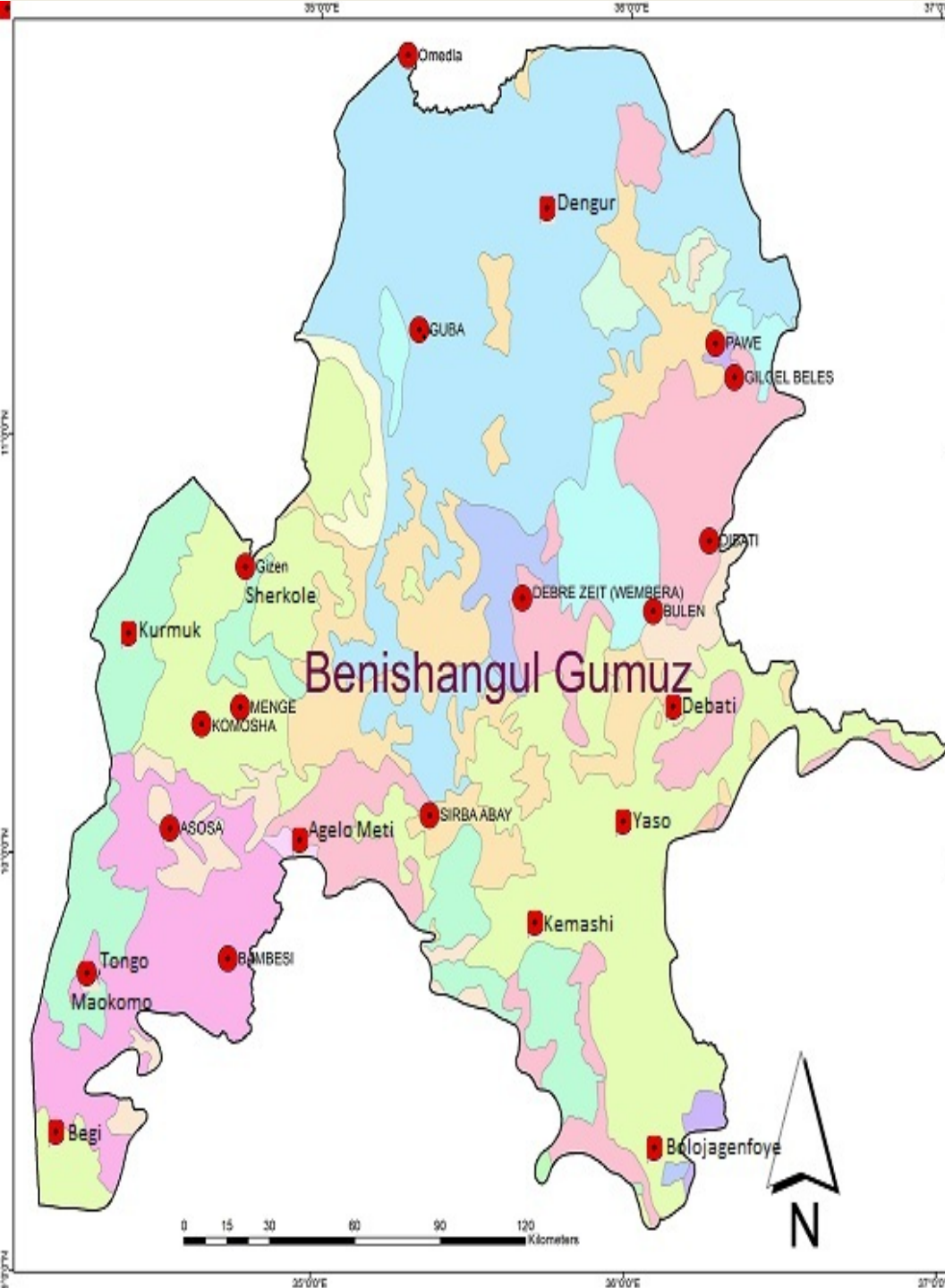
$$y = 1.0144x^2 - 12.724x + 29.889$$
$$R^2 = 0.7151$$

Analysis based on figures from. EIA (2010)

Literature: Framework for evaluating land deals

Deininger et al (2011) presented principles for responsible agro-investment:

1. Respecting land & resource use rights
2. Ensuring transparency, good governance, and a proper enabling environment
3. Stakeholder participation
4. Responsible agro-investing
5. Environmental sustainability
6. Ensuring food security
7. Social sustainability



Legend

- Towns / Districts
- Open Grassland
- Open Grassland/Bushed Shrubbed Grassland
- Open Shrubland
- Bushed Shrubbed Grassland
- Dense Bushland/Cultivated Land
- Open Woodland
- Perennial crop cultivation/Disturbed High Forest
- Dense Shrubland
- Riparian Woodland or Bushland
- Dense Woodland
- State Farm
- Intensively Cultivated
- Wooded Grassland/Bushed Shrubbed Grassland
- Wooded Grassland/Cultivated Land
- Moderately cultivated

Result & discussion

Objective 1: To explore the nature of land deals

Do land deals respect land and resource rights?

- ✓ First round assessment: 1,405,067 ha
- ✓ Second round assessment: 986,296.178 ha
- ✓ Allowance: 418, 770.822 ha of land for community land use
- ✓ Grazing land: 0.5 ha/animal per year
- ✓ Population growth rate & carrying capacity not considered

Area of land identified for large scale agricultural investment in Benshanguel Gumuz Regional State

District	Land demarcated for investment during first round survey (hectare)	Land demarcated for community land uses (hectare)			Land demarcated for investment during second round survey (hectare)
		Crop production	Grazing	Forest	
Guba	486,477	7484	9823	18000	377,206
Dangur	293,787	10806	17538	33100	211,055.578
Wonbera	144,982	4552	3748	4800	131,882
Sirba Abay	44,899	1936	3700	2812	36,451
Maokomo	80,527	NA	NA	NA	NA
Asosa	90,932	9076	8697	2350	71,841
Homosha	11,011	1156	1993	900	5,229.90
Menge	52,582	4254	6077	3800	38,451.80
Kumruk	35,940	3720	4661	2150	25,474.40
Sherkole	163,930	14648	18303.30	16395	88,704.50
Total	1,405,067	57632	74540.3	84307	986,296.178

Source: MoARD Investment Support Directorate (unpublished document)

Cont...

Table: Change in private and communal landholding size since the past five years

Direction of change	Change in private landholding size		Change in Communal landholding size	
	Frequency	Percent	Frequency	Percent
Increased	46	30.7	7	6.3
Decreased	4	2.7	26	23.4
No change	100	66.7	78	70.3
Total	150	100.0	111	100.0

- ❖ 23%: Decline in communal landholding size due to investment
- ❖ 34%: Local people are under competition with domestic investors for community water points in Bengo village of Guba district

Source: Own data

Do land deals ensure transparency, good governance, and provide proper enabling environment?

1. Enabling environment/ incentive packages:

- Simplified licensing procedures
- The lease rate: 50-70 Birr/ha per year (BGRIO 2010)
- Lease period of 25-50 years (MoARD 2010)
- Five year exemption from income tax ((FDRE 2008)
- Duty free imports of machinaries (FDRE 2003)

2. Governance:

- Investment laws/ proclamations enacted:
 - ✓ Regulation No. 84/2003 (FDRE 2003)
 - ✓ Proclamation No. 542/2007 (FDRE 2007)
 - ✓ Proclamation No. 280/2002 (FDRE 2002)
 - ✓ Regulation No. 146/2008 (FDRE 2008)
- Investment directives issued in 2010 (MoARD 2010)
- Deals signed:
 - Defined types of crops to be produced,
 - Set proportion for domestic & foreign market,
 - But lacks **enforcing capacity** of some of directives/proclamations

Table 3: Origin of investors, market share and employment potential

Region	Nationality	Land leased (ha)	Crop type	Market share in % (Domestic: Export)	Capital (Million Birr)	Employment	
						Permanent	Temporary
SNNP	Ethiopian	4003	Cotton	100 domestic	82.8	NA	NA
SNNP	American	5000	Cotton and grains	50:50	65	28	2500
SNNP	American	1000	Cotton, sesame, soyabean	30:70	NA	10	200
SNNP	Canadian	2137	Cotton & grain	40:60	12.77	21	1139
SNNP	Ethiopian	5000	Fruits, sesame and cotton	20:80	42.5	24	1000
SNNP	Ethiopian	3000	Cotton and grains	50:50	13.6	45	585
SNNP	Ethiopian	18,516	Cotton	100 domestic	323.24	300	10000
SNNP	Indian	10,000	Cotton	50:50	32	200	10,000
Gambella	Indian	25,000	Soya bean	30:70	1451	0	8000
Gambella	British/Indian	27,000	Edible oil crops	10:90	918.4	0	7500
Gambella	Indian	10,000	Rice	100 export	160.4	125	650
Gambella	Indian	3012	Tea	100 export	631.4	141	4200
Benishangul	Indian	50,000	Pongamia	20:80	984	50	2600
Benishangul	American & Ethiopian	431	horticultural & crops	10:90	66.3	70	500
Benishangul	Indian	25,000	Cotton	40:60	1177.2	NA	NA
Benishangul	Ethiopian	5000	Sesame and beans	50:50	60.7	118	1000

Do land deals consult & participate stakeholders?

Table: Process of land acquisition in Ethiopia

Steps	Before 2009	After 2009
1	Obtaining an investment license	Obtaining an investment license
2	Identify appropriate land in the target area	Identify appropriate land in the target area
3	Submit project document to regional investment office for verification of capital and project feasibility	Submit project document to the Ministry of Agriculture & Rural Development (MoARD) along with business plan
4	Negotiation with community elders and the investor submit the agreement of the community members to the regional investment office	No negotiation, but MoARD checks if the land proposed by the investor lies in the land bank
5	Signing of lease agreement with the regional investment office	The MoARD will then prepare a lease contract and arrange for proof of ownership and a map of the plot. Then lease agreement signed.
6	Land is transferred to the investor	The MoARD write a letter to the regional investment office to demarcate and hand-over the land to the investor
	Source: Cotula et al (2009)	Source: MoARD (2010)

❖ Deals are top-down:

- No negotiation with community members
- Regional state not involved in the deals
- Don't even know the contractual agreements

Objective 2: Implication to natural resource management

Do investors employ industry best practices?

Does investment ensures environmental sustainability?

- ✓ **Investment Directives No. 13 (MoARD 2010) :**
 - Proper use of technologies to prevent fertility loss
 - Protect and properly administer natural resources,
 - Plant trees good for soil conservation,
 - Replace trees & bushes cut down for agricultural purposes
- ✓ **Proclamation No. 542/2007 (FDRE 2007):**
 - Forests shall be protected from forest fire and deforestation activities

However,

- Industry best practices not applied: local varieties + no fertilizer use
- Widespread cutting & fire burning

Hence, failure to respect directives/proclamations

Forests under fire



Tree barks removed & burned



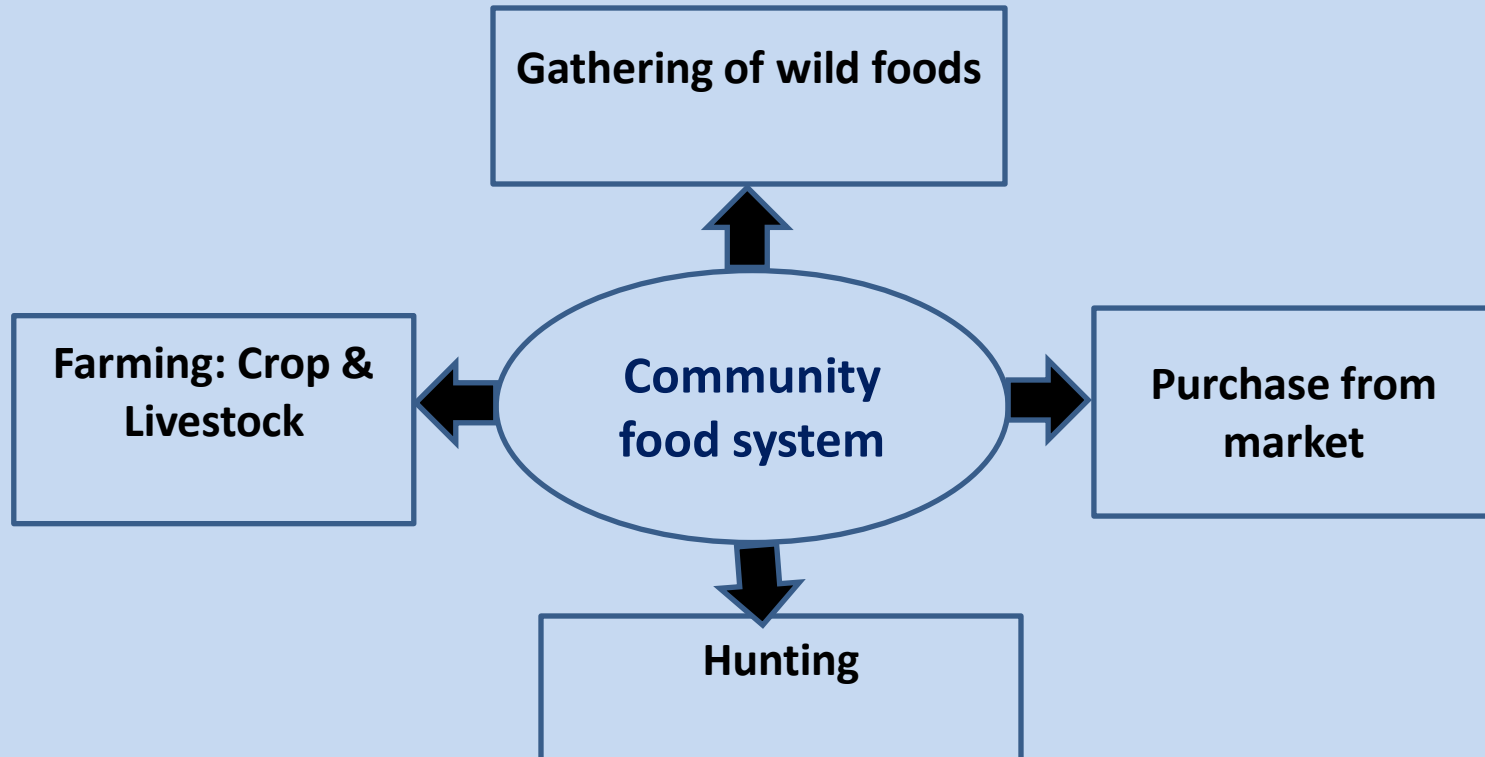
- Investment land demarcation gave allowance for community land uses, but
 - Doesn't consider carrying capacity
 - Doesn't consider population growth rate
 - ⇒ Encroachment to forest & grazing lands
 - ⇒ Environmental sustainability challenged
- Forest cover: 60% in 1900 to less than 3% at present (Dessie and Christiansson, 2008)
- With current rate, forest resource will be depleted
 - FGD: wild life disappeared, increase in daily temp
 - Local effect of climate change immense:
 - Drought & crop failure
 - Disaster risk

Hence, negative environmental impacts are tremendous

Objective 3: Implication of large scale investment to Livelihood security

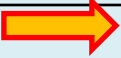

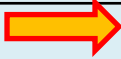







Does investment ensures food security?

- ✓ 51% cover food demands from own production
- ✓ Only 9 months on average



- ✓ **Investment Directive No. 10:** large tract of land for biofuel crops, palm oil & date tree, rubber tree, cotton and sugar cane (MoARD 2010).
 - **Deals signed gave less priority to food crops**
- ✓ Proc. No. 146/2008 & Reg No. 84/2003 (FDRE 2003; FDRE 2008):
 - *5-6 years income tax exemption if exports at least 50% of its production*
 - *But 2-3 year exemption if for domestic market*
- ❖ **Deals signed set small proportion for domestic market**
- ❖ **Limited increase in domestic availability of food commodities**
- ❖ **Negative implication towards meeting local food security targets**

Deals gave less priority to food crops

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Cont...

◆ ***Livestock***: source of cash & food

- Let free to graze in the forest/bush from June to November
- Incidence of theft increased

◆ ***Beekeeping***: upto 50 traditional bee hives

❖ ***Cus of accelerated deforestation, these livelihood strategies are at risk***

Livelihood at risk: Beekeeping & cattle



Traditional beehives hanging on tree



Traditional beehive made from soyama



Women carrying *Soyama*



◆ **Wild foods:** Sources of households food system

- ✓ Bamboo shoots and roots,
- ✓ Honey from wild bees
- ✓ Fruit trees: Mango, Phoenix, *Burie, kega, Dokma, Agenba, Enjorie*
- ✓ Ladies figure
- ✓ Wild yam from the forest,
- ✓ Taro/Godere and Cassava
- ✓ Hunting of wild animals of different type
- ✓ Baboon root (bush),
- ✓ *Harakote* (a runner tree in which both the fruit and branch are consumed),
- ✓ *Seido/Kima*
- ✓ Kokono/lenkuata (wild plant used as a spice food)

❖ ***Cus of accelerated deforestation, these livelihood strategies are at risk***

Livelihood at risk: Wild food



Phoneix fruit as source of food

Root & shoot of bamboo tree as source of food

Livelihood at risk: Forest fruit

Natural mango tree



Children feeding on mango fruit

- ◆ ***Natural resources:*** Cash sources
 - ✓ *Biobabe/Agongush:* a wild tree used as fruit and cash source by selling it in Sudan
 - ✓ *Soyama* for traditional beehive construction
 - ✓ Bamboo tree for construction & furniture
 - ✓ Fuel wood & charcoal
 - ✓ Traditional gold mining
- ❖ **Cus of accelerated deforestation, these livelihood strategies are at risk**

Livelihood at risk: cash sources



Cont...



Conclusions

Threats:

- ❖ Weak linkage among stakeholders:
 - ✓ Investment law & directives will not be implemented
- ❖ Loss of community livelihood strategies
- ❖ Accelerated deforestation & negative local effect of climate change
- ❖ Accelerated loss of wildlife resources and forest reserves
- ❖ Priority to export oriented crops: negative effect on local & national level food security

Potential benefits

- Foreign currency reserve
- Food availability in the domestic market: *Only limited*
- National income from land rent & income taxes
- Employment opportunities: *Only limited*

Recommendations

- Implace strong monitoring & support mechanisms
- Improve land governance
- Enhance linkage & participation among all relevant stakeholders
- Promote contract farming & out-growers scheme → Social sustainability?
- Strengthen the voluntary based villagization scheme

THANK YOU!!