The intricacies of large scale agricultural investment in Gambella Region, Ethiopia

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Abstract

Ethiopian government use agricultural investment as the most important and effective strategies for economic growth, food security and poverty reduction in the country. Since the mid-2000s, government has awarded millions hectares of fertile land to rich countries. This study explores the impact of large scale agriculture investment and its consequences to local livelihoods in Gambella region, Ethiopia. Gambella people’s survival and their identity are strongly tied to the land and the rivers that run through it. However, currently foreign and local investors grab the farm area on an industrial scale and that deprives their livelihoods and increasing food insecurity. Moreover, large land acquisition has been tremendous environmental devastation in region like forest has been cleared and burnt, wetland drained and people are largely dependent on international food aid and financial assistance. Further, it leads smallholder farmers displaced, pastoralist loss the grazing land, people loss incomes and livelihoods. Lastly, due to corruption, lack of good governance and transparency in the region, the natural resources are depleted and societies became food insecure. Therefore, Ethiopian government strategies are on the verge of falling unless integrated approach is not implemented.

Key Words: agricultural investment, food insecurity, integrated approach, livelihoods
1. INTRODUCTION

Gambella Peoples' Region is one of the nine ethnic divisions or regions of Ethiopia. It is located south west Ethiopia between the geographical coordinates 6°28’38” to 8°34’ North Latitude and 33° to 35°11’11” East Longitude. The Region is bounded to the North, North East and East by Oromia National Regional State, to the South and Southeast by the Southern Nations and Nationalities People's Regional State and to the Southwest, West and Northwest by the Republic of South Sudan (Behailu, M et al. 2011). It is composed of two administrative zones and eight woredas and the area of the region is 29,783 square kilometers with estimated population of over 307,096 inhabitants (CSA 2007). Within the region, Gambella National Park covers approximately 5061 square kilometers or 19.6% of the Region’s territory. The topography of the region is divided in to two broad classes, which are the lower piedmonts between 500 to 1900 masl and the flood plains of below 500m contours. Baro, Gilo, Akobo and Alwero are the main rivers crossing the Gambella region.

Gambella region has huge potential for agricultural productions and possesses enormous arable land suitable to both small-scale and large-scale commercial framings. A few years ago, Ethiopian government identified Gambella region as one of the regions in Ethiopia which is suitable for agricultural investments and classified most parts of the area in the region are under-utilized. Since the mid-2000s, government has awarded thousands of hectares of most fertile lands of Gambella region to foreign companies and some of the world's most wealthy individuals to export Rice, Cotton, Seasam e.t.c…, often in long-term leases and at bargain prices. Currently, around 1.2 million hectares of potential land made available for agriculture companies that meet Ethiopian government requirements (Rahmato 2011).

These rushes to land, water and other essential natural resources in the region particularly have negative effects for indigenous and local people livelihoods and increasing food insecurity. Gambella people’s survival and their identity are strongly tied to the land and the rivers that run through it. Despite the fact that small hold farmers are displaced, pastoralists are lost their grazing land and local people are losing their incomes and livelihoods.
2. PROBLEM STATEMENT

Over the past few years, the volume of international investment in agricultural land has increased globally. In recent times, Ethiopian government use agricultural investment as one of the most important and effective strategies for economic growth, food security and poverty reduction in country. Thus, government formulated a long term economic development strategy called Agriculture development led industrialization (ADLI) and is the Government's overarching policy response to Ethiopia's food security and agricultural productivity challenge. The strategy focuses primarily on expansion of large-scale commercial farms and improved productivity in smallholdings (Ethiopian Investment Commission).

According to a World Bank report, 406 large-scale commercial farms investment projects covering 1.19 million hectares were approved in Ethiopia between 2004 and 2009 (Darryl Vhughen and Aman Gebru 2013). This leads, the indigenous and local peoples lost their fertile land and their ability to produce their own food and thus, they become food insecure and largely dependent on international food aid and financial assistance.
On the other hand, Ethiopian government strategies and policy of ‘villagization’ program has forcibly displacing hundreds of thousands of indigenous Peoples in order to free up their land so the transnational agro-industry can move in and grow foodstuffs for export.

Generally, large scale land acquisition has adverse social and environmental impacts, in particular the degradation of natural resources such as forest has been cleared and burnt, and wetlands are drained. Further, large scale land acquisition can also have huge adverse impacts, especially in countries where there is a lack of good governance and rule of law, lack of transparency and unclear land tenure rights.

3. OBJECTIVES AND RESEARCH QUESTIONS
This study attempts to examine the socio-economic and environmental impacts of large scale land acquisition on local people’s livelihoods. Thus, the study focused on the impact of large scale agriculture investment (Large-scale land acquisitions) and its consequences to local livelihoods in the region. More specifically, the study will answer the following questions:

1. What are the social-economic and environmental impacts of the large scale land acquisition on local people? And

2. What are the consequences of Large-scale land acquisitions to local communities?

4. METHODS OF DATA COLLECTION
The main motivation of the research is to understand in depth about social-economic-environmental impact of large scale land acquisition (large scale agricultural investments) in Gambella region. Moreover, I also focused on the interaction and conflict of various stakeholders (governments, foreign and local investors, small scale farm holder, local and indigenous people) which are directly related or affected by LSLA. Therefore, from the fieldwork the primary data are generated through interview, direct- observation, documentary analysis and a focus group discussion. In addition to the primary data, the secondary data are acquired from Land Satellite images, government reports and published documents.

Various reports underline that Ethiopian government allotted large scale land to local and foreign investors within Gambella National Park. Thus, GPS recording is undertaken at various location
of the study area in order to confirm if any agricultural activities are undertaking within the park.

At each sample, the following information was collected or recorded:

A) Type of land use: e.g. cotton, sesame
B) Intensification level: e.g. fertilizer input, technological input (tractor)
C) Farm structure: e.g. commercial farm, smallholder farm, subsistence farm
D) Farming practices: e.g. irrigation, rainfed etc.

Figure 2: GPS recorded in Gambella Regional state (Source: fieldwork)

5. SCOPE AND CAUSES OF LARGE SCALE LAND ACQUISITION (LSLA) IN THE STUDY AREA

The scope of this study is limited to the impacts and consequences of large scale land acquisition and agriculture investment in Gambella region, Ethiopia. There are three reasons are identified as main causes for large scale land acquisition (LSLA) in the study area:

1) Suitability for agricultural investment: Generally Ethiopia has varied agro-climatic zones and this diversity makes it a favorable and suitable for growing a variety of crops (Gebre-Selassie and Bekele 2014). Gambella region is one of the most fertile regions in Ethiopia and suitable for growing a variety of crops. The region has abundance water resources such as Baro, Gillo, Akobo, Alwero River. Furthermore,
there is huge irrigation dam called Alwero and it reservoir 80 million cubic metres of water and projected to develop 10,000ha of land in an area. According to Zabel & et.al (2014) Ethiopia has moderate to high crop suitability index particularly. Fig. 3 & 4 shows the Crop Suitability index of the world.

Figure 3: Agricultural suitability considering rainfed conditions and irrigated areas (1981–2010).
(Zabel, Putzenlechner et al. 2014)
Figure 4: shows Crop Suitability index of the world from 1981-2010 and Crop Suitability change between 1981-2010 and 2071-2100. Green areas indicate an increase in suitability while brown areas show a decreasing suitability (Zabel 2014)

2) “Unused and/or underutilized” land: The government claims most parts of Gambella region land are “underutilized” and hence allotted vast land to investors. However, currently large areas of virgin land, formerly the Gambella National Park, have been transformed into plantations for Rice, Sugar cane and Palm oil by foreign-owned agribusiness ventures and companies. Thus, a great extent of land use change observed in the landscapes of Gambella region. For instance, Saudi Star has begun rice cultivation on 10,000ha of land within Gambella National Park.

3) Ethiopia government Policy: Ethiopia government main interests are to increase foreign currency, expand the agro farm companies, creating job opportunities and better infrastructure, and as well to reduce both poverty and the country’s chronic food insecurity. However, poorly paid work on the large scale farms plus environmental degradation and a failure to deliver on promises of better infrastructure...
causes conflict among actors. The main interests of the local and indigenous people are to sustain their food security and to access natural resources such as water, land and forest resources.

6. LARGE SCALE LAND ACQUISITION (LSLA)

The most common definition of the global land grab refers to large scale land acquisition by foreign investors either through purchase or lease for agricultural production (Cotula Lorenzo 2009). "Land grabs" are now one of the biggest issues in Africa. Over the past few years, companies and foreign governments have been leasing large areas of land in some of Africa's poorest countries. In most case these land deals are involving countries with serious hunger problems and the majority of crops grown by foreign investors in developing countries are intended for export rather than feeding local people (Oxfam 2012). About 70 percent of people in Africa and roughly 80 percent of the continent's poor live in rural areas. These people depend mainly on agriculture, and increasingly are unable to meet their basic food needs as population pressure on land grows, and land and water resources become scarce or degrade and agricultural productivity stagnates (FAO 2015).

Large-scale land acquisition deals take many different forms and proceed in a wide diversity of contexts. “Large-scale” may various from 1,000 and 500,000 hectares (Onoja and Achike 2015). According to recent statistics, Ethiopian government has awarded millions of hectares of most fertile land to rich countries to produce and export crops (Rahmato 2011) although Ethiopia is one of the world’s largest recipients of foreign aid. In a country where over 30% of the population is below the food poverty line (WFP & CSA 2014) and a great proportion of crop production are exported abroad primarily to India, Saudi Arabia and the Gulf Cooperation Council (GCC) states. Generally, large scale land acquisition is a main concern for Ethiopia for these days. A range of actions are therefore required to address the threats and challenges. Good land governance needs to protect the rights of rural communities, especially vulnerable people, against all ‘land grabbing’ and promoting sustainable agriculture and reducing poverty (Liversage 2010). Thus, Ethiopia governments needs strength small scale farmers and in ensuring responsible investment in agriculture in order to achieve food security for the local people and to assure sustainable growth in the country.
7. RESULTS OR FINDINGS

Here listed the main findings from the fieldwork:

- One of the perceived benefits of large-scale commercial agriculture is the massive amount of wage employment that these operations will provide. However, the majority of these jobs are laborer positions, which provide low wages, are often seasonal and short term in nature. In addition, massive influxes of laborers, usually men, from other areas of the country can have significant adverse effects on local communities. From the interview, many people expressed their concern that laborers will stay after their employment, acquire land, eventually bring their families and relatives, and further aggravate pressures on the land and resources in the region. As I also observed in the field work, large scale farm companies such as Saudi Star and Toren agro Plc employees came from various parts of Ethiopia rather than the local or indigenous people. However, in recent times, women from local people are taking significant proportion of employment in these large companies in order to generate income for the family although salaries are insignificant.

- After 1991, Ethiopian Government has been developing a new strategy to achieve economic growth in the country. The strategy called Agricultural Development-Led Industrialization (ADLI) and that sees agriculture as the engine of growth. ADLI main objectives are: improve agricultural extension services, promote better use of land and water resources, enhance access to financial services, improve access to domestic and export markets, and provide rural infrastructure (MOFEC & MOA 2010). Moreover, the Ethiopian government economic development strategy, ADLI has distinctive features that include: commercialization of smallholder agriculture through product diversification, a shift to higher-valued crops and promotion of niche high-value export crops. Thus, Ethiopian government has identified several higher-valued crops as priority strategic investment such as Organic coffee, Cotton, Tobacco, Sugar cane, Tea, Spices, Oil seeds (peanuts and sesame). According to Ethiopian investment commission (EIA), government strongly restricted local and foreign investors to cultivate and to sale any kind of cereal crops to local market and that is mainly because 85% Ethiopian farmers are
subsistence farmer as result these farmers income are highly depending on producing and selling of cereal crops to local market. However, in very few special cases Ethiopian investment commission give permission for investors to cultivate cereal crops. For instance, a Saudi Star PLC produce new hybrid rice seed called New Rice for Africa (NERICA) and currently also company is producing high quality standard rice known as Basmati and export into the Middle East countries especially to Saudi Arabia. In general the main objective of Ethiopian government is increasing agro-industrial sector of the country.

Figure 5: Types of crops growing in the region (Sources: Fieldwork)

- National park and forests are the sources of food for the Gambella people (Nuer and Anuak people). Recently, however both regional and federal governments allocated large ha of lands to foreign and local investors within the National Park. For instance, Saudi Star rice farm which owned 10,000 hectares has largely cleared forest and savanna that was commonly understood to be a part of Gambella National Park. According to The Ethiopian Wildlife Conservation Authority (EWCA) in early 2008 around 438,000 ha of land have been awarded to investors in the vicinity of the Gambella National Park and all land allotted without Environmental Impact Assessments (Oakland Institute). As I
observed from the fieldwork, wetlands with abundant fish populations and birdlife are presently being altered for rice production while extensive forest cover in nearby areas has been completely cleared without consultation of communities. Gambella people are strongly tied to natural resources (land, water, forest resources) and their livelihoods are highly dependent on these resources. However, recently due to LSLA resources become scarce and conflicts between local people and investor are emerged. According to International Union for the Conservation of Nature and Natural Resources (IUCN) categorized Gambella National Park as protected area. However, the park is currently invaded by large scale farm companies.

**IUCN Protected Areas Categories**

*Figure 6: IUCN protected areas*
Land governance supports food security and ensures sustainable livelihoods that are essential for people and countries that rely on land as one of their main economic, social and cultural assets. In Gambella, people are being forcible relocation from their land by government. According to higher officials, relocation or “villagization” project are designed to improve access to basic amenities. However, evidence suggests that in the region government has been involved in forced population movements and development-induced displacements. As a result, small scale farmers and pastoralist lose their lands, thus local people are forced to migrate from rural areas to neighboring countries Sudan and if possible the global north (notably to Europe) to sustain their live.

According to recent statistics from the regional investment office, less than 10% large agricultural investment projects are operational while the others are at various implementation and pre-implementation stages. In general, large-scale land acquisition in developing countries has less benefit to the host country, especially when the company only utilizes a small share of the land it has acquired in areas where land is high in demand. After cutting and clearing the forest and savanna if the investors are not actively involved in operation results an adverse environmental impacts, in particular on natural resources such as land, water, forests and biodiversity.

In the past land investments is controlled by both federal and regional governments. However in recent times, the federal government is establish centralized agency called Agricultural Investment Land Administration Agency and the task of the agency is to control and follow through all land investments activities in Ethiopia. However, this led to discontent among Gambella regional government officials. Thus, most recently, the struggle between the two entities (Agricultural Investment Land Administration Agency officials and Gambella regional government officials) causes information gap and lack of adequate informational about land allocation. For instance key informant mentioned that a particular land were given to for more than one investor at time and that causes disputes among investors thus in order to solve the problem government take a responsibility and paid compensation to the investors and settle the disputes.
On the other hand, corruption and bribes in the large scale land investment is more often occurred due to informational gaps and lack of coordination between regional and federal government offices. Moreover, recent study underline that both federal and regional government officials are highly involved in a land sector corruption. As result, forest and reserved areas are allotted to the investors without Environmental Impact assessment and as well not having the consent of the society. As a result both destruction of natural resources and endangers the local people livelihoods and assets are observed.

8. THE WAY FORWARD: RECOMMENDATIONS
Here are list of recommendation forwarded in order to achieve sustainable agricultural development in Gambella region, Ethiopia

➢ Integrated guidelines:
Currently, in the region there are lack of good governance and transparency. As results natural resources are degraded and societies are exposed to food insecurity. Ethiopian agriculture investment strategies and guidelines are on the verge of falling so that needs to be change.

Therefore, agricultural investment projects are more likely to benefit local economic and social development when local peoples play an active role from the starting point. Government policies should formulate integrated guidelines for the promotion of agricultural investments that benefit investors, governments, and local communities/indigenous people. Thus, integrated guidelines would help to ensure that large-scale investments in Ethiopia do not come at the expense of small-scale farmers or local people.

Large scale farm practices have a great advantage for a given county however; it should integrate the local people. Thus, participation of local people in the agriculture investment is key elements to be successful. Investors ensure the systematic integration of local farmers in the investments, including adequate support in the transfer and provision of technology, knowledge and input.

➢ Environmental Impact Assessment (EIA) and consulting society
According to IUCN Gambella National Park is categorized as protected area thus the government should not allow any agricultural activities within the national park. Further, local
people livelihoods and food security are strongly tied to national park and natural resources thus both local and foreign investors should protect and conserve the natural resources and use it in a sustainable manner. Moreover, governmental offices should undertake Environmental impact assessment and consulting society before allocating large scale of lands to the investors. Natural resources such as water, land and forest in the region should be used in sustainable manner and regional government need to avoid overexploitation of the resources.

In addition to above, government should be also continuously monitoring the activities on the land allotted both the compliance to environment and social laws. Besides this a new law should be formulated to reduce deforestation (no deforestation without use!!!).

- Successful integration of resettlement

The resettlement sites should consider biophysical factors, such as soil fertility and the availability of grazing land. Gambella people livelihoods are almost based on agricultural activities. Thus, relocation process should consider all factors and must be voluntary. Moreover, adequate policy and implementation are significant to minimize the negative effects of relocation and as well resettlements to help people become reestablished on a productive and self-sustainable basis. In addition the government should establish institutional infrastructure for the successful integration of resettlement.

- Improve communication and coordination:

Federal government should focus on environmental sustainability and required to ensure maximum effectiveness of the Ethiopian agricultural investment agenda. Therefore, regional and federal government should coordinate and minimize information gap in order to avoid misuse of the natural resources and to practices sustainable agricultural investment.

- Minimize gap of cereal crops demand and supply in the local market:

Government at some extent should allow the investors to produce cereal crops and helps investors to be active on the local markets. Currently, subsistence farmer in Ethiopia could not supply enough amount of cereal crops in to the local market and as result there are huge gap between the supply and demand of cereal crops in Ethiopia. Thus, supporting the local and...
foreign investors to cultivate cereal crops in sustainable manner will help to reduce food insecurity in the country.

- Technical /Technological support
Small-scale farmers cultivate a large variety of low-yield crops on small plots of non-irrigated land, using a minimal amount of fertilizers and pesticides. Thus, foreign and local investor should assist the local farmers both in technical and technological aspects and helps to raise small scale farm productivity and resource efficiency. Further that can create a smooth relation among small scale farm holders and investors.

- Clear conflict mitigation and Parallel interests:
Sometimes there are conflicts among actors thus federal and regional governments should established clear conflict mitigation mechanisms thus investors and indigenous/local people can easily sort out their difference and workout investment-related dispute among each other.

And at last, government should take the consent of the society before allocate the large scale land to the investors. Parallel interests between stakeholders should be built and that can reduced conflicts of interest between stakeholders. The elimination of mistrust and conflict of interest among stakeholders allows the protection of natural environment and the interest of local people.

- Law of enforcement to handle corruption
Corruption has great obstacles for ensuring the integrity and effectiveness of initiatives related to natural resource management in the region and that directly affects the people’s livelihood. Thus, government should formulate “Push back” policy and law of enforcement to handle corruption.

- Cooperation
Ministry of Agriculture (MoA), Ethiopian Investment Commission (EIC), Ethiopian Wildlife Conservation Authority (EWCA) and International organization such as International Union for the Conservation of Nature and Natural Resources (IUCN) should work together closely in order to protect the Gambella National Park if large scale land acquisition practices continues like this, then park will be replaced by large scale farm fields in the near future.
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