Large-Scale Land Acquisition in Ethiopia - Towards Attracting Foreign Direct Investment

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Abstract:

Large scale land acquisition is a buzzword of the day in the world, more so in Ethiopia. The issue is indeed polarizing, in one hand it is dubbed as land grab and seen as ultimate scramble for land. On the other hand, it is often depicted as key to development, technology transfer and boost in productivity of an otherwise idle land available in Ethiopian lowlands, or somewhere else. Hence, many million hectares of land are being given away everywhere in the world, in Ethiopia the government has claimed to have put over 3.3 million hectares of land in a land bank meant investment, especially foreign direct investment, of which 2.3 million hectare is already allocated to over 86 national and foreign companies. This land is often found in the lowlands of the nation where sparsely populated pastoralists often live. In the highlands, especially surrounding the capital city and big cities, flower companies have taken substantial land for flora productions. Moreover, globally, several push and pull factors are involved underlying the causes of the large-scale land acquisition. Nevertheless, many problems are cropping up ranging from the way the land is identified for investment, to the manner of negotiation and lease contracts, to evictions, human rights violations, violence, empty promises of compensations, and environmental destructions.

Thus, the main focal point of this work is to show the nature of the land acquisition in Ethiopia in terms of the existing land governance and its implication for human rights, environment and conflict patterns. The methods adopted to do so is to employ both legal doctrinal and qualitative research methods. Hence, under section I background information is given, and section II deals with impetus of the investment. Section III, evaluates large-scale land investment vis-à-vis land governance issues, and analyse the land grab issues in Ethiopia, and section IV wraps up with conclusion and recommendation.

Key Words: Land Grab, FDI, Land Rights, Human Rights, Conflict, Environment Protection

1. Introduction: Setting the Premises

The term Large-scale land acquisition or more so ‘land grab’ generally refers to large-scale, cross-border land deals or transactions that are carried out by transnational corporations or initiated by foreign governments (Zoomers, 2011). The definition gives the criteria by which one could refer to ‘land grab’. These criteria are: the fact that it involves land deals and the size of the land is referred to as large-scale, the fact that it is international contract, and the fact that it involves corporations and governments. Accordingly, the land acquisitions or deals are often concluded via lease or sale. In the case of Ethiopia, the land acquisition takes the form of lease concessions ranging often from 30–50 years, but in other countries outright purchase of large tracts of land is the often resorted mechanism. Hence, land grabbing is fast becoming the concern of both the local people where the land is situated and the world at large. It is also the outcry of everyone concerned that large-scale land acquisition or land grabbing in

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1 Federal Democratic Republic of Ethiopia Rural Land Administration and Land Use Proclamation No.456 (2005), article 8(4): Note that the time span for the lease is indicated from contracts signed to date.
2 It is argued by some that the phrase ‘land Grab’ undermines the legal aspect of the agreement as the land acquisition takes place with the full consent of the government of the host country. On the other hand, some argue that the terming is appropriate given the plight of the locals who ultimately suffer from the loss of their land under undemocratic regime or without free, prior and
the sub-Saharan African countries and a few countries around the world by investors of all sorts is causing havoc. The impact of the investment is argued for and against in a polarized manner. At the core of the debates and objections to the large-scale land acquisition (land grabbing) especially by foreign investors is the fact that the land so acquired is being used in majority of cases for the production of biofuel in contrast to crops for food. Moreover, the ensuing eviction of native communities, evictions of farmers and pre-urban areas settlers, robbing them of their only means of livelihood (their land), and the possible environmental damages as a result of large scale land investment are some of the objection to the land grab underway. On the other hand, the foreign direct investment (FDI) is argued for by investors and host government as catalysis of economic development, means of technology transfer, boosting food security and as a source of employment. Nevertheless, what drives these kinds of land deals? Why is it the buzzword? The answer might come from the drivers or push and pull factors of what is known as land grabbing.

1.2. Impetus of Large Scale Land Acquisitions

Several push and pull factors are involved underlying the causes of the large-scale land acquisition. These include food security concerns, particularly in investor countries, which are a key driver of government-backed investment. Food supply problems and uncertainties are created by constraints in agricultural production due to limited availability of water and arable land; by bottlenecks in storage and distribution; and by the expansion of biofuel production, an important competing land and crop use (Lorenzo et al., 2009). The global economy constitutes, in various ways, another important underlying driver of land change related to land grab, because economic conditions influence the pressure on land. The international financial crisis and collapse in housing and stock markets worldwide in 2008, for example, created a vacuum for investment. This led to an increasing interest in new investment opportunities on the part of the financial sector, large international investors and banks (Cecilier & Annette, 2010). The foreign direct investment on land has become the buzz of the day following the world food crisis of 2008:

‘...Since 2008, rising financial investments in land have contributed to more than 200 million hectares of land being taken from small farmers, fisher folk, and other rural communities, robbing them of their means of survival. Land grabbing also frequently involves violent evictions and human rights violations. Institutional investors are expected to increase by 500% their agricultural investment portfolios by 2017...’

Another intimate link between the economic conditions and land demands is related to food habits. It is well documented that a general increase in wealth tends to increase the preferences for animal-based diets (Cecilie & Anette, 2010: 5). There are also other drivers that encourage land investment oversees, these include general increase of the world population, climate change, weaker land governances and land rights in the recipient countries of the investment, and sharp increase in urbanization and hence increasing urbanisation rates and changing diets are also pushing up global food demand. Therefore,
‘…The current land grab is partly a result of a combination of globalization, the liberalization of land markets and the worldwide boom in FDI. In a globalizing world, local development is increasingly played out in a matrix of links that enable connections to be made between people and places on a world scale…’ (Zoomers, 2010:430).

Nonetheless, the sought development is happening at the expense of local people. Despite this the question is, where does the investment go to and comes from (sources and destinations of the investment)?

These investments take place often in Sub-Saharan African countries and a few other countries around the world, where large chunk of land is thought to be available unused or underutilised. The investment is largely driven and backed by the government of the investing body. The investors come often from oil rich countries of the Middle East with meagre arable land (e.g. Saudi Arabia and Qatar), India, China, S. Korea (populous nations which needs to feed them and provide energy), and the rich Western nations such as The Netherlands (with giant multinational companies which are motivated by profit making); while host countries include Ethiopia, Sudan, Tanzania, Madagascar, Cameroon in the Sub-Saharan African context, and certain countries in Latin America and South East Asia.

The land grabbing or FDI with regard to land has clear pattern. The first pattern is that the massive concentration of the large scale land investment is concentrated in countries marred by weaker land governance and corrupt institutions. The global financial network admitted the same fact in the following words: Often the large-scale land deal involving foreign investors are happening in countries reputed for weak land governance and ridden with corrupt institutions.

A second major pattern is the massive concentration of foreign acquisitions in Sub-Saharan Africa. Of the publicly reported deals, 948 land acquisitions totaling 134 million hectares are located in Africa; 34 million of these hectares have been cross-referenced. This compares with 43 million hectares reported for Asia (of which 29 million hectares have been cross-referenced) and 19 million hectares in Latin America (of which 6 million hectares have been cross-referenced). The remainder (5.4 million hectares reported and 1.6 million hectares cross-referenced) is in other regions, particularly Eastern Europe and Oceania (Saskia, 2013). The host countries of these large-scale land deals are often third world countries who are ambitious for investment of any nature coming to their way.

The third pattern or salient feature of the investment concerns the property regime of the host countries. Often, the host counties sanction state ownership of land or have weak or unrecognized customary land rights (Liz, 2012:1).5 The rights of the land holders or users are not sufficiently protected there by making easy acquisition of the land under extractive state and big government. Where big government and corrupt institutions facilitate easy acquisition of land by robbing it from the locals, thus, the ultimate beneficiaries would be the investors and co-grabbers of the land in host countries, which is often the government of host countries itself. For instance, in case of Ethiopia the government has a scheme of accumulating land in the ‘land bank’ waiting for investors.

The other and last feature of the investment is on the particular use of the land so acquired for the investment. The use is largely directed at the production of biofuel as compared to food production.

5 Liz Defined customary land tenure as such: ‘Tenure means landholding. Customary land tenure refers to the systems that most rural African communities operate to express and order ownership, possession, and access, and to regulate use and transfer. Unlike introduced landholding regimes, the norms of customary tenure derive from and are sustained by the community itself rather than the state or state law (statutory land tenure)’
Cross-referenced data from the Land Matrix show biofuel production accounts for 40% of land acquired. In comparison, food crops account for 25% of cross-referenced deals, followed by 3% for livestock production, and 5% for other non-food crops. Farming broadly understood accounts for 73% of cross-referenced acquisitions. The remaining 27% of land acquired is for forestry and carbon sequestration, mineral extraction, industry, and tourism (Saskia, 2013: 30).

1.3. Large Scale Land Investment in Ethiopia

1.3.1. Framing the Debates

Large-scale land deal is the buzz of the day in Ethiopia too. Fertile land located at the lowlands often crisscrossed by giant rivers is given to the investors to make use of it. It appears that global financial institutions are also interested in extending capital to the investors to invest on such kind of land. The Government has come up with a legal framework which enabled it to take land from the locals and deposit it in its ‘land-bank’. Moreover, a new agency has been established to facilitate the same (Agricultural Investment Land Administration Agency) as per Council of Ministers Regulations No. 283 (2013) and Proclamation No. 29 of 2011. It is also the experience of many countries that national governments are engaged in facilitating land grabbing.

‘In our analysis of various country cases of land grabbing, we realize that national states are engaged in systematic policy and administrative initiatives aimed at capturing so-called ‘marginal lands’ for large-scale investments (Saturnino et al, 2014: 167).’

The government of Ethiopia is claiming that it has put in its land-bank over 3.3 million hectare of land sourced in majority of cases from inaccessible and unused lowlands of the nation where water is available for irrigation (Ramato, 2011:1). As the Amharic newspaper reporter observed, in its issue of May 13, 2014, 2.3 million hectares have been given to 86 foreign and national companies of which only 840,000 hectares are cultivated. Among the major reason forwarded by the director of the agency for the under performance is security issues, lack of socio-economic impact study, vandalism, capacity of the companies and resentment among the locals. The government argues as well that putting into use these otherwise inaccessible and hitherto unused fertile lands available in lowlands of the nation is a right approach to boosting foreign earnings and even ensuring food security of the nation. Ramato states the government’s side argument as such,

‘…The commercialization of land and the shift to large scale agriculture is being presented by the Ethiopia government and international bodies such as the World Bank as an essential measure for agricultural modernization and the improvement of productive efficiency which is said to lead to increased food production and economic growth…’ (Dessalegn, 2011: 4).

On the other hand, those who argue against the land banking and ensuing investment claim that the (semi-)pastorlists community who wonder from place to place depending on the need of the time; uses the often claimed ‘unused’ land available in lowlands. Thus, what seemed unoccupied land at one point of time, will be used at another point of time, depending on the season of the year. Moreover, settled communities are also evicted to make way for such investments, thereby endangering their livelihood. ‘A greater proportion of foreign investors produce export crops, and the floriculture and bio-fuel sectors in particular are foreign dominated (Tom Lavers, 2012:116).

The major vision of Ministry of Agriculture is to ensure the benefit of the country and the people through endeavors of developmental investors who are capable of producing competitive agricultural exportable produces in the global market.

Seasons are defined in Ethiopia by rainy season and dry season, hence during the dry season the pastoral community moves to wet areas in search of pasture and water.
Moreover, the large-scale land deal has been criticized on manners how the lease contracts are negotiated, by the related human rights violation, as being a factor for conflict, and by the magnitude of environmental destructions. As for Gambella, one of the regional state of Ethiopia, where such investments primarily take place, a Human Rights Watch report claimed that:

‘…The Ethiopia government has not recognized traditional systems of land tenure in Gambella, continuing to call the land “unused” or “underutilized.” This is despite there being a strong basis in the constitution for the recognition of customary rights. Article 40(5) of the constitution states: “Ethiopian pastoralists have the right to free land for grazing and cultivation as well as the right not to be displaced from their own lands. The implementation shall be specified by law…” (Human Rights Watch, 2012: 73).

As mentioned in the Human Rights Watch report, and article 40(5) of the FDRE Constitution on the recognition of the rights of the pastoralists, the government position has been made less tenable and in defilement of the supreme law of the land. Moreover, the fact that the lease contract concerning large-scale land deal is being handled by the federal government has also raised issues of constitutional rule. The FDRE Constitution gives land administration right to the regional governments (FDRE, 1995). The plights of the pastoralists would have been easily understood by the regional government than a federal Ministry of Agriculture (MoA) which is far removed from the sites of the land and the people in question. MoA has been authorised by the proclamation 29/2001 of the council of people representative to administer any large-scale land deal happing in the country where the land size is more than five thousand hectare. Thus, no regional state as against the rule of the FDRE Constitution is allowed to conduct land deals with any investor whether local or foreign if the land size meant for investment is more than the indicated expanse. The reason given to grant such power to the federal government is inefficiency and incompetence on the part of the regional states. The regional states were accused of inefficiency and corruption by the federal government; moreover, the fact that investors are also unable to deal with one authority responsible for the investment for the entirety of the country, especially the complaints of the foreign investors have been taken very seriously. It was noted as major challenge that different regions have different investment standards, thus calling for uniform rules for the country.

To sum up, the arguments for and against the large scale land investment focus on split position one comes from the government, investors and occasionally international organisation justifying it as a key move to bring about economic development. Those who argue against the investment come from the angle of environmental protection, customary land right protection, and human rights respect and paint an ugly picture to the investment taking place in Ethiopia. However, both positions suffer from extreme focus on one aspect of the phenomena. Development is nothing if it is not going to be sustainable, but no development is worse than poverty, the latter is far more powerful in destroying nature and human rights than large scale land investment. The debate must centre on alleviating poverty and promoting sustainable development as far as possible. Thus, a compromising position could be found between the polarised debates in the idea of sustainable development and by putting more emphasis on alleviating poverty.

1.3.2. Land Governance: Confirming Big Power

In Ethiopia, the legal regime and the overarching policy governing land and natural resources is defined and delineated in the constitution of the country itself i.e. the Constitution of the Federal Democratic Republic of Ethiopia. The Constitutional Inquiry Commission8, while it was being drafting the current constitution, called for a huge debate on the land issues: The debate focused

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8 The commission was established during the transitional period (1991-1994) to draft and approve the constitution.
on two positions, one position advocating private ownership of land and the other advocating the ownership of the state. \(^9\) The transitional government by then only claimed that the land issues have to be solved by the newly forthcoming constitution. In August 1995, the constitution went into operation incorporating Article 40, which ruled over the matter, and apparently ending the deadlock. Article 40 (3) of the FDRE Constitution reads:

‘...The right to ownership of rural land and urban land, as well as all natural resources, is exclusively vested in the state and the people of Ethiopia. Land is a common property of the Nation, Nationalities and Peoples of Ethiopia and shall not be subject to sale or to other means of transfer…’

The FDRE Constitution divides role between the federal government and the states in terms of land governance issues (FDRE 1995: Art 51&52). Accordingly, the federal government enacts framework laws while the regional governments administer land as per the framework laws enacted at federal level. Of course, the regional governments can enact their own laws within the leverage given to them by the federal framework land law.

The first framework legislation enacted to implement the constitution was the Federal Rural Land Administration Proclamation no. 89/1997; however, the proclamation was repealed and replace by the Rural Land Administration and Land Use Proclamation No. 456/2005, hereinafter, Proclamation no. 456/2005. Hence, the first framework legislation has limited life and impact as it was repealed in short life span. On the other hand, the first comprehensive framework legislation enacted by the federal government is Proclamation No. 456/2005. It has confirmed in its preamble the constitutional overarching principle that the land belongs to the state and the people of Ethiopia. Besides land is not to be sold, mortgaged or transferred in any form than allowed by the law or within the limitation of the law. Land is to be accessed for free as long as one chooses to make farming his or her sole livelihood. It should be noted that the preamble refers to the notion of sustainable development. The second paragraph of the preamble reads:

‘...whereas, it has become necessary to sustainably conserve and develop natural resources and pass over to the coming generation through the development and implementation of sustainable rural land use and planning based on the different agro-ecological zones of the country...’

Thus, the notion of sustainable development as stipulated in the framework land law calls for investigation on the current trend of land grab and its major impact on the land use pattern, its impact on the local people, its impact on food security both at national and local level, and impacts on the environment. The law must take into consideration the impacts of land grab on long term bases. It is also important if one investigates the notion of sustainable development in terms of large scale land investment vis-à-vis water usage, sustainable livelihood and protection of biodiversity.

1.3.3. Access to Land: Making ways for Unscrupulous Investment

There are many types of land in rural Ethiopia, and such types of land are identified in terms of the holders of the land. Hence, identifying the types thereto is helpful to have the general picture of the land available in the rural land to which the question of access to rural land can be answered in relation to. The access referred to in here is both to Ethiopian farming community and investors (local and foreign). These types’ of lands are:

A) Private holding:

A private holding is defined as the holding of a peasant or farmer or semi-pastoralist or pastoralist or other body who are entitled to use rural land by the law the minimum size of which is specified and usufruct rights are extended including the right
of renting and inheriting the land within the limits of the law.\(^{10}\) Hence, private holding must not be confused with free holding or private property, as per the Ethiopian legal system private holding is simply a holding right with the use right of the land extended to the holder indefinitely. The national average size of private holding land is less than one hectare which is the result of the land policy, which affords land for free\(^{11}\) to all there by resulting in land fragmentation, soil erosion and forest destruction as the number of peasants surge and climate change compounds the problem. Hence, private holding could be subject to land grab and that is exactly what happened especially with regard to flower investment concentrated around major cities. Farmers land closer to major cities especially to Addis Ababa has been expropriated to give it to the flower companies of Europe and elsewhere.

**B) Communal Holding:**

The second type of holding defined under Proclamation No. 456/2005 is a communal land. It is a rural land, which is given by government to local residents for common grazing, forestry and other social services.\(^{12}\) Thus, the land is under the custody of the community bestowed from the government for common use. The community can use the communal holding for animal grazing, growing perennials and perhaps holding some social functions on it. A communal land by

\(^{10}\) The cumulative reading of, supra note 2, Article 2(4) and 2(11) provides, “"holding right" means the right of any peasant farmer or semi-pastoralist and pastoralists shall have to use rural land for purpose of agriculture .and natural resource development, lease and bequeath to his, family or other lawful heirs, and includes the right to acquire property produced on his land thereon by his labor or capital and to sale, exchange and bequeath same, and 'minimum private holding' means rural land in the holding of peasants, Semi-Pastoralists and Pastoralists, and other bodies who are entitled by law to use rural land’

\(^{11}\) Federal Democratic Republic of Ethiopia Rural Land Administration and Land Use Proclamation No.456 (2005, Article 5(1)

\(^{12}\) Id, Article 2(12)

...definition allows access of use to everybody who is a residing member of the community in question. It is important that an individual be a recognized member of the community in order for him to be beneficial of the communal land. However, such land is less secure than the private holding as it can be distributed to private users anytime the government decides to.\(^{13}\) Moreover, such land is also subject to large scale land acquisition; in fact, the government prefers giving up such land for investment as it brings in less hassle compared to private holding which brings in compensation issues. Yet, community land while being expropriated, there is not compensation issues in general.

**C) State Holding:**

Another category of rural land is defined by the law as:

‘…Land demarcated and those lands to be demarcated in the future as federal or regional holding; and include forest lands, wildlife protected area, state farms, mining lands, lakes, rivers and other lands...’(FDRE, 1995: Art 2/13).

The definition is not only very broad but also raising some issues for concern: if a certain piece of land is not private holding or communal; it automatically falls under the domain of the state holding because of the phrase ‘...and other land’ included in the wording of the law and hence is made to form the domain of state land by the definitional provision. Moreover, one could raise the question “what are the rights of the localities?” To be specific, can the locals exercise fishing rights as they can exercise grazing rights on communal land? One possible explanation can be offered along state controlled use, meaning that these lands are simply controlled by the state and use rights are continuously regulated without

\(^{13}\) See the regional land proclamations, especially Amhara and Oromia Land proclamation (the Amhara National Regional State Land Administration and Use proclamation No. 133 (2006) and Oromia National Regional State Rural Land Use and Administration Proclamation No. 130 (2007)
making it private holding or communal holding or, in some cases, the resources on these lands are exploited by the state itself. The fact on the ground informs one otherwise; especially as far as lakes are concerned; it is more of an open access and such is also the case with forestlands. Such, open access is disaster for the environment and the resource and invites the tragedy of commons.

On the other hand, state holding includes practically all land that is not currently registered as communal holding or customary land, especially pastoral lands. It is this land now primary under the investment target of the government largely at the expense of the pastoral community which roams around vast expanses of land for their livelihood. The FDRE Constitution affirms; however, the right of the pastoralist not to be evicted from their land.  

For the right to be respected, the land must have been registered, mapped and certified in the name of a given pastoral community. It seems there is no consistent legal framework to do so, since the law focuses on the highland agrarian society and leaves out the pastoral community as far as land registration and certification is concerned. This fact has put the pastoral land under the definitional operation of government land, thereby making it easy target for large-scale land investment.

D) Lease Holding

Both Urban land and rural land can also be accessed via lease. As per the lease proclamation, Urban land is accessed via Lease, so is also rural land only for investors. Thus, rural land is accessed via lease by investors, be it domestic investor or foreign investor. The investor is not only given land but also afforded the right to mortgage the land, a right which is not available for the rest of rural land users. Thus, lease is the approved mode of large scale land acquisition in Ethiopia. Lease right is mortgaged and transferred both in urban setting and only for investors in rural land setting. Expropriated private holdings or community land, or government lands are transferred to investors via lease system. Often, the lease rights extend for more than 50 years with full transferable rights and mortgaging rights.

1.3.4. Land Selection Criteria for ‘Investment’

At the federal level, land for investment is selected based on soil suitability, water availability, and the lack of human settlement. The land selection process begins with regional governments who carry out socio-economic assessments on candidate lands. Based on these assessments, the federal and regional governments evaluate the appropriateness of the land for large scale investment. The appropriateness of the land is gauged based on availability of human settlement, if there is no or somehow scattered human settlement, then the land is eligible for investment. Moreover, the type of soil suitability and water availability are crucial factor to make land eligible for the federal land bank awaiting investment. Thus, the land meant for investment is often located in lowland parts of the nation where sparse population settlement is existing, water is available and the soil is suitable. A UN report unveils:

‘...The land which has been most in demand is that which is close to water resources and can therefore be irrigated at a relatively low cost in terms of infrastructure, and land which is closest to markets and from which produce can be easily exported...’(Olivier, 2009:5).

15 See in general, the FDRE Re-enactment of Urban Lands Lease Holding Proclamation No. 272 (2002)
16 Federal Democratic Republic of Ethiopia Rural Land Administration and Land Use Proclamation No.456 (2005, article 5 (4) (a)
17 See in general, Federal Democratic Republic of Ethiopia Rural Land Administration and Land Use Proclamation No.456 (2005, Investment Proclamation No. 769 (2012), and Regional Land Laws; the cumulative reading of which gives a vivid picture that the Investors’ land rights is much more protected and transferable.
The process for investing in land in Ethiopia is constantly evolving. Investments involve different government actors. The FDRE Constitution provides regional governments with the mandate for rural land administration. Consequently, these regional governments have negotiated the bulk of land investments, and continue to do so today. However, in January 2009, Proclamation 29/2001 changed the process, which is now corroborated by Council of Ministers Regulation No. 283/2013 which established an agency. The Agricultural Investment Support Directorate (AISD) now upgraded as Agricultural Investment Land Administration Agency in 2013 was established under the Federal Ministry of Agriculture and Rural Development (MoARD), responsible for identifying potential land for agriculture, receiving this land from all regions and transferring it to investors. It also monitors activities of the investors and provides them with both technical and administrative support. Hence the missions of the AISD are to identify and delineate potential agricultural investment areas; transfer agricultural investment lands to investors by evaluating their capacity based on the relevant agricultural investors; creating conducive and attractive environment for investor to invest on agricultural sector; providing the necessary technical and administrative support to investor.

The Oakland Institute affirmed:

‘...While AISD is now responsible for all foreign agricultural land investments over 5,000 ha, all investments under 5,000 ha are still the mandate of the regional governments. Whether at the federal level or the regional level, there are three components to the land investment process: (1) the investment certificate; (2) the land use agreement; and (3) land acquisition...’(OI, USA, 2011: 28).

At first, it was the regional government who handled the land deal all together; however, there were lots of mishaps and corruptions reported. The federal government felt compelled after repeated complaints from the investors and local community to take the matter into its hand, hence it has proclaimed a law that confers the authority to do so. Accordingly, there is a federal organ (AISD) which administers the land contract and acquisition process in close collaboration with the regional government where the land in question is situated.

1.3.5. Nature and Negotiations of the Lease Contract

‘The investors that have so far come forward are a mix of states and private agro-industrial complexes (Makki & Geisler, 2011). The investors take land via lease concessions. The lease agreement was in the beginning between the investors and regional states but later on it was taken over by the federal government to achieve some modification to the contract signed already and achieve some uniformity. However, the land is still given often at a throw away price. The terms and conditions of a contract are usually designed quite favourable to the investors. The control mechanisms are weak and the conditions of the contract hardly address human rights and environmental concerns, nor do they address the interests of the country at large. A lease contract must have been negotiated with strong terms that must ensure the expected benefits such as investment in the development of infrastructures, technology transfer, and boosting productivity. Moreover, the negotiation must involve the affected group; community level participation should have been the guiding principle. However, what is happening on the ground is something completely different.'
Global Witness together with the Oakland Institute and the International Land Coalition asserted in a joint publication that it is essential that land leases or purchases are fully transparent and that the revenues are used for the benefit of the local population. It would appear that, in some cases, land is leased at very low rents, or sold below market prices, or even given away against vague promises of employment creation or transfer of technology. While States have a right to engage in economic affairs, it is a corollary under the Declaration on the Right to Development that they should “formulate appropriate national development policies that aim at the constant improvement of the well-being of the entire population and of all individuals, on the basis of their active, free and meaningful participation in development and in the fair distribution of the benefits resulting therefrom (Olivier De Schutter, 2011: 14/15). Decision-making around land-related allocations and investments is frequently done in secrecy without the knowledge or consent of communities affected. They are consequently unable to hold governments or business enterprises to account for the negative impacts they suffer. Such a lack of mechanisms or political will to ensure transparent, accountable, and equitable decision-making and allocation of concessions undermines governance and the democratic process (Global Witness et al, 2012: 5).

The practice of negotiation of the terms and condition of the contract has been a point of acute criticisms in Ethiopia, especially by the way it was handled by regional states which has forced the federal government to take up the matter and engage in the negotiation process itself. However, the federal government is also engaged in skewed contract which often gives priority to the interest of the investing body undermining the interest of the population concerned, the concerns of environment, and above all usurping the jurisdiction of the regional governments.

To substantiate the matter let us examine terms and condition of a typical land lease contract signed in Ethiopia. The lease contract between an Indian company and MoA would give us a vivid picture and insight as to the nature of a typical lease contracts signed in Ethiopia: The contract was signed between MoA and karuturi Agro-products plc. (Cancelling prior contract signed between the company and the regional government) in 25th October 2010. As revised after the federal government negotiated a deal with all regional government to administer any lease contract where the land size is more than five thousand hectare. The lease contract is signed for fifty years at 20 birr rent (approximately one US$) per hectare per annum. The lease contract is signed for hundred thousand hectare of land with the condition that another two hundred thousand hectare of land will be added as the company develops the presently agreed upon land within two years of the execution of the contract. The lessee has the right to use the land for palm, cereals and pulses production, and develop infrastructure necessary for the accomplishment of the purpose stated. The company has also the right to use river water and underground water for irrigation purpose. Whereas, the contractual obligation of the lessee includes a vague term and condition of caring for the land and natural resources situated in and around the leased land. The obligation relates to conserving plantation that have not been cleared for the development of the land thereby licensing the company to clear forests and natural beauties situated on the leased land. The obligations also include submitting an EIA report within three months after the execution of the contract. The contract is to be executed within one month of its signature. Thus, the lessee is expected to take the land within one month of

At first the company was given 300,000 hectares of land by Gambella regional government yet the phenomena caused lots of resistance, which forced the federal government to take over the matter and negotiate a new deal which reduced the size of the land to 100,000 hectare. The rest of the land will be handed over once the contractual size is developed within two years. To date (three years from the signing of the contract) the company has not developed even 5% of the land it has taken, neither the government has taken back the land as per the contractual rights. As of march, 2015 the company officially left Ethiopia declaring bankruptcy.
The signing of the contract and correspondingly the government is under obligation to clear the land of any encumbrances, including forcing people to relocate if need be within one month. The lessee is expected to develop the land for the indicated purpose within two years and transfer rights can be exercised only after developing 75% of the leased land. Of course, unauthorised use of the land is also impossible yet the realities on the ground have been different. The lessor, on the other hand, has the right to monitor the fact of discharging the obligation as per the contract (by the lessee) in a manner that does not hamper the activity of the lessee. Thus, care has been taken not to disturb the company while monitoring and evaluate the progress and activities of the company. It is not clear what kind of care must be taken not to hamper the company from its activities. Moreover, the lessor is under obligation to give special investment incentives. For instance, allow to import machineries duty free.

On the other hand, the lessor has also the right to terminate the contract upon giving six months advance notice on the ground of failure to develop the land. The major grounds to terminate the contract are failure to develop the land, failure to discharge yearly fees and causing damage to the natural resources. Yet, the lease contract can be renewed on the same terms and condition of the contract and the laws applicable to dispute settlement is Ethiopian laws. However, four years after the signing of the contract neither the land is developed fully nor taken back by the government. It is only the people at the precarious situation after losing their land to the investor.

Thus, if one examines the terms and condition of the contract being signed in Ethiopia, it would be easy to conclude that the terms and condition are very lax and meant to favour the investors at the expense of human rights, environmental protection and even national interests at times. Of course, the idea of developing the land is tantalising; however, it has to be done in a manner that ensures and protects the causes of human rights and the environment. Often than not, the investors are engaged in a practice detrimental to the interests of the locals and the environment. The rent price is very small and gets smaller as the land is farther away from the capital city and modern infrastructures. Besides no concern of the local people is raised in the contract, like the issues of compensation or benefits in terms of employment and so on. EIA report is not taken seriously and the local peoples’ participation in decision making is negligible. Above all, the control mechanisms to ensure the fulfilsments of commitments like technology transfer, infrastructure development, and employment creation is unavailable in the terms and conditions of the contract. On the other hand, a researcher has summarised the investment privileges enjoyed by the foreign investors in Ethiopia in the following manner.

The investment legislation is very generous to foreign investors. The capital requirements of foreign businesses wishing to invest in the country ranges from zero (for those which export 75 percent or more of their output), to 25,000 USD (if they are in joint venture with domestic investors) to 100,000 USD. Foreign investors have the right to fully repatriate, in convertible currency, profits and dividends, principal and interest payments on external loans, proceeds from technology transfers, and from asset sales in the event of liquidation of the investment, and proceeds from the transfer of shares or ownership to a domestic investor. Expatriates employed in an enterprise may remit in foreign currency salaries and other payments accruing from their employment. Investors, foreign or domestic, are guaranteed against expropriation or nationalization except as required by the public interest. In the event this happens full compensation is payable at the prevailing market value. Foreign investors may repatriate compensation paid in foreign currency (Dessalegn, 19). It was the biggest scandal of 2012 that the company is engaged in felling trees for production of charcoal than developing the land for the stated purpose. The two years’ time given for the development of the land has not been observed within the agreed time as well.
However, land contracts do not protect the interest of the locals nor do they serve the causes of sustainable development. Land contracts must be structured so as to maximize the investment’s contribution to sustainable development. This includes devising incentive systems to promote inclusive business models, and giving legal teeth to commitments on investment levels, job creation, infrastructure development, public revenues, environmental protection, safeguards in land takings, and other aspects (Lorenzo et al, 2009:107). Furthermore, without transparency, accountability, and open debate, decision making over land continue to be swayed by vested interest at the expense of rural land users (Umbadda(2014).

1.3.6. Human Rights Concerns

Pastoralists/natives or local individuals/local communities living on or adjacent to the land offered to the investors are often told to move to new settlements that are prepared by the government. This resettlement agenda has also created havoc among the community affected. The land offered to the investors at mega scale is often to be utilised for the biofuel production competing with human food and crop production impelling the right to food. The indigenous people also claim the natural settlement of their habitat is source of cultural heritages, medicine and source of food at times. Thus, all land deals must respect the following human rights notions. Ethiopia is member to all international bill of rights and the provisions enshrined in these bill of rights protect directly or indirectly the peasants, indigenous community and the environment while dealing with large scale land leases. Accordingly, Ethiopia as a member country to these international human rights instruments must see to it that the edicts of the instruments are observed and citizens are also protected. Some of the rights threatened by the large-scale land deal include, the right to food, the right to adequate standard of living, the right to shelter, the right to culture, the right of indigenous people, the right to work, and the right to clean and safe environment.

The nature of the obligation of states parties to the International Convention on Economic, Social and Cultural Rights (ICESCR), which incorporates all the rights threatened by land grabbing has been articulated under article two of the covenant. The principal obligation is to take steps to achieve progressively the full realization of the right to adequate food, for example. This imposes an obligation to move as expeditiously as possible towards that goal. Every State is obliged to ensure for everyone under its jurisdiction access to the minimum essential food, which is sufficient, nutritionally adequate and safe, to ensure their freedom from hunger.

According to the ICESCR, the obligations of the State are threefold: to respect, protect and fulfil, for instance the human right to food.

‘…The State is obliged to refrain from infringing on the ability of individuals and groups to feed themselves where such an ability exists (respect), and to prevent others in particular private actors such as firms from encroaching on that ability (protect). Finally, the State is called upon to actively strengthen the ability of individuals to feed themselves (fulfil)’(Olivier De Schutter, 2009:3)

Whereas, the situation in Ethiopia reveals as far as land grabbing is concerned, the government is shying away from its obligation to respect and protect human rights incorporated even in the constitution of the nation directly adopted from the ICESCR. Local communities have been driven out of their land and forced to settle somewhere else so that the land can be put to ‘more productive use’, as claimed by the government. So, resettlement is at the core of the investment agenda as well. People are moved from their land thereby compromising their ability to feed themselves, this tantamount to encroaching upon their right. Moreover, their ability to work on their land and feed themselves has been compromised.
immensely. The government was also supposed to protect them from the investing companies which threatens and destroys their way of life and their community habitat. Forced resettlement destroys the right to culture and cultural rights as well. At the core of the matter is people are taken to a place they are least use to and prohibited to make a living out of their natural community land. Their way of life is also affected immensely. The human right to food would be violated if people depending on land for their livelihoods, including pastoralists, were cut off from access to land, without suitable alternatives; if local incomes were insufficient to compensate for the price effects resulting from the shift towards the production of food for exports; or if the revenues of local smallholders were to fall following the arrival on domestic markets of cheaply priced food, produced on the more competitive large-scale plantations developed thanks to the arrival of the investor. In concluding agreements on large-scale land acquisitions or leases, States should take into account the rights of current land users in the areas where the investment is made, as well as the rights of workers employed on the farms. They should also be guided by the need to ensure the right to self-determination and the right to development of the local population (ibid). It is also essential for the host counties to be sensitive to the culture of the community where the investment is taking place. It is always advisable to make participatory decision making the guiding principle while deciding to lease a certain land for the foreign or local investors.

In one case a certain Indian investor was asked by a local community not to cut trees which are believed to be the resident of the ancestral spirits. The elders simply asked him not to cut the tree because it is our shed, and that the tree protects us from the scorching sun and the torrential rain. The Indian site manager arrogantly replied saying ’we will bring you umbrella from India, if need be’. The case illustrates how insensitive and offending is the reaction of the aliens to the revered culture of the locals.

1.3.7. Environmental Concerns

‘If it is unacceptable for Ethiopians to go to India, China or Saudi Arabia and clear their land without consulting the people, it is unacceptable here. We are human too and we care about the future of our children like everyone else...my message to the foreign investors is, listen to the owners of the land (Koprucu, 2011).

The above assertion is the plight of a local who is worried about the damage being caused to the environment by the foreign investors. Investors are allowed to clear forests and destroy habitats of precious wildlife. Some have even engaged in producing and selling charcoals instead of developing the land as per the lease contract. Rivers have been redirected from their natural course thereby compromising the livelihood of the community who depend on the water. The biodiversity of the area hitherto unaffected has been simply cleared off to plant jantropha, flower, cotton, palms and pulses. Environmental impact assessments are least among the concerns of the land contracts. Some of the investors were accused of felling trees and destroying wildlife reserve areas. Some are engaged in activities against the terms and condition of the contract, others still use chemicals prohibited by the world community thereby affecting ground water and local people who depend on it for their life.

An independent researcher in an interview informed the author that; toxic chemicals from huge plantations fields, open mining pits and flower farming are left untreated. Such chemicals are sometimes discharged to open rivers or will find their way in to pollute the tributaries and major local rivers essential for the survival of the local population and already causing serious public health problems. Heavy metals like lead and copper as well as toxic chemicals are being discharged directly into rivers used by the locals for drinking. Evidence shows there is no capacity or political will by the Ethiopian state to enforce national regulation or international conventions on the protection of the environment. Research
confirms that deforestation, because of extensive agricultural land clearing, mining, and flower farms are leading to worsening of soil erosion. Wildlife’s are also made to suffer, out migrate or extinct as large agricultural machines find their way in to clear forests and made the way for the huge agricultural investment. Indigenous trees are lost, biodiversity is compromised and in general, the environmental peril is of untold magnitude. Large-scale land acquisitions need to be environmentally sensitized and be ventured to in a sustainable way. As the facts stand now, in Ethiopia environmental impact assessment is least resorted to and the investors are left to distract the environment the way they like to or the way they think it has to be handled to accrue maximum profit.

1.4.8. Conflict Factor

The current large scale land deal is full of controversies. There is no consensus on the manner of the land deal and the effects thereto. It has been argued that its ill sides are more pronounced than its positive impacts. Most definitely, the most affected group by the land deal are resenting the whole processes. Some of the landholders and the pastoralists where such large-scale land deal is happening have bitter experiences. It has been reported that settlements ensuing the land grabbing are disasters. At the core of the problem, Merera Gudina (PhD), a scholar and a leading opposition party leader in Ethiopia revealed his unease in an interview:

‘...Neither the pastoralist nor the landholders are willing to vacate the land under investment. Moreover, they are not made part and parcel of the deal, there is no public participation in the whole processes. The people are simply bullied into believing the propaganda of the government and often empty promises of alternative livelihood...’

He continued, ‘...even if there is alternative livelihood prepared or compensations are paid, the peasants are not happy about it; the land for them is more than economic value. The people have spiritual link to the land as well...’

The disappointment on the part of the community being moved from the land is multifaceted. There were promises on the part of the government about the new place they are to settle. They are promised new school for their children, health facilities, electricity and other infrastructures. Moreover, alternative land or other employment is also in the list of the promises; in addition to food rationing for some time. However, when they get to the new settlement; the promises are often empty or utterly inadequate. Furthermore, in case where individual receive compensation, which could serve temporary justification for the government; the money is least managed. People are not trained how to use the money and invest it into long term livelihood. So, when the money is finished, new resentment is spreading waiting for potential violence and conflict.

Opposition party leaders and scholars in the field are complaining concerning the stated promises of large scale land deal. Among the benefits are technology transfer, development and new source of employment and boosting export earnings, which is not up to the standard of the propagated promises. Thus, dividing the nation in terms of the politics; this could be again another source of conflict.

It has been revealed in an in-depth interview with the aforementioned scholar and out-spoken opposition that:

‘...The large scale land deal is a new colonisation, new scramble for Africa. In Ethiopia the motto ‘land to the tiller’ has been replaced by the government motto of ‘land to the investors’; large fertile tracts of land are given at throw away prices, tax holidays has been granted to the investors, machines are imported duty free, forests are cleared at mega scale, wildlife’s are destroyed, and above all humans are made to suffer...’
Judging by the history of the nation, all conflicts of major scale have their roots on land related resentments. This scramble could be a time ticking bomb waiting to go off anytime. ‘Conflict entrepreneurs use land disputes to manipulate the emotional, cultural and symbolic dimensions of land for personal political or material gain, fomenting civil strife as in the cases of Rwanda and Burundi (Abdulai, 2011:159).

It is the case also corruption of major scale is happening in Ethiopia with regard to land and land related deals be it in the urban areas and with the large scale land investment. This phenomenon is also exacerbating resentment and conflict between the people and governments personnel’s. The scholar interviewed added in his comment that: ‘…You cannot silence the people all the time, soldiers are protecting the investors for now but it is difficult to suppress all the people all the time. One moment could be the explosion. It could also be source of future conflict between the federal government and regions; the federal government is the major player side-lining the regions against their constitutional right to administer land…’

Therefore, resettlement of communities, as communities are displaced from their land for large scale land investment, is spreading resentment and havoc. There are already instances of resistance at the community level especially at Gambella Regional State. International non-governmental organisations such as Human Rights Watch and other media reports suggest that the picture is not as painted by the government, all clean and nice. There are lots of human rights violation and environmental disasters happening on the ground. Where compensations are paid, it is arbitrary and meagre. Once, the money from the compensation is finished; proud farmers’ and pastoralists are turned into beggars. They all need their land back and the replacement land given as a form of compensation in some instances is not with matched quality and often at distant places. All these factors coupled with constitutional issues of the regional governments and massive corruptions happening with this regard could be a definitive source of conflict of major scale, calling for a timely intervention with proper land policy guide.

1.4. Conclusion and Recommendation

Large scale Land acquisition is a buzz of the day in the world, more so in Ethiopia. The issuing is polarising, in one category of the phenomenon is dubbed as land grab and seen as ultimate scramble for land at to the cost of the peasants, fishers and local communities. It is often claimed that it violates human rights and destructs the environment as well. On the other hand, it is often depicted as key to ‘development’, technology transfer and boost in productivity of an otherwise idle land available in Ethiopian lowland in particular. These polarised positions needs to find happy marriage at some point, i.e. ‘the egg-omelette theory’ needs to be given a chance. That, one must make sure s/he can prepare the omelette before breaking the egg lest both the egg and the omelette be lost.

Many million hectare of land are being given away everywhere in the world, in Ethiopia the government has put almost 3.3 million hectare of land in a land bank for investment especially foreign direct investment. This land is often found in the lowlands of the nation where sparsely populated pastoralists often live. In the highlands, especially surrounding the capital city and big cities, flower companies have taken substantial land for flora productions. The investment is encouraged, motivated and supported by the government as shortcut to agro-industry development.

However, many problems are cropping up ranging from the way the land is identified for investment, to the manner of negotiation and lease contracts, to evictions, human rights violations, empty promises of compensations, and environmental destructions. It is also undeniable that the investment might bring substantial change in the production of food.
and ensuring food security, expediting development where handled and negotiated well in the framework of sustainable development. Thus, the following needs to be done.

- Private holding while taken up for investment needs to be compensated in light of sustainable livelihood for the user of the land;
- Community lands located in the high-lands need to be recognised, registered and compensated where such land needs to be developed; the benefit of which may be used for community development work;
- Communal land rights of the pastoralists (land customarily used by a pastoralists and semi-pastoralists) need to be registered via the community leader or local administration, mapped and any encroachment needs to be compensated;
- The land governance system must move towards rental land market which develops land market. This makes easy expropriation and compensation processes based on the prevailing market price;
- Every investment needs to be accompanied by full and informed participation of the community concerned;
- Human rights concerns needs to be addressed as well. Especially the issue of eviction needs consensus and full engagement of the concerned people;
- Environmental Impact Assessment needs to be taken seriously as per the law of the nation having regards to the international standards;
- Thus, responsible land governance needs to be the guiding rule which underlines the principle of sustainable development. Besides, institutions of rule of law needs to be strengthened and be freed from political manipulations so that they can control corruption and ensure respect for human rights & minimise disaster on the environment.

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