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## Understanding Land Investment Deals in Ethiopia: SMNE Independent Commentary on Report Regarding Political Impact and Recommendations

The **Solidarity Movement for a New Ethiopia (SMNE)** and the **Oakland Institute (OI)** have jointly published a comprehensive report: *Understanding Land Investment Deals in Ethiopia*, which resulted from extensive research and an in-country assessment of the new phenomena of the explosion of land investment deals within Ethiopia.

In light of this report, **the SMNE would like to make some independent comments and recommendations** based on this report which will include observations regarding the political impact and specific recommendations to address concerns.

As many know, Ethiopia is a country with long-standing poverty, dating back many decades. Chronic food insecurity concerns continue and efforts to reduce poverty and hunger among Ethiopians remain a serious challenge for both the present and the future; particularly as its population grows. At the same time, Ethiopia, like many African nations, is negotiating the long-term leases of its most productive agricultural lands to foreign investors.

We in the SMNE are deeply concerned that greater accountability and responsibility be placed on the current EPRDF administration of Prime Minister Meles Zenawi, whose tight grip on the country, non-responsiveness to the people and opening up of Ethiopian land and resources to easy access from these new investors will undermine the future of Ethiopians unless greater safeguards are taken.

In light of that, we want to provide you with the following information because these are the kinds of details you will never hear; knowing that this government has blocked the media, has criminalized dissent and has perpetrated genocide and crimes against humanity against its own citizens. PM Meles leads a repressive and corrupt one-party government that has closed all political space within the country, while charmingly portraying themselves to outsiders as a democratic country that cares about human rights, the rule of law, the environment and the overall well being of its people.

Instead of using these land investment deals to increase the well being of the Ethiopian people, this regime and its cronies are personally profiting through control of every sector of society. This includes this fast-paced leasing of large segments of agricultural land to foreign and private investors; without consulting the people even though it will affect their lives and livelihoods for years to come. Hundreds of thousands of people will lose their homes, crops and land; only to be resettled elsewhere. Dissenters have been targeted with intimidation, beatings, imprisonment and even death. Some of those who have spoken out publicly—for example, on the BBC and Voice of America Radios—have been forced to flee the country for safety despite the fact that these transactions ignore Constitutional laws.

Even though Ethiopia is one of the most food insecure countries in the world, foreign companies have made clear their intentions to export most of the produce to other countries; even while the federal government now pleads for additional food assistance for millions more people. Similarly, PM Meles Zenawi, elected by the African Heads of States as the representative for the continent on climate change, is claiming a right to compensation and assistance from industrialized countries for global warming; while at the same time promoting agricultural development without consideration of the environmental impact.

# **Political impacts**

## *Local Political Impact*

Increasing loss of access to land and resources, whether through commercial land investment or other mechanisms (villagization, etc.) is increasing the level of dissatisfaction with local government officials. As discussed above, while open dissent is not tolerated, this increasing frustration may express itself in several ways locally, including lack of open communication with officials, increasing levels of distrust and potential conflict. Most local government officials are not accountable to the populations in any way, although local government officials (kebele or sometimes woreda) are the faces that local impacted people express frustration to. It is these government officials that are likely to be the first to bear the brunt of any frustration or open dissent that does or will occur. From all accounts, conflict will also likely increase into the future in the areas where land investment is occurring.

## *Domestic Political Impact*

Inside Ethiopia, there is widespread fear of criticizing government, at almost any level. This is reported from numerous Ethiopians in country, from the diaspora and from numerous reports on the current situation in the country. Obviously, this varies greatly by location and ethnicity across the country as a whole, but certainly in the areas of land investment we visited there is significant frustration, rarely publicly expressed, about government policies. This is due in part, but not exclusively to, land issues. It is just another one of many frustrations that contribute to local dissatisfaction with government. While this would usually result in increased pressure on government, the lack of ability to express dissatisfaction presently limits the pressure on government. However, the extent to which it contributes to an unexpressed level of frustration is clear to the research team. Frustration and “quiet” dissent is increasing. If it is ever openly expressed, in whatever form, the pressure on the government will be great, to potentially devastating effect. There is definitely a perception in the country that long-term conflict may be inevitable due to government policies, and that land investment issues will contribute to this.

Resentment is also a result of the development of the business conglomerate EFFORT (Endowment Fund for the Rehabilitation of Tigray), which was formed to help rehabilitate the region after the overthrow of Mengistu but has monopolized business opportunities. Even though many average Tigrayans remain marginalized; EFFORT and its inner circle of elite members, including the prime minister’s wife who heads up this multi-billion dollar organization, have allegedly amassed fortunes and now dominate nearly every sector of the Ethiopian economy; including access to land and natural resources. Even though EFFORT is called a non-government organization, meant for the betterment of the Tigrayan region, it lacks any transparency, is inextricably politically connected to the ruling party, is seen as corrupt and does not allow disloyalty to the EPRDF.

While the EPRDF and regional governments usually present a unified front on issues surrounding land investment, there have been recent signs that not all are in agreement. In late January 2011, the federal government’s president Mr. Girma Wolde-Giorgis reportedly wrote a letter to the federal Minister of Agriculture expressing concern over the continual EPRDF granting of large tracts of land. He focused on Ethiopia’s worsening international reputation, climate change concerns, lack of proper assessments, and deforestation concerns. While the president’s position is largely symbolic and it wields little real power, it is evident that despite the unified front shown in public, there is considerable divide within government on land investment policies.

## *External Political Impact*

Many diaspora advocacy groups have been writing about the land investment issues, in an effort to bring awareness to the issue and to pressure the Ethiopian government. The majority of these efforts have had little impact inside Ethiopia to date, but may serve to inform other diaspora, decision-makers, and the general public about the issues. Given the size of the Ethiopian diaspora population, and Ethiopia’s desire to have this community investing in Ethiopia, diaspora perceptions and attitudes may put some pressure on the Ethiopian government.

Ethiopia is often seen as a strategic ally of Western powers, including the US and the EU. Given the numerous international criticisms of Ethiopia's poor human rights record, pressure is mounting on Ethiopia's government. However, given Ethiopia's key geographical location, and its role as a strategic ally of the West, it is evident that the West seems unwilling, at least thus far, to use its considerable diplomatic and financial influence to bring about change. However, there are signs that this patience is wearing thin, and the EU in particular, is demanding an improved human rights record in exchange for financial, development, and diplomatic support.

Outside of ongoing human rights concerns, there was no indication from diplomats the research team met with that land investment issues have been discussed at a high level. At the same time, on January 28, 2011 Wikileaks released a February 2010 diplomatic cable from the US Embassy in Addis Ababa that outlined several land investment deals and summarized international concerns over land investment in Ethiopia. The cable ended with the view that "[despite] being a step in the right direction... that evolving policy is a long way from proving its worth as a vehicle for achieving the GoE's stated goals of modernizing the sector, generating foreign exchange reserves, and increasing the domestic food supply.

No one should be led to believe that these investors are there to feed starving Ethiopians or to improve food security in Ethiopia; they are there to make money.

Drastic changes are necessary; not only from the Ethiopian government, but from the people as well as from stakeholders and donor countries. The following recommendations are not only for the EPRDF, but for any future government that comes into power in Ethiopia.

## Recommendations

### To Ethiopian government(s):

The following recommendations are intended for the current or future Ethiopian federal government(s). Many of these recommendations also apply to regional levels of government that may be involved in the disposition of land for investment. However, it is expected that the federal government will take the lead in these areas.

If land investment is going to occur in Ethiopia, then the international community expects that it be carried out in a manner that recognizes international standards, human rights, and best practices. In undertaking land investment, the Ethiopian government must respect the diversity of ethnicity and livelihoods of Ethiopia, and must strive to minimize environmental, social, and cultural impacts. They must also ensure that land investment contributes to the development of sustainable livelihoods, reduces levels of poverty and is carried out in a transparent manner. More specifically, it is the belief of the research team that if land investment is to occur in Ethiopia then the following recommendations should be implemented by the current, or future, government(s) of Ethiopia:

1. Slow the pace of land investment down. This will allow everyone to take time to learn from the investments that have occurred, will allow for institutional processes and capacity to catch up, will provide more time for other businesses and potential employees to benefit from this investment, and will allow for a more centrally planned land investment sector that will ensure that Ethiopia receives maximum benefits from these investments, while minimizing the risks and associated impacts. The demand for Ethiopian farmland will always be there, what is the rush!?!?
2. Respect for, enforcement of, and implementation of existing laws and international conventions. In many cases, the legal basis is in place to provide a foundation on which land investment could occur that protects social and environmental considerations. Implementing and enforcing existing laws would mean that Impact Assessments are completed prior to investments being awarded, land can be expropriated only under certain circumstances, and that adequate compensation must be paid out.

3. It also means that customary land rights are recognized and that consultation must happen. International human rights conventions obligate Ethiopia to comply with internationally agreed upon human rights standards. The EPRDF cannot expect its citizens to follow the rule of law, if as a government it is not willing to do so itself.
4. Encourage indigenous involvement. It is in everybody's best interest that Ethiopia views its indigenous people as partners in development. Special effort should be given to encourage indigenous investment in agriculture, and to assist indigenous in gaining the capacity to become smallscale investors themselves. This would increase the level of "buy-in" from indigenous Ethiopians, will offset some of the negative impacts, and would decrease risks to government and to investors.
5. Improve certainty with respect to land use practices, tenure, and planning. This includes:
  - 5.1. Land certification prior to land investment. In the lowland areas where large amounts of land are being awarded to investors, land certification processes are largely absent. Land certification efforts must be undertaken prior to land investment occurring. Ensuring land certification is in place will lessen the risks to investors, local governments, and local populations. This certification should also recognize shifting patterns of cultivation, pastoralist rights, and communal rights.
  - 5.2. Centralized land investment registration system. No one seems to know the overall or true extent of land investment in Ethiopia. Even if there was the best of intentions for centralised and effective pre-project planning across the landscape, it would be very difficult because of a complete lack of coordination, inadequate recording procedures, and lack of sharing between departments and levels of government. A centralized system of land investment registration, with consistent reporting standards, along with summarized monitoring and inspection results would be extremely beneficial to all stakeholders and decision-makers.
  - 5.3. Embrace land use planning. Land use planning processes should be open, transparent involve extensive consultation, and be undertaken prior to land investment. After completion, land use plans should be respected, implemented, and all developments should comply with the land use vision contained in the plan. This will contribute to less conflict and more certainty for investors, governments and local landowners. Protected area planning should be component of regional land use planning. In the interim (until land use planning processes are complete) certain lands should not be awarded to investors including lands given in critical wetland areas, forest areas that protect the headwaters of critical water supplies, areas of high or unique biodiversity, candidate areas for protected area status (ie. in Gambella currently), areas where land certification processes are not complete. All regional government officials we met with told us that land use plans would make their job easier and would result in less land related conflict.
6. Improve the land disposition process
  - 6.1. More integrated process between different departments and levels of government. While streamlining the process (as they have done at the federal level) can limit bureaucracy and save time and money for investors, it is resulting in a poorly planned, top-down and largely deregulated process. Departments mandated for food security, environmental protection, and water use do not play any meaningful part in the awarding or ongoing monitoring of these investments. Having a more coordinated process where multiple government departments are able to contribute their expertise to the process will not scare off serious investors. Rather it will attract a type of investor that wants to ensure that rights are respected, is committed to the long term implementation of their projects, and wants their project to contribute to the overall development of the country.
  - 6.2. Consider other models of land disposition. There are many potential models of land disposition (including competitive bidding for parcels), but they all would start with comprehensive planning using collaborative and transparent approaches in order to identify areas that are suitable for land investment. Selection criteria for successful investment proposals would be based on the investor's plans to maximize the positive benefits and minimize the negative impacts, particularly involving local and vulnerable populations. There could be many variations of this idea, including community involvement in the determination of the selection criteria.

7. Ensure the benefits from land investments are maximized: This includes:
  - 7.1. Ensure a positive contribution to food security: Each project should be openly assessed on how it will positively contribute to food security at a local and national level. No projects should be undertaken that would jeopardize local livelihoods and food security. Potential investors should spell out how their project will contribute to improved food security, with specific, achievable and measurable activities. Enforced clauses in agreements should ensure that investors carry out these responsibilities. Approaches could include ensuring availability of production locally, no exports, training of local people, no local loss of farmland, community development initiatives, improvements to local infrastructure, etc. Food should only be produced for export if there are adequate, accessible supplies available locally and nationally.
  - 7.2. Ensure infrastructure improvements. There is an invaluable opportunity to ensure that land investors assist in the infrastructure development of the country, and in particular in the vicinity of their lease areas. Ensuring investor assists in infrastructure provision would show that investors view themselves as long term partners in Ethiopia's development, rather than merely taking advantage of an attractive investment climate.
  - 7.3. Get serious about technology transfer. If this truly is one of the benefits, then government should insist on a plan that outlines how that improved technology and associated know-how will be transferred to local people and communities. There are a variety of techniques and expertise available internationally to assist in this process. The plan should be flexible/adaptable, and contain specific measurable goals and a process for evaluation of success. It should feature detailed strategies on how to transfer these new technologies and know-how to local people, whether that be through training, access to microcredit, or other techniques.
  - 7.4. Land use fees are increased to more competitive levels, and those funds are earmarked to offset adverse impacts. Any fees associated with land investment should be increased to more closely approximate the fees charged by other SSA nations with similar levels of infrastructure. Land use fees should be transparently earmarked for community development projects to offset adverse impacts, and communities should decide what impacts need to be offset.
  
8. Minimize the adverse impacts and limit the risk
  - 8.1. Increased attention towards water use. Water is of critical importance to all, yet there are no permits required, limits on use, protection measures or fees. Water use needs to be a critical part of pre-project assessments - including ensuring there is adequate supply for downstream users and ensuring adequate water is available for human and ecological functioning, (taking into account expected modeled climate fluctuations).
  - 8.2. Ensure the financial and technical (farming) ability of investors. There needs to be an assessment before handing out investments of the capacity of the company to carry out its plan - both the financial and technical ability. If the investor has no technical or financial ability to carry out a commercial agricultural operation they should not be permitted to do so!
  - 8.3. The *Environmental Code of Conduct* should be mandatory, enforced, with strict penalties for non-compliance. While compliance with the minimum standard (bronze) should be a condition for ongoing approval, incentives could be given to encourage compliance with the higher standards (silver, gold). This could include relaxation of land use fees, or other fiscal/taxation incentives. In addition, the Code should be broadened to include more measures related to social, cultural, and food security impacts. It should be evaluated, reviewed and updated on a regular basis though consultation with impacted stakeholders. With assistance from civil society, regularly scheduled, independent audits could be carried out communities and/or civil society (with government's support) to evaluate performance relative to Code standards.
  
9. Repeal *Charities and Societies Proclamation* (Proclamation 621/2009). Restricting the activities of those investigating human rights and good governance just opens up the door for criticism of Ethiopia's human rights and governance records. If Ethiopia is abiding by human rights obligations then it should be open to showing the world that. The very existence of the law raises suspicions that Ethiopia is contravening its international human rights obligations. Surely if Ethiopia has nothing to hide it is in their best interest to show the world that the perceived advantages of land investment are being realized, and that none of the feared impacts are being experienced.

### **To civil society:**

1. To continue to support info gathering and dissemination on this critical issue. Many civil society bodies are carrying out work on different aspects of land investment. Civil society should continue to support the efforts of the ILC's Commercial Pressures on Land portal, farmlandgrab.org, etc and should openly and freely share and disseminate information on this issue as much as is possible (including this report). It is important that the information not only be disseminated between governments, civil society, and international bodies, but between ordinary Ethiopians. In a country where information is not freely available, dissemination of this information within the country is critical in order to improve awareness and debate as ultimately significant change will only happen in Ethiopia through grassroots efforts.
2. To consider funding and supporting above recommendations. Many of the above recommendations to the Ethiopian government can be implemented in a more effective, efficient, and timely manner through the contributions (financial, expertise, encouragement and otherwise) of civil society. None of the recommendations involve new approaches and techniques. Civil society can play a leading role in bridging the gap between government and those international resources that can assist.
3. To report on rights violations with respect to land grabbing through your in-country projects. Whether it be health care, education, capacity building, natural resource conservation, or social service provision almost all of the services that civil society undertakes in Ethiopia will be impacted indirectly in various degrees by land investment. It was our experience that many of these NGOs and individuals are understandably uncomfortable speaking about these impacts and about what they see. But it is these individuals and organizations that are often in the best position to be able to report about what is actually happening on the ground. There are many avenues through which these individuals and organizations could contribute to this body of knowledge without jeopardizing their organization's position within Ethiopia.
4. Advocate for implementation of these recommendations. Put pressure on your national governments and other bodies to support these recommendations. Ethiopia receives massive amounts of aid from Western powers. This aid should come with responsibilities. Civil society can play a critical role in ensuring that our governments and other funding institutions hold the Ethiopian government accountable.

### **To diaspora groups:**

1. Continue to advocate. Use mainstream media and social networking to spread information that is grounded in positive change, facts, and realism and not conflict-inducing messages, rumours and rhetoric. There are many diaspora groups active in exposing land grabbing in Ethiopia. Unfortunately, very few of their materials and communications area available inside Ethiopia. Diaspora groups should continue to be creative in getting their messages into the hands of ordinary Ethiopians inside the country.
2. Talk to families and relatives back home. Share information on this issue with relatives and friends in Ethiopia. Share with them what is being talked about outside of Ethiopia, and try to gain an understanding of what information they have. Share this report. Ask them to share this information with others. Discuss the pros and the cons of the issues with those inside the country.

### **To donors:**

1. Put pressure on the Ethiopian government to recognize human rights and provide social and environmental safeguards in land investment practices. Ethiopia is dependent on international aid and as such, donors are in a powerful position to demand that Ethiopia lives up to its international obligations and implements the above recommendations. Aid flows should be restricted if Ethiopia is not living up to international human rights, good governance, and indigenous rights standards.

2. Ensure that not aid monies are going into any project that will be involved in land investment in its present form. Aid monies should not be funnelled towards projects that will make it easier for land investment in its present form to continue to take place.
3. Aid flows be considered to aid and assist Ethiopian government in achieving the above goals. Many of the above recommendations will more easily be implemented if the financial support is available to support them.

#### **Areas of Further Research:**

The research team just scratched the surface of what is a large and complex issue in Ethiopia. The land investment landscape is constantly changing, and the type and amount of land investments granted and under development is constantly shifting and evolving. Research of this type needs to be ongoing in order to provide up to date information on a constantly shifting and dynamic situation. More specifically, certain areas need to be further studied in the short term:

1. Land investment in highland areas. While understandably much attention is being paid to the areas where intensive land investment marketing is occurring (lowland areas), it is also of critical importance to look at land investment in the Highland areas. Highland areas are more densely populated, but are also better connected to markets and have more infrastructure making them potential land investment targets. Little media coverage or in depth research has been done regarding land investment in Highland areas.
2. Villagization. It is hard to underestimate the impacts that villagization will have on the people of lowland Ethiopia. Very little has been written or researched about this latest round of resettlement, the long-term impacts on livelihoods and food security, and its connection with the land investment phenomenon.
3. Cumulative impacts on water. One area that could use much more study is the cumulative impacts of water use in the rivers that flow through Gambella and on rivers in the Blue Nile watershed. Dams, hydroelectric facilities, irrigation schemes, uncontrolled commercial land investment (and associated deforestation and wetland alteration), local uses and a changing climate are just some of the pressures on water resources in the Western part of the country. At the same time there are little, if any, controls on water use in land investment processes.
4. Cumulative impacts on indigenous lifestyles of the Omo Valley. As discussed before, the cumulative pressures on the indigenous groups of the Omo Valley are reaching a critical point. The attention of civil society has been focused on this area in the past because of the proposed dam and because of issues surrounding the national park, but to our knowledge, no one has done in-depth research to analyse the extent of land investment in the area and how this is interacting with the other suite of pressures on traditional lifestyles.

ENDS

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**The SMNE is a non-violent, non-political, grassroots social justice movement of diverse Ethiopians; committed to bringing truth, justice, freedom, equality, reconciliation, accountability and respect for human and civil rights to the people of Ethiopia and beyond. The SMNE has branches in the United States, Canada and United Kingdom and chapters in various cities and countries throughout the world, including within Ethiopia.**

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