Land grabbing, conflict and agrarian-environmental transformations: perspectives from East and Southeast Asia

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Corridor Development and Foreign Investment in Agriculture: Implications of the ProSAVANA Programme in Northern Mozambique

Koichi Ikegami
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Abstract

Recently, discourses on international cooperation have shifted from development assistance to private investment such as including foreign direct investment. Policy makers and major economists in the developing and developed countries are saying the same slogan that private investment is a crucial factor in agricultural development and a solution to food problems.

The ProSAVANA programme in Northern Mozambique is a typical private investment example. It is implemented by triangular cooperation between Mozambique, Brazil and Japan. The programme is closely related to the Nacala Corridor Project, which is one of Agricultural Growth Corridor Development initiated by the G8. Many small farmers and civil societies (local and international) are citing problems with PROSAVANA. Specifically, some private companies are violating the rights and dignity of small farmers by the implementation of land deals. Nevertheless, the involved governments and international donors are criticizing small farmers and civil societies for obstructing agricultural modernization. In this sense, ProSAVANA has turned into a political issue in local and international arenas from an economic development point of view.

This paper employs a ‘here and now approach’ (White, B., et al., 2013) to highlight the problems small farmers are facing regarding on the context of their livelihood and hopes for the future. The actual purpose of ProSAVANA is to increase productivity by supporting large agribusinesses. Small farmers are considered as ‘partners’ in contract farming or hired labourers. Such assumptions will not help small farmers improve their living standards but rather disrupt their sustainable and endogenous development.

As to the aspect of political issues, this paper suggests the possibility of the extra territorial obligations (ETOs). This approach is intended to guarantee agribusiness adherence to international agreements on human rights and to follow the laws of the mother country of agribusinesses.

Keywords: Land grabbing; corridor development; Foreign Direct Investment ProSAVANA; Mozambique

Acknowledgements

The research for this paper was supported by JSPS KAKENHI Grant Number 25292139.
1 Introduction

The food price shocks of 2007 and 2008 created significant concerns about food security (Cohen, J. and Smale, M., 2012), especially in countries with poor capacities for food production such as the Gulf States, China and South Korea. As a result, those countries rushed to acquire agricultural lands outside their boarders by negotiating directly with foreign governments to obtain long-term land concessions with significantly low leases. Such nation-based land deals often caused severe conflicts between local communities and governments. Because of recent harsh opposition from local communities and criticism from international civil organizations about land grabbing, the number of regular nation-based land deals have decreased. There is also a possibility that private companies acting as government agents instead of actual governments are securing land use rights.

After the 2011 food price shock, it was believed that supply and demand for agricultural products had gone from shortfall to surplus. International prices for major cereals such as wheat, corn and soybeans have fallen to 2010 levels since the last quarter of 2014. The removal of policies that over-emphasized biofuels may have led to changes in land and product use, turning corn back to food and feed. This change is partly due to the ‘food against fuel’ fight spearheaded by popular opinion leader, Brown, L. (Liberti, S. and Flannely, E., 2013: position No. 2056-2072). There were many supporters claiming the benefits of biofuels. This change was also accelerated by the fall in the price of oil.

However, land grabbing continues to thrive throughout the world and has expanded to other areas such as water, resources and green grabbing. It is necessary to identify this change and understand how it applies and impacts local people and communities. An historical scope and analysis from the viewpoint of political economies can help us better understand this change. Recent studies on land grabs more or less support this approach (Edelman, M. et al. 2015:5-7).

Attention to land grabbing emerged and grew rapidly in the last quarter of 2010 when food price shock significantly affected world markets. Since then, many studies on land grabbing have been conducted; the term ‘literature rush’ has been used. The land grab boom in the academic world generally cooled down in 2012 when the third food price shock ended. Edelman et al. (2015) called the period between 2007 and 2012 the ‘making sense period’, meaning that that period was devoted to asking and answering basic questions on land grabbing such as who is involved, why, how and what are the specific impacts. This period is regarded as the first phase of research on land grabbing during which efforts have been concentrated on determining what is involved in land grabbing. This approach is categorized as a ‘here and now’ approach by White et al. (2013). Edelman et al. (2015) suggest that a different approach with a focus on historical scope and the political economy is required during the second phase of land grab research.

This paper basically supports this latter approach. However, this paper still stresses the importance of the ‘here and now’ approach because researchers examining land grabbing need to speak to the people and communities affected and inform the world about their situation in the hopes of restoring their rights. I believe in the necessity of this mission-oriented study.

Based on this, the paper will highlight what is happening in the ProSAVANA Programme\(^1\) in Northern Mozambique as well as the multilayer backgrounds of local and international policies, including foreign investment policies in Japan. Finally, this paper will make some suggestions based on the learnings and implications of the ProSAVANA Programme in Southeast Asia.

2 Increase in land interest and Japan’s direct investment policy in Africa

The food price shock in Japan resulted in opinions strongly suggesting that Japan should catch up to the direct investment trends of China and Korea. The media repeatedly reported on the ‘enclosure’ of land by China and Korea, and reminded citizens about the insecure state of food provisions in Japan. This ‘catch up to China and Korea’ campaign may have been associated with nationalistic ideology by taking advantage of a vague fear associated with the uncertainty of securing food. However, this campaign had little effect on Japanese land investments.

In addition to this campaign, a new approach to land grabbing has recently emerged that emphasizes foreign investment in the arena of international cooperation. The slogan ‘from aid to investment’ is currently the trend in international cooperation. This trend is in accord with the discourse of public-private partnerships. Such circumstances are generating an increased interest in investing in natural resources and agriculture in Sub-Saharan Africa and the Greater Mekong Subregion (GMS) of Asia. This could result in an accumulation of large-scale land deals by agribusiness.

The 2013 BRICS Summit held in South Africa highlighted the development of Africa. Since BRICS countries such as Brazil, Russia, India, China and South Africa have been increasing their investments in Africa, their share has climbed to 50% of total investments in Africa since 2011 (Liberti, S. and Flannely, E., 2013). As such, BRICS countries are making their presence increasingly felt in Africa as they expand their rights and interests in securing resources such as lands, forests and water.

Even Japanese companies which have had little involvement in Africa started to show interest in ways to invest. Japanese companies have traditionally invested in greater Asia, especially Southeast Asia. However, direct investments in agriculture have traditionally been minimal. According to the Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF, 2013), investments in agriculture accounted for less than 8% of total foreign direct investments compared to the 1980s. Investments concentrated mostly on processing and manufacturing of food while investments in agricultural production were less than 15% compared to 2008. In 2007, MAFF began a support project for expanding the food industry into East Asia based on the adoption of a new agricultural policy. The 2010 MAFF Basic Plan for Food, Agriculture and Rural Areas included the establishment of ‘the Council for Promoting Foreign Investment’ for food security to emphasize direct investment by public-private partnerships. This council was established in response to the rapid emergence of large-scale land acquisitions by food-deficit countries and foreign capital, with multinational agribusiness at the head of the list. In this way, the Japanese government introduced backup frameworks for promoting investments in agriculture and land.

Although the mainstay of Japan’s agricultural investments remains in Asia, Africa has recently attracted Japan’s interests. The May 2014 Ministerial Meeting of the Tokyo International Conference on African Development (TICAD) was held in Cameroon where Fumio Kishida, the Japanese Minister of Foreign Affairs, committed to support and promote ‘profitable agriculture’ in Africa. Kishida stated at the time that Japan’s support included business negotiations with buyers,
training in market research methods and more importantly, in technology transfers for market-oriented farming such as new food varieties, as well as new farming schedules and farming methods based on demand; all of which could result in increased income for farmers and improvements in the food sufficiency rate. He expects to introduce 50,000 ‘modern’ and ‘commercial’ small-scale farmers by 2017, explaining that it would make agriculture an economic activity and a larger consumer market for Japanese companies.

The Minister’s statement was followed by a splendid banquet hosted by Prime Minister Shinzo Abe, who visited Mozambique in January 2014, and promised to contribute 70M Yen over 5 years to the Project for Nacala Corridor Economic Development Strategies in the Republic of Mozambique (Nacala Corridor Project) as part of Japan’s Official Development Assistance (ODA), thereby encouraging private investment from Japan. He also stated that Japan would make efforts for early adoption of the agreement between the Governments of Japan and the Republic of Mozambique on the Reciprocal Liberalisation, Promotion and Protection of Investment (Agreement on Investment).

The Japanese government has shown strong interest in Mozambique since the mid-2000s. Negotiations with Mozambique regarding investments finally culminated in the signing of the Agreement on Investment at TICAD V (Yokohama, Japan) on 1 June, 2013 and the agreement came into effect on 29 August, 2014. The purpose of the agreement is “to further promote investment in order to strengthen the economic relationship between Japan and the Republic of Mozambique”. Its provisions include national treatment, most-favoured-nation treatment, general treatment and so on. In particular, the protection of the rights of investors is emphasized on the Japanese side. The main targeted areas for Japanese investment seem to be natural gas, coal, wood tips and aluminium refining. It is noteworthy that one of the main objectives of the Nacala Corridor Project is to revamp and lay down a railway for conveying coal produced at the Moatize Coal Mine in Tete Province. Although investments in agriculture and land have not yet received much attention to so far, it is important to closely follow investment tendencies in Japan.

There is another framework to consider for Japanese investments in Africa. The Japanese government decided to strengthen the Facility for African Investment and Trade Enhancement (FAITE) in the Japan Bank for International Cooperation (JBIC), which was originally set up in 2009 when TICAD IV was held. JBIC’s FAITE invested $2.5 billion between 2008 and 2012, from which it implemented advance funds for infrastructure to support Japanese companies in South Africa and Egypt. It decided to double the investment to $5 billion over the next five years as of 2013. The expected investment is for the exploitation of a natural gas field that Mitsui & Co. is deeply involved in. FAITE also committed to increase loan provisions in Japanese Yen. This is intended to provide a network of logistics for agricultural products in Mozambique, Brazil and Japan, and is supposedly closely related to the Nacala Corridor Project and ProSAVANA Programme.

In addition, the Japanese government decided to utilize Japanese trust funds, currently held at the World Bank (Policy and Human Resources Development Fund) and the African Development Bank (Fund for African Private Sector Assistance), for the purpose of increasing quotas for small and medium sized African enterprises and agriculture. The intended investment amount is $125M over 5 years beginning in 2013.

Japanese institutional investors have also shown interest in Africa. In February 2014, the Japanese Stewardship Code was introduced, giving institutional investors the ability to participate in company governance. Public pension funds such as the Government Pension Investment Fund (GPIF) can be used to invest in infrastructure and unlisted companies in developing countries together with

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the World Bank, and to implement project financing as well. They have their eyes on Africa and Southeast Asia. The amount of investment is expected to range between 10 to several 100 billion Yen. It is not clear where and how such large amounts will be invested because institutional investors use several different combinations of stocks, bonds and derivatives. However, some institutional investors might invest in land and agriculture. Accordingly, it is necessary to analyze the money flow from institutional investors.

3 Corridor development and public-private partnerships in international politics

3.1 Inclination toward private investment led development in Africa

‘From aid to investment’ is the common tendency in the international community. There is a feeling of fatigue regarding ODA since Global North introduced the slogan. Specifically, major donor countries are disgusted with “undeveloped Africa” while ASEAN countries are almost ready to take off. Although the economic growth rates of African countries have rapidly increased over the past few years, this is mostly due to resources such as crude oil and natural gas. This resource-led economy has had very few positive effects on the fundamental economy of Africa in terms of agriculture and its related industries in particular. These sectors continue to be considered as low areas of productivity.

Donor countries and international donor organizations such as the World Bank attribute this to be the result of lack of public and private investments, and insist that a possible solution is to promote investment, including public-private partnerships. In particular, this topic was highlighted at TICAD IV 2008. Following this, the Japanese government turned to accepting aggressive proposals based on public-private partnerships from private companies.

7 JICA, The research on Cross-Border Transport Infrastructure : Phase 3
Table 1. Major milestones in public-private partnerships and corridor development

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>The African Union (AU) sets up the New Partnership for Africa’s Development (NEPAD).</td>
</tr>
<tr>
<td>2002</td>
<td>The Africa Action Plan was adopted at the G-8 Kananaskis Summit.</td>
</tr>
<tr>
<td>2008</td>
<td>The government of Japan announced a commitment to doubling of ODA for infrastructure and agriculture, and to encourage private investments through ODA at TICAD IV held in Yokohama.</td>
</tr>
<tr>
<td>2010</td>
<td>The AU Council formulates the Programme for Infrastructure Development in Africa</td>
</tr>
<tr>
<td>2010</td>
<td>The G-20 request WB, FAO, UNCTAD and IFAD to set up the principles for responsible agricultural investment at the Seoul Summit.</td>
</tr>
<tr>
<td>2011</td>
<td>The AU Commission, NEPAD and WEF found the Grow Africa initiative. The first Grow Africa Investment Forum is held in Dar es Salaam.</td>
</tr>
<tr>
<td>2011</td>
<td>A New Vision for Agriculture is proposed by WEF.</td>
</tr>
<tr>
<td>2012</td>
<td>The New Alliance for Food Security and Nutrition is adopted at the G-8 Camp David Summit.</td>
</tr>
<tr>
<td>2012</td>
<td>The Committee on World Food Security of FAO adopts the Guideline of Voluntary guidelines on the responsible governance of tenure of land, fisheries and forests.</td>
</tr>
<tr>
<td>2013</td>
<td>The government of Japan announces a commitment to an increase in ODA to Africa, highlighting the 5 growth corridors, and to supporting African Growth through public-private partnerships at TICAD V.</td>
</tr>
</tbody>
</table>


Table 1 illustrates the major milestones of this trend in international politics focusing on African agriculture. Since the beginning of the 21st century, international financing institutions and donor countries have often pointed out the importance of private sector involvement even in infrastructure building. For example, in 2000, the United Nations Commission on International Trade Law (UNCITRAL) published the Legislative Guide on Privately Funded Infrastructure Projects. African governments also changed their position from expecting aid to self-development in the context of strengthening governance, which led to the New Partnership for Africa’s Development (NEPAD) initiative.

In 2002, G-8 countries produced the Africa Action Plan at the Kananaskis Summit as a first response to welcome the NEPAD initiative (Cooperazione Italiana allo Sviluppo, 2002). Since then, how to develop Africa has been put on a prioritized agenda for the G-8. The Africa Action Plan emphasizes a commitment “to encourage trade and direct growth-oriented investment.” It is interesting that this action plan states that “we will not work with governments which disregard the interests and dignity of their people. …So, too, is our commitment to addressing the core issues of human dignity and development”. This is ironic considering the violation of human rights used in land grabbing. As for agriculture, this action plan suggests the introduction of biotechnology, including genetically modified objects (GMOs), and refers to the responsible use of biotechnology.

The food price shock in 2007/08 caused various responses, including land grabbing and opinions stressing the importance of agriculture. The shock affected African countries severely. It seems to have

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9 Ibid.
led to the proposal of the concept of an African Agricultural Growth Corridor (AAGC) by the UN General Assembly in 2008. The World Economic Forum (WEF) reviewed the AAGC proposal and announced its active commitment to it. The purpose of the AAGC is to transform traditional African agriculture to modern and commercially viable agriculture by providing transportation infrastructure such as ports, roads and railways and irrigation, and by calling for the investment of private companies into farm lands. In 2011, the WEF announced the New Vision for Agriculture. The project based on this new vision includes 28 multinational companies such as grain, bio and food multinationals.

G-8 countries are also trying to accelerate WEF’s initiatives. The L’Aquila Summit in 2009 explored the opportunity for a new scheme of innovative development funding that would quickly mobilize private investment. The G8 countries agreed to set up the New Alliance for Food Security and Nutrition (NAFSN) at Camp David in May 2012. Its purpose is “to increase responsible domestic and foreign private investments in African agriculture, take innovations that can enhance agricultural productivity to scale, and reduce the risk borne by vulnerable economies and communities”\(^\text{10}\). The G-8 considered the New Alliance as a realization of the promise of the L’Aquila Summit.

The New Alliance is the latest initiative for Africa involving three types of actors: African governments, related partner countries/institutions and private sectors. These actors include the following: the AU, NEPAD and G-8 countries; international financing and aid institutions such as the World Bank, the International Fund for Agricultural Development and the Food and Agriculture Organization; and multinational companies such as Yara, Syngenta, Monsanto, SAB Miller, Bunge and Cargill. Multinational Bio companies might have a strong interest in the Technology Platform and the Scaling Seeds and Other Technologies Partnership proposed by the Alliance for a Green Revolution in Africa\(^\text{11}\), including GM technology, which were launched in the New Alliance. The number of New Alliance partner countries increased from 3 to 10; among them are Mozambique and Tanzania. Moreover, it is not surprising that the New Alliance defines its role as searching lands for investors\(^\text{12}\).

The New Alliance has a strong relationship with Grow Africa, which was founded by the AU Commission, NEPAD and WEF in 2011. There are 10 member states so far. Mozambique and Tanzania are involved in Grow Africa. Grow Africa is also a platform for promoting public-private partnerships led by African initiatives. In other words, Grow Africa is a prerequisite to creating and promoting triangular partnerships between Africa, related partners and private sectors.

### 3.2 Nacala Corridor Development Project in Mozambique

A transportation network is a crucial factor for economic development. The prices of agricultural products are not necessarily low in the big cities of Africa due to the high cost of transportation caused by a poor logistics network. Accordingly, corridor development has been a core project for attracting private investment.

As shown in Table 2, several highway development projects have been proposed by the World Bank, the African Development Bank (AfDB) and various African Governments. The earliest and most ambitious project was the Trans-African Highway (TAH) proposed by the AfDB and the World Bank in 1971. In 1987, the Sub-Sahara Africa Transport Policy Program was created by the World Bank and the United Nations Economic Commission for Africa (UNECA). Although a review of TAH

\(^{10}\) White House, Fact Sheet: G-8 Action on Food Security and Nutrition

\(^{11}\) http://agra-alliance.org/

was conducted by UNECA, AfDB and AU in 2003, it was very difficult to find any concrete progress on that project. Most early corridor development plans remain as a such: only plans.

However, some corridor development projects have recently been implemented according to the WEF’s initiative such as the African Agricultural Growth Corridor (AAGC). AAGC took on four projects as pilot initiatives; namely, the Southern Agriculture Growth Corridor of Tanzania (SAGCOT), the Beira Corridor, the Nacala Corridor and the Zambezi Valley in Mozambique. Also in Mozambique, the Maputo Corridor Project has been ongoing due to the commitment of South Africa; it connects Maputo to Johannesburg and Pretoria.

Table 2. Major milestones in corridor development

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>The plan for the Trans-African Highway (TAH) is proposed by the African Development Bank (AfDB) &amp; World Bank.</td>
</tr>
<tr>
<td>1996</td>
<td>A spatial development initiative is developed based on SADC’s Development Corridor Initiative.</td>
</tr>
<tr>
<td>2003</td>
<td>UNECA, AfDB and AU review TAH progress.</td>
</tr>
<tr>
<td>2008</td>
<td>The concept of an African Agricultural Growth Corridor is proposed at the General Assembly of the United Nations.</td>
</tr>
<tr>
<td>2009</td>
<td>The World Economic Forum (WEF) announces its commitment to the African Agricultural Growth Corridor.</td>
</tr>
<tr>
<td>2009</td>
<td>The Corridor Diagnostic Study of the Northern and Central corridors of East Africa begins.</td>
</tr>
<tr>
<td>2010</td>
<td>The AU Council decides to create the Programme for Infrastructure Development in Africa.</td>
</tr>
<tr>
<td>2011</td>
<td>A New Vision for Agriculture is proposed by WEF.</td>
</tr>
<tr>
<td>2013</td>
<td>The government of Japan announces a commitment to increase ODA to Africa highlighting the 5 growth corridor, and to supporting African Growth through public-private partnerships at TICAD V.</td>
</tr>
</tbody>
</table>

Source: same as Table 1.

The Nacala Corridor region in the Northern Mozambique attracts much interest from the private sector due to its the Corridor Development Project, while it poses some concerns to the civil sector because of instances of land and water grabbing as a result of public-private investments.

The Nacala Corridor stretches across the three Provinces of Nampula, Niassa and Zambezia. However, the Nacala Corridor Project extends to Tete Province because it is refurbishing the railway running through Malawi and Cabo Delgado Province. The Nacala Corridor region is rich in natural resources such as forests, water, coal (Tete) and natural gas (Cabo Delgado) in particular. The Nacala Corridor Development/Improvement Program is comprised of three components as shown in Table 3.

The first component involves building the paved trunk roads and connecting Nacala Port to the land-locked cities. The cost of road construction is divided into sections according to donors. Japan is deeply involved in this project.
Table 3. Main infrastructure projects in the Nacala corridor

<table>
<thead>
<tr>
<th>Type of project</th>
<th>Expected results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road</td>
<td>Road, road upgrading, bridge construction</td>
</tr>
<tr>
<td>Port of Nacala</td>
<td>Urgent restoration and development</td>
</tr>
<tr>
<td>Railway</td>
<td>Restoration and building of a new line</td>
</tr>
</tbody>
</table>

Source: simplified Table 3 in Matsushita, K., 2013, p.237, and added ‘railway’ by Ikegami.

The second component involves restoring and building a new railway line on the network from Nacala Port to the Moatize coal mine, passing through Malawi. This project has mainly been conducted by Vale, a famous global mining company with headquarters in Brazil. The main purpose of this railway rehabilitation/renovation is to transport coal produced in Tete Province to Port of Nacala. As such, the railway system is changing its role from passenger and cargo services to cargo services only. Local residents use this railway system for daily activities, including carrying small portions of agricultural products to the town at low costs. They are losing this simple and effective mode of rational transportation as these proposed changes occur.

The third component involves rehabilitation and improvements to the capacity of the Port of Nacala. Although the present capacity of the port is limited, it is well known for its naturally good quality. The Port of Nacala is expected to play an important role in the promotion of bulk product exports such as coal and agricultural products. The Japan International Cooperation Agency (JICA) has supported this project.

To integrate these three projects, JICA has developed a master plan known as the Nacala Corridor Economic Strategy (NCES). This strategy adopts a combination of sector wide and spatial approaches. NCES will include the provision of various infrastructures, electricity, agriculture, forestry, mining, logistics and so on. Available spaces will cover the 5 provinces. NCES targets the development of wider sectors in the large area. The important thing is that NCES considers the Tropical Savannah Agriculture Development Program called the Japan-Brazil-Mozambique Triangular Cooperation (ProSAVANA-JBM) as the main project in the Nacala Corridor region.

Quality improvements to transportation and rich natural resources attract investors. The Mitsui & Co. of Japan, a trading company, decided to invest into coal mining and the rail and port business. Mitsui intends to “own a 15% equity interest in Vale's wholly-owned investment subsidiary that holds a 95% equity interest in the Moatize project, and own a 50% equity interest in Vale's investment subsidiaries that have been promoting the Nacala project. Mitsui's upfront payment amount for investment and loans is USD 450 million for the mine and USD 313 million for the infrastructure”.

Mitsui is expecting to export not only coal but also agricultural products from the ProSAVANA programme.

4 Essential qualities of the ProSAVANA Programme

4.1 Characteristics of the ProSAVANA Programme in Northern Mozambique

The ProSAVANA programme originated at the G8’s L’Aquila Summit in September 2009, where the governments of Japan and Brazil agreed on joint implementation of the programme. In this regard, ProSAVANA is the product of international politics. The purpose of ProSAVANA is to enhance the

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capacity of agricultural production in the tropical savannah area of Northern Mozambique by cooperation between Japan and Brazil. The target area is 107,002 km² and extends into 19 Districts in 3 Provinces; Nampula, Niassa and Zambezia.

During the initial stage, the government of Japan and JICA insisted that they would incorporate the experiences of the ‘Cerrado’ development project in Brazil, where Japan contributed to the creation of a large soybean producing zone, making Brazil the second largest exporting country of soybeans in the world. The farming model in the Cerrado region is the large plantation. This meant that the ProSAVAN A programme would use modern and large-scale farming as a model while many small farmers would practice various agriculture methods based on their own local knowledge in ProSAVANA’s targeted area.

As explained by ProSAVANA promoters, one of its examples can be observed in South-South development cooperation (Nogueila, I. & Ollinaho, O., 2013). Another important characteristic is its emphasis on foreign direct investment by public-private partnerships. These two points are the reasons for admiring the ProSAVANA programme as a new model of foreign direct investment in agriculture (Hosono, A., 2012: JICA, 2012). Bill Gates cited it as a good example of innovative public-private partnerships at the G-20 meeting in November 2011. Hillary Clinton, US Secretary of the State, also referred to ProSAVANA as a model of triangular cooperation at the Ministerial Meeting of the High-Level Forum on Aid Effectiveness at Busan, Korea in 2011 (Hosono, A., 2012: JICA, 2012a). Based on these observations, we can easily recognize that the real purpose of ProSAVANA is its expectation of maximizing the profits of multinational companies. While Japan/JICA is superficially stressing to support small farmers through ProSAVANA, the actual components of the programme seem to promote large-scale agriculture and even contribute to increases in agribusiness profits.

Table 4. The 3 pillars of the ProSAVANA programme

<table>
<thead>
<tr>
<th>Name of project</th>
<th>Duration</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>ProSAVANA-PI</td>
<td>2011-2016</td>
<td>Implement R&amp;D systems and develop appropriate agricultural technologies and their transfer</td>
</tr>
<tr>
<td>ProSAVANA-PD</td>
<td>2012-2013 extended to 2014</td>
<td>Formulate an agriculture development master plan that contributes to social and economic development by engaging private investment</td>
</tr>
<tr>
<td>ProSAVANA-PEM</td>
<td>2013-2019</td>
<td>Increase agricultural production for each farming model/size by adopting agricultural development models in the target areas</td>
</tr>
</tbody>
</table>


As shown in Table 4, the actual schemes of ProSAVANA are comprised of 3 pillars: ProSAVANA-PI, ProSAVANA-PD and ProSAVANA-PEM. ProSAVANA-PI involves technological cooperation aimed at adopting agricultural technology developed at the research station in Mozambique.

1. ProSAVANA-PI is managed by Brazilian agricultural research institute (EMBRAPA) and Japanese one (JIRCAS) and the JIRCAS focuses on soybean production technology that it expects to export to Japan.
2. ProSAVANA-PD plans to formulate a master plan for agriculture development. The object of the plan is to promote private investment under the belief that it can lead to agricultural innovation. The Brazilian Cooperation Agency (ABC) and the consortium of consulting companies of Japan manage the project. However, it is not known when the

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14 PI: Projecto de investigação, PD: Plano Director, PEM: Projeto de Extensão e Modelos.
master plan will be finalized\(^5\).

3. ProSAVANA-PEM intends to create community development models through the spread of ‘appropriate technology’ and improvements in agricultural extension services. It includes 5 models (Table 5). They are divided into two types in terms of actor and functions. The actor model involves rural communities and associations as well as agricultural cooperatives. The functional model includes contract farming and vertically integrated with processing.

Table 5. ProSAVANA-PEM components

<table>
<thead>
<tr>
<th>Model</th>
<th>Actors</th>
<th>Province</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Community based groups of small farmers</td>
<td>Namitartar, Muassiwa Nacuia, Muassiquissa</td>
<td>Nampula</td>
<td>Extend the coverage of communities provided agricultural extension services Diversify Agricultural Extension Services to the communities</td>
</tr>
<tr>
<td>2: Support associations</td>
<td>Association</td>
<td>Niassa</td>
<td>Strengthen the role of associations as the core production and liaison with local markets. Strengthen coordination between associations</td>
</tr>
<tr>
<td>3: Support cooperatives</td>
<td>Decided by the proposed site</td>
<td></td>
<td>Assist cooperatives organized by small farmers to increase their products by collective action</td>
</tr>
<tr>
<td>4: Support contract farming (outgrower scheme)</td>
<td>Lozane Farm IKURU Oruwera Matharia Santos Agricola Morais Commercial Iapaca Forum</td>
<td>Zambezia Nampula Nampula Nampula Nampula Nampula</td>
<td>Examine the effect of contract farming on income increase and growth of production and land productivity</td>
</tr>
<tr>
<td>5: Development of value chains</td>
<td>Plan: to support agricultural cooperative producing feed for poultry which is selected among Model 3</td>
<td></td>
<td>Support the areas in which the ProSAVANA-PEM is supporting business groups, especially downstream of the value chain</td>
</tr>
</tbody>
</table>


These schemes basically employ an approach based on the structural transformation of agriculture. They are mostly based on political intentions to grow large-scale farms and agribusinesses as the main actors in agriculture. The details are as follows.

Small farmers are expected to be involved as partners in contract farming or as agricultural labourers on large farms. Such an involvement will supposedly create a win-win relationship between small farmers and principal business actors. Accordingly, traditional farming systems should be modified and modernized by new technologies such as a ‘green revolution’ including improved seeds, chemicalization and mechanization. The introduction of new crops such as soybeans as cash crops and the creation of value chains and clusters could contribute to the realization of the political intentions

\(^5\) The Master Plan was suddenly announced as a draft zero on 31 March, 2015 by a press release. This announcement means that promoters of ProSAVANA broke agreement between them and small farmers and civil societies to discuss before making a draft of the Master Plan. The notice is informed unilaterally, where local briefing meeting are held just 3 to 4 weeks later of the announcement.
mentioned above. Moreover, registration of land titles called DUAT\(^\text{16}\) and demarcation systems can delimitate land boundaries for village habitants and create the necessary climate for principle business actors and investors (Figure. 1).

However, small farmers have been using the lands within the customary boundaries not only for agricultural production but also for wider purposes. Land use varies as follows: grazing, daily use for collecting water, firewood, food and medicine, and as graveyards and symbolic ceremonial places. Some portions of agricultural lands are reserved as fallow for the next cultivation. Pastoralists also use the fields of others to feed their animals after harvest. Varying and multilayer use of lands are the most important characteristics of agriculture in Africa (Ikegami, 1994). The modern land registration system does not always match traditional African land use.

The political intentions and logistics mentioned above are framed by a stereotypical understanding of traditional farming in Mozambique. For example, Oshima (2012) mentions that both subsistent agriculture for food production and commercial agriculture for cash crop production are less productive, because Mozambican agriculture depends on traditional agricultural technologies. Most lands are uncultivated in the Nacala Corridor region. Development of agriculture in that currently

\[^{16}\text{DUAT: Direito de Uso e Aproveitamento de Terra (Right to use and utilization of land)}\]
underdeveloped region would grow medium/large scale agriculture that would contribute to economic growth by private investments. This would reduce poverty and improve food security for the small farmers of the targeted areas. Briefly, the intention is to invest in the “vast unused or underused lands” to create large-scale farms with high ‘productivity’. Proponents of ProSAVANA such as politicians and international donor institutions believe that small farmers can generate their income by contract farming agreements with large farms and agribusinesses or as working as agricultural labourers. They consider current farming practices in these areas as simplistic. They stress the concept of ‘diversification’ of agriculture in the Concept Note that appeared as the revised draft of the master plan in September of 2013. It attributes ‘low productivity’ to shifting cultivation and argues for the necessity for diversification by the introduction of modern agricultural approaches and methods. This argument is obviously contradictory because modern agriculture is generally conducted in monocultures. The concept and arguments of the Concept Note are out of focus.

4.2 Difficulty understanding ProSAVANA’s whole picture

It is very difficult to grasp ProSAVANA’s whole picture, particularly as it applies to small farmers in the targeted areas. There are many reasons for this. The first and most important is the obscure processes of the programme. During the first stage, there were no explanations provided about ProSAVANA to small farmers, who were only informed for the first time about the programme by a sudden notice that private companies had taken over their lands17 and had ordered them to evacuate. In accordance with the claims and criticisms expressed by the Uniao Nacional de Camponeses (National Peasants' Union, UNAC) and civil organizations, executive bodies such as local governments and JICA organized local meetings for briefings on ProSAVANA. However, these meetings were quite deficient and only one-sided. A lack of transparency, accountability and disclosure were the most obvious shortcomings, even though solutions to these problems had been strongly requested by the UNAC and civil organizations right from the start. The obscure process only served to accelerate the small farmers’ distrust.

Second, the discourse is frequently changing. Even ProSAVANA’s purpose is somewhat inconsistent between Japan and Brazil. JICA seems to shift its position ostensibly from large-scale agriculture oriented development to the support of small farmers, while Brazil maintains its initial position and support of large-scale agriculture by agribusiness. In ProSAVANA-PI, JIRCAS is struggling with the development of suitable technologies for small farmers while on the other hand EMBRAPA continues its research on large-scale agriculture. The ABC is eager to invite large farms and agribusinesses from Brazil. In this regard, ProSAVANA may have split into two directions, ProSAVANA of Japan and ProSAVANA of and for Brazil.

Third, ProSAVANA-PD was initially scheduled to finish by 2013 but the Master Plan had not yet been finalized at the end of 2014. Meanwhile, some schemes that were considered to be part of the Master Plan have already been implemented in advance. In addition, other similar schemes and businesses are being implemented in the targeted areas simultaneously. They are considered by local farmers as having been implemented within ProSAVANA’s framework. Accordingly, the boundary between ProSAVANA and other schemes has become blurred at the grassroots level.

Fourth, there are other related key schemes associated with the implementation of ProSAVANA. One is the ProSAVANA Development Initiative Fund (PDIF). PDIF was carried out as a pilot project of ProSAVANA’s Master Plan. PDIF is a fund jointly financed by the Ministry of Agriculture of Mozambique, JICA and a financial institution called GAPI, of which the capital is partially owned by the Mozambican government. The aim of PDIF is to provide loans to agribusiness and large farms in

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17 These companies were not supported directly by the ProSAVANA Programme.
the targeted areas. Small farmers are less likely to be awarded these loans because they cannot meet the selection criteria. PDIF is expected to achieve quick results. In addition, according to the leaked document considered to be a draft of the Master Plan, PDIF identified its Quick Impact Projects (QIPs) as advanced schemes prior to ProSAVANA-PD completion.

QIPs are definitely targeted to large-scale agriculture as an example of ‘planning of land reserves for medium and large scale investment’ projects, while ‘land registration for small and medium scale farmers’ projects are considered to produce ‘unused’ land as explained earlier. It is easy to assume that PDIF is a component of QIPs. In 2012, five agribusinesses were selected to provide loans and several agribusinesses and associations received financing in 2013.

Finally, the Nacala Corridor Fund (NCF) is planned to come into being. The NCF is not necessarily focused on agriculture. The NCF has a wider target than that of the PDIF. The governments of Brazil and Japan intend to invite investors to set up the NCF. The NCF is a typical example of public-private partnerships. The NCF can finance the food processing sector to create a value chain or a trading company for the export of agricultural products; it can even enable agribusiness to take over the lands of small farmers.

5 The discourse of land grabbers and the real world of small farmers

5.1 The main business actors and their discourse

The main business actors involved in ProSAVANA conduct their business within the framework of ProSAVANA when it is advantageous to them and outside of the framework when it is not. The possibility of such a choice is possible because of the many development projects available to them, including ProSAVANA and the Nacala Corridor Project. The main business actors decided to invest and start their business in anticipation of the ripple effects from both projects. They were not ready to invest in this region without both projects going ahead. Certainly, this increase in the number of projects is very attractive to many types of investors. As a result, the Nacala Corridor Project and the ProSAVANA programmes are at the very least a trigger for land grabbing opportunities, even if they did not cause land grabbing directly.

The main business actors include multinational and local agribusiness, local medium-sized farms and large farmers’ associations. Multinational agribusinesses are arriving not only from the Global North but also from emerging countries such as Brazil. It is noteworthy that local agribusinesses and medium-sized farms often take more aggressive positions in land deals than multinational agribusinesses. This suggests that ‘local’ actors do not necessarily take initiatives for regional development despite their location. This tendency can particularly be observed in the case of local actors that originate from traditional authorities such as the ‘régulo’, a traditional chief introduced in Mozambique during the colonial era (Citizens Concerned with the Development of Mozambique, 2013) or in the case of farms where local elites are deeply involved.

As to a farmer’s association, it is important to distinguish between current and newly organized associations. Current associations were organized spontaneously by small farmers in the latter half of the 1980s for the purpose of protecting their own livelihoods; they are deeply rooted in the community. On the other hand, new associations have very recently been organized by the government for the political purpose of promoting projects. Government-led ‘associations’ are functional organizations created for a specified purpose and seem to be passive because they only receive instructions and subsidies from the government. Accordingly, they do not act proactively to resolve community problems.

It is not clear how many hectares main business actors have acquired and how much they paid to lease or purchase the lands from the government. Some cases, however, have been identified by our
research in 2013 and 2014\(^{18}\) and by Grain (2015). Main business actors produce soybeans, vegetable seeds, sesame and so on. We found many typical cases of land grabbing, violation of the rights of small farmers, non-fulfilment of agreements, expropriation of land by force and more. These land deals have made the lives of small farmers very difficult and have caused serious poverty. There are residents who were forced to move to other areas. These issues inevitably lead to a most serious problem: the destruction of the community.

Meanwhile, main business actors state that they did not plunder small farmers’ lands and that they are not associated with land grabbing. However, how do they justify their land deals? They do so in three ways. First, they acquire unused and underused lands and change them to productive land. Second, since the productivity of small farmers is low, main business actors can realize economies of scale by accumulating lands and introducing modern technologies that they hope will encourage small farmers to innovate. Third, they are subject to the domestic regulations regarding land takeovers and government advice and guidelines.

5.2 The real world of small farmers

However, these instances do not match the reality of rural areas and actual land deals. First, there is no ‘non-used’ or ‘underused’ land. Even if the lands seem to be so, they are used for joint grazing land or as fallow land for sustaining soil fertility. On such lands, the environmental sustainability and social equality are maintained by exploiting the land using methods based on local knowledge and experience that have been acquired over long periods of time.

Local farmers consider time and place when exploiting their land not only from a privately point of view but also from a community perspective. However, the term ‘unused’ or ‘low-used’ is defined from an outside perspective. What this means is that external judgment criteria do not correspond with the local reality of land use in terms of continuity and sustainability.

Second, the productivity of small farmers is not low at all. ProSAVANA employs a transformational approach that aims to convert traditional farming to a modern approach. Modern farming is characterized by a mono-cultural approach to large-scale farming. This approach carries a high risk of unsustainability under African conditions. On the other hand, small farmers in Africa tend to be risk averse because they understand the unpredictability of nature.

Prior to business actors taking away their lands, small farmers in the Gurue District of Zambezia Province relied on local knowledge to feed themselves enough with the farm products they produced. They were also able to educate their children, even at the high school level, through the sale of surplus products. Their productivity in agriculture was high enough to meet their daily requirements for daily living and future plans. Today, however, villagers are often not even able to eat one meal a day even if they use money set aside for education and health\(^{19}\). Their lives have drastically changed since the land transfers by main business actors. It makes small farmers difficult to plan for the future prospect and deprives the younger generations of their hopes and dreams. There is no harmonious ‘win-win’ situation between small farmers and main business actors. The only reality is the fact that it is a unilateral exploitation by the main business actors.

Third, there are no local and national governance of land accumulation to date. Some experts sometimes express that ‘As the land deals are bound to civil law, this fact should be evaluated “fairly”’. Yet, such ideas cannot at all be supported under the current situation in Mozambique. The Land Law of 1997 has a provision of significant importance regarding the rights of a community to approve land holdings in cases of occupation and cultivation lasting for more than 10 years.

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\(^{18}\) 2013 research conducted by 6 members and 2014 by 5 members

\(^{19}\) Interview with farmers of the Gurue District in August 2013
However, actual land deals have mostly been conducted using different logic than a formal law system. One reason for this is the unequal political power that exists between small farmers and the main business actors, who are closely connected to local politicians or the national elite. The government even abuses the DUAT system of the Land Law of 1997 to create room for investment, as explained earlier.

Even if both parties formally ‘agree’ on a land deal, there remain many problems. Since a land deal is mostly based on a verbal agreement, the initial ‘agreement’ can be easily broken by the main business actors. The land price is either not paid or significantly reduced at best. Substituted land is usually less favoured, such as swamp land or lands far from the community. Nevertheless, a situation where small farmers can receive substituted land is still better because that land is usually not available.

As to the promise that main business actors will employ small farmers as full-time farm workers, unfortunately, farmers cannot expect to receive a legal labour contract. Main business actors capitalize on farmers’ lack of knowledge and/or illiteracy. In brief, this behaviour is not part of a contract and such behaviours go unchallenged every day. National and local governments are unwilling to deal with these unfair practices. Moreover, they do not even acknowledge the existence of land grabbing. On the contrary, they continue to support and promote land acquisition. There is no aspect of land governance in their approach.

6 Conclusion

This paper explored two points of view on the practice of agricultural land grabbing: the position of international policies on promoting cooperation in agriculture and the effects on regional and local realities. This approach comes from a recognition of the continued importance of the ‘here and now approach’ and from difficulties in properly understanding exactly what happens to land grabbing in the absence of international politics. The first highlights the public-private partnerships stressed by the G-8 and the Japanese response, with a focus on foreign direct investment policies. Japan is finally stepping into the arena of agricultural direct investments by adopting such a strategy. As to the regional and local situation, this paper examined the Nacala Corridor Project and the ProSAVANA programme in Northern Mozambique.

The Nacala Corridor Project is a typical example of public-private investment and is expected to play a leading role in the African Agriculture Growth Corridor, which originated at the World Economic Forum’s Initiative for Africa. The Japanese government has supported this development project through ODA. Some Japanese companies have already shown strong interest in this area of investment. They are anticipating an increase in the production of agricultural products, especially soybeans, for export to Japan through ProSAVANA. They are not directly involved in land grabbing so far. However, they have a responsibility because the Nacala Corridor Project and ProSAVANA are attracting investors and functioning as a trigger for land grabbing.

ProSAVANA is highly regarded as a new model of foreign direct investment and innovative partnerships as well as a model of triangular cooperation in Global Politics. The G-8 New Alliance for Food Security and Nutrition added Mozambique as a partner and three corridors in Mozambique were set in the four pilot projects. Meanwhile, Mozambique invites investors in a positive manner. This is probably why land grabbing is concentrated in Mozambique.

In short, the government has shown a strong preference for rapid growth in agriculture through large projects such as ProSAVANA rather than the sustainability of resource use and the dignity of small farmers who depend on ‘non-modern agriculture’. Since the government has never acknowledged the use of land grabbing in the ProSAVANA area, small farmers are left with having their basic human rights violated and to falling into severe poverty. How can we resolve this difficulty
and restore human rights in a country such as Mozambique with a developmental dictatorship? And how should a researcher of land grabbing participate in this process? This is a most pressing and serious question.

Southeast Asia may also face this same problem, because there are also some countries under developmental dictatorships. Large corridor development projects are already in progress. The Great Mekong Subregion (GMS) is watching the daily expansion of the North-South Economic Corridor linking China, Vietnam, Laos, Myanmar and Thailand, and the East-West Economic Corridor crossing Laos and Thailand from Vietnam to Myanmar, set up by the Economic Corridors Forum in 2008. Large scale land deals are emerging in GMS countries in accordance with these corridor developments. In Laos, many private investors are entering into the Northern and South-eastern areas to cultivate banana plantations, maize and watermelon. In this process, local people are facing the same problem as Mozambique.

There are some solutions for coping with these situations. The first is the ability of the affected small farmers to form associations to contest and to be persistent in negotiations with the government. In this regard, it is worth noting that a group of small farmers succeeded in restoring the land that was taken over by a private company through negotiations with between the Norwegian Embassy and the company responsible for the takeover. The second solution is a ‘reputation approach’. Multinational corporations are becoming increasingly sensitive to their reputations from the viewpoint of supply chain management. It is helpful that civil organizations and farmers’ organizations can be advocates by influencing public opinion on land grabbing can encourage boycotts of the said products. However, a ‘reputation approach’ may not be effective when dealing with local agribusiness. The third solution is the concept of extraterritorial obligations (ETOs). ETOs involve the state’s obligation to respect the human rights of the citizens working outside their territories. The Maastricht Principles on the Extraterritorial Obligations of States in the area of Economic, Social and Cultural Rights in of 2012 states that all states have extraterritorial obligations to respect, protect and fulfil the economic, social and cultural rights of foreign citizens. The concept of FETOs can help the affected citizens in terms of human rights approaches. To input the idea of ETOs into the arena of international politics is necessary to make this idea more effective and attainable.

This paper did not address the theoretical aspects of land grabbing in the context of its wider impact on global agro-food regimes and ‘land chains’ (Margulis, M.E., 2014). Although this is a topic for my future research, I would like to make a few important comments on the subject. Multinational corporations in the Agricultural Growth Corridor and large scale land deals include the complete supply chain: from upstream industries producing seeds, agricultural inputs and agricultural production, processing and transportation, to the downstream industries of wholesale; but also financing, infrastructure businesses and consultation. Major multinational corporations involved in ProSavana and the Nacala Corridor Project are the counterparts of WEF, AAGC and newly emerging companies from Brazil. Such conglomerates have a significant influence on the agro-food regime.

Specifically, ProSavana aims to create a large area to produce soybeans based on its experience in Brazil’s Cerrado Development Programme. The actualization of such a large project will bring about a reorganization of the soybean agro-food regime. It is a taste of the new agro-food regimes in which the whole supply chain process will be integrated into a new partnership between the vertical integration of multinational corporations and new agribusinesses in the emerging countries, as seen in

the ProSAVANA area. If the ProSAVANA area can turn a large profit by exporting soybeans as per its original expectations, this programme will be evaluated as the ‘big success story’ of South-South and triangular cooperation. However, small farmers, who should be expected the target to be supported by this programme will become cheap labour at best or out-growers under contract farming with little choice but to sell soybeans at low prices. As a result, most small farmers will lose their land and migrate to urban areas. Thus, the ProSAVANA area may change the spaces where one can live and Mozambique will have to assume the additional social costs to cope with an increase in migrants from this area.

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