The involvement of European financial actors in Land Grabbing – a case example from Mozambique

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I. Involvement of European financial actors in Land Grabbing

- Different drivers of land grabbing
- “Financialization” of agricultural commodities and land
- Financial actors/institutions involved: banks, pension funds, insurance companies...
- EU–based financial institutions involved through:
  - Trading agricultural commodity futures (speculation)
  - Financing of agribusiness
  - Financing of land deals/investments in land
II. The Niassa case

1 Context

- Mozambique is one of the poorest countries of the world: 35% households are chronically food insecure; 46% of all children below 5 years are malnourished.

- 80 per cent the population lives in rural areas and depends on subsistence agriculture and the use of natural resources for their livelihoods.

- Especially women play an important role in guaranteeing sufficient food supply for families.
In order to boost development, the Mozambican government and donors (i.a. Sweden) actively promote large-scale private investment in tree plantations.

National Reforestation Strategy: objective of establishing tree plantations on 1.3 million ha in the next 20 years.

Niassa province is one of the areas affected: 6 companies are operating on a total project area of 550,000 ha, of which 28,000 ha are planted with pine and eucalyptus.
2 Chikweti Forests of Niassa

The project:

- Chikweti started operating in Niassa in 2005
- has acquired around 45,000 ha of land in the districts Lago, Lichinga and Sanga
- Around 13,000 ha have already been planted
Impacts on communities:

- Loss of access to land and forests
- Impact on access to water
- Environmental impacts
- No alternative livelihoods through employment
- Inadequate consultations
Human Rights Analysis:

- The introduction of large scale tree plantations has considerable impacts on the enjoyment of human rights, especially the right to food and to water of the local population.
- So far only relatively small part, so that the impacts and the related human rights violations are very likely to increase.
- An investigation by the Mozambican government in 2010 confirmed the complaints of the local population. However, so far no adequate and effective measures have been taken.
Chikweti Forests of Niassa

Global Solidarity Forest Fund – GSFF

Stichting Pensioenfonds ABP

Diocese of Västeras

Opplysningsves- senets fond OVF

Sweden

Netherlands

Norway

Mozambique

Malonda Foundation
Levels of actors:

- The company: Chikweti Forests of Niassa
- The Fund: GSFF
- The investors: ABP, OVF, Diocese of Västeras...
- Malonda Foundation
States/Governments:
- Mozambique
- Promotion of tree plantations: Sweden
- Home state of GSFF: Sweden
- Home states of investors: Sweden, the Netherlands, Norway...

- The Human Rights obligations of states include extraterritorial obligations (ETOs)
- ETOs have been clarified in the „Maastricht Principles“
Demands related to ETOs:

- HR impact assessment of development cooperation (Sweden)
- Regulate GSFF (Sweden)
- Complaint mechanisms, monitoring mechanisms (embassies), reporting duty of companies and investors, reports by host states on investors/companies, make domestic law applicable to ET HR abuses, sanction culprits (all home states of investors)
Thank you!

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