

Mozambique political process bulletin

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Editor: Joseph Hanlon (j.hanlon@open.ac.uk)
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How big

- + One hectare is 10,000 square metres, or a square 100 metres on each side.
- + Football pitches are typically 7,000 to 8,000 square metres, or 0.7 to 0.8 ha
- + One square kilometre is 100 hectares.
- + 10,000 ha (Quifel in Lioma, for example) is a square 10 kilometres on each side.

CIP, Centro de Integridade Pública
Rua Frente de Libertação de Moçambique (ex-Pereira do Lago), 354, r/c
(CP 3266) Maputo www.cip.org.mz cip@cip.org.mz
Tel: +258 21 492 335, 82 300 33 29 Fax: +258 21 492 340

AWEPA, the European Parliamentarians with Africa
Rua Licenciado Coutinho 77 (CP 2648) Maputo
Tel: +258 21 418 603, 21 418 608, 21 418 626
Fax: +258 21 418 604 e-mail: awepa@aweпа.org.mz

Response to communities, donors & investors

Land moves up the political agenda

Land has moved higher up the political agenda, with interventions by the President, Council of Ministers, communities, and donors. There has been an unofficial halt to new large land grants. Two events in the next weeks show the new importance given to land.

Tomorrow, Wednesday (23 February), civil society will make a presentation on sustainable land management to the research office in the Presidency. This is at the invitation of President Armando Guebuza, following a meeting with civil society on 3 November in which land was raised. That meeting was at the request of civil society, following the 1-3 September demonstrations in Maputo.

And the new Land Consultative Forum, which has been pushed for by donors, was created by the Council of Ministers in October and is now being established. It should meet for the first time in March. (see page 2) In setting up the Forum, the Council of Ministers said that “the food crisis and the search for land for other, non-traditional uses such as biofuels, forests, and nature reserves is putting more pressure on land and other natural resources.”

The World Bank used a meeting on 9 February to openly challenge Mozambique’s policy of encouraging large plantations by foreign investors and instead pushed for more support for Mozambican farmers (see page 7). This reflects a radical and recent change in Bank thinking.

This follows three recent actions by the Council of Ministers. The delimitation of community lands was resumed late last year, after being halted for two years (see page 4). In January land taxes were

raised by 150%. The tax on normal farmland rises from Mt 15 (US\$ 0.48) per hectare per year to Mt 37.50 (\$1.19), and for grazing land and permanent crops from Mt 2 (\$0.06 – 6 US cents) to (\$0.16) per ha. And government recently contracted a consultant to do a major mapping exercise to try to identify land available for investors.

There have been no land concessions of over 1000 ha since the beginning of 2010, and there is a new more cautious attitude, with more detailed analysis of proposals.

Only two proposals for over 10,000 ha are pending before the Council of Ministers – one for forests and one for biofuels. The Minister of Agriculture can approve land concessions of between 1000 and 10,000 ha and there are about 15 proposals sitting on his desk.

Provincial officials are urging investors to start small to gain experience, and applications for less than 1000 ha are being approved regularly at provincial level

On-going conflicts between communities and large investors in Niassa, Lioma (Zambezia) and elsewhere are raising concern. (See pages 5,8,13) Communities are learning the value of their land and increasingly understanding their rights, and are speaking with a louder voice. There have been serious problems about community consultations

about investments, and the government in August tightened the rules on consultations (see page 12).

Resettlement of people is required by many mining, tourism and investment projects, and in November the Public Integrity Centre (CIP, Centro de Integridade Pública) published a report criticising two important mine resettlements.

All this comes at a time of increased publicity about “land grabs” in Africa, triggered by rising food and fuel prices, which makes foreign investors interested in land in Mozambique for biofuels, trees, rice and other crops.

The World Bank highlighted Mozambique in its September 2010 report *Rising Global Interest in Farmland*. It said: “In Tanzania, where land rights are firmly vested with villages, less than 50,000 ha were transferred to investors between January 2004 and June 2009. By contrast, over the same period in Mozambique, 2.7 million ha were transferred. But a 2009 land audit found that some 50 percent of this transferred land was unused or not fully used.”

According to the Bank, the seven countries with the largest amount of land available are Sudan, Brazil, Australia, Russia, Argentina, Mozambique, and Democratic Republic of the Congo, in that order.

The low productivity of Mozambican farmers is constantly noted. Most are peasant farmers who use no mechanisation, modern inputs, or irrigation – they farm only with a hoe just as their grandparents did. Thus there is broad agreement on the need to substantially intensify the level of farming and use the land more productively, to grow both more food and export crops. Also, a high demand by Mozambicans is for jobs, which can be generated by agricultural investors. Mozambique’s land law (see page 3) has won praise for giving rural communities

How much land?

This list sets out estimates, in round numbers, of land use and availability:

80 mn ha = total land area of Mozambique
of which

15 mn ha = protected areas

10 mn ha = municipalities, roads, etc.

this leaves

55 mn ha

of which

36 mn ha = potentially arable (FAO)

6 mn ha = actually being cultivated (FAO)

7 mn ha = available for investment, 2008

2 mn ha = allocated to investors 2004-09

10 mn ha = delimited to communities (see table)

Note land being cultivated now does not include forest, land left fallow, etc. So the gap between potentially arable land and land that is not being cultivated cannot be considered “unused” land.

extensive rights over land and thus for potentially preventing the landlessness that has occurred in other countries such as Brazil. But the law also makes it difficult for communities to negotiate effectively with investors and build on their land rights, and key investment decisions rest with provincial governors and the Council of Ministers.

Land forum to debate tough issues, including transferability

The new Land Consultative Forum (*Fórum de Consulta sobre Terras*) will be the first time that various stakeholders in land will come together since the mid-1990s, when there was a Land Commission working on the land law.

The Council of Ministers gave the Forum a long list of “urgent issues to debate”:

- Land taxes
- Separating individual plots from community land
- Women’s rights to land
- Transfer of land rights
- Clarify interpretations of the law
- The adequacy of investment plans
- Community structures to manage land
- Inspection of investment projects before awarding final title.

The Forum will deal with both rural and urban land.

The Forum will have a very large Consultation Group (*Grupo de Consulta*) including 15 ministries, municipalities, professional associations, civil society, and interest groups. There will probably be 150 people, and the group will meet twice a year;

the first meeting is expected in March. The Forum is headed by the Minister of Agriculture.

A smaller working group, called a Reflection Group (*Grupo de Reflexão*), will have 16 national directors plus private sector and civil society, probably 25 people. The secretariat will be in the National Directorate of Land and Forests (DNTF, *Direcção Nacional de Terras e Florestas*) in the Ministry of Agriculture.

The issues before the Forum are all of the hot issues relating to land, and were all set out in Section 5 of the 1995 National Land Policy. Critics say that nothing has been done for 15 years to tackle these issues which were seen even then as unresolved.

Pressure came from donors, and particularly from the US-funded Millennium Challenge Account, to set

up the Forum. The Forum was agreed by the Council of Ministers in August 2010, but only formally established in October.

Land law & land rights

Mozambique's constitution and land law (Lei nº19/97) are unusual in the way that they define rights to land, and mix traditional rights with more modern property rights, while having the social goal of preventing landlessness.

The constitution specifies that land and natural resources are the property of the state and that "land cannot be sold or in any form alienated, mortgaged or encumbered" but the "use and benefit" of the land is the right of all Mozambicans. (art 96, 109)

The land law sets out a Right to Use and Benefit from Land (*Direito de uso e aproveitamento da terra*), widely known by its initials, DUAT. A DUAT is acquired:

- a) by a "community" occupying the land,
- b) by individual Mozambicans using the land "in good faith" for at least ten years, or
- c) in response to an application.

A "community" is any group which lives in the same area, and is entirely self-defined. Its land is defined very broadly to include farms areas, including fallow land, forests, sites of cultural importance, pasture, water sources, and areas for community expansion.

Groups a) and b) have permanent rights, which can be inherited. Group c) effectively receives a 50 year lease.

A **DUAT** is a **right**, but a title document (*Titulo do DUAT*) is sometimes also issued. The law specifies that for groups a) and b), the DUAT is an automatically acquired right and the title document is not required. Effectively, a) recognises the rights of traditional communities and b) recognises squatters rights, which was very important because of the way people had moved during and after the war. Category c) is intended for investors (small or large), who must obtain a *Titulo do DUAT*. But for the other two groups, the title document becomes important for individuals or groups which intend to use land for commercial activities or borrow money to build a house or building.

The 1998 land regulations also stress the difference in the two kinds of land rights. Groups a) and b) can gain legal recognition of the occupancy through "**delimitation**" of their land, which is simply setting out the boundaries, and can use natural boundaries such as streams. This is inexpensive and a certificate is issued. However, anyone who wants a title document needs to "**demarcate**" the

land, which means setting out the boundary with GPS equipment and putting marker posts in the ground; this is much more expensive.

The 1998 regulations define "improvements" (*benfeitoria*) including "anything necessary to prevent the loss, destruction, or deterioration of the land" and "constructions" (*construções*) which includes buildings, walls, canals and other works. Land cannot be sold or mortgaged, but these broadly defined improvements and constructions can be. In urban areas, if a building is sold, the land goes with it; in rural areas this is much less clear.

Use and occupancy

Built into the land law and regulations is a partial distinction between occupancy and use. The law says that communities have a right to land they occupy, but individuals have a right to land they use. Applicants for land must present an investment plan and are only given a provisional DUAT title, which they can make permanent after two years (five years for Mozambicans) if they are using the land according to the plan that they presented.

Communities are allowed to use their land for farming and other activities, but they cannot profit from simple possession – they are not allowed to rent out their land or have others farm it in share-cropping arrangements. This may seem counter-productive, because if a community has identified an area for expansion, it may not need that land for a generation. Yet it cannot rent out that land for 10 or 15 years or until it is needed. In effect, a community is given an impossible choice – if it lacks resources to invest, it must leave the land unused or give it up permanently to an investor.

On the other hand, the very broad definitions of improvements and constructions seem to set quite a low threshold for use. It seems possible for a community to form an association or cooperative, obtain a DUAT title for part of the community land, and put it into use themselves or in association with an investor. So far this has not been done.

But the use/occupation debate has continued since the land law was agreed. One group high in government and in some donor agencies define "use" narrowly and talk of millions of hectares which they see as "occupied" but "unused"; they see communities as an obstruction to investment. Another group interprets "use" much more broadly and sees the occupancy rights as defending communities and potentially giving them the power to negotiate partnerships to intensify their use of the land.

Resuming community delimitation

Delimitation of community land effectively stopped in 2007 and was only resumed last year, following an arcane debate about titles but which was again really about development strategies and broad and narrow interpretations of use.

Investments are approved and DUAT titles are granted at four levels. For urban land, it rests with the municipality. Provincial governors can authorise up to 1,000 hectares, the Minister of Agriculture up to 10,000 ha, and the Council of Ministers above that. These are granting new rights and the land request must be linked to a detailed development proposal. Some companies, including Niassa forestry investors, break up their proposals into blocks of less than 10,000 ha to avoid consideration by the Council of Ministers.

However delimitations, which are simply recognising an existing right, are approved at provincial level. There was some confusion when officials presented to the Council of Ministers in 2007 a map showing both delimitations and approved investment land. Ministers were surprised to see more than one-third of Tete province already delimited to communities, and asked how blocks of larger than 10,000 ha could have been allowed without Council of Ministers approval.

The response was an unclear change to the article 35 of the land law, and DNTF issued a circular in October 2007 saying that all delimitations over 1000 ha had to have a development plan and had to be approved by the Minister of Agriculture or Council of Ministers. This effectively halted community land delimitation. ORAM, the main NGO backing land delimitation, had delimitations rejected in Sofala and Zambezia because they did not have development and investment plans.

The response was a quiet campaign, within the Agriculture Ministry and by civil society, to say that this was illegal – delimitation only recognises an existing right, and cannot be in the gift of the Council of Ministers.

Meanwhile, donors entered the debate, and the G19 budget support group added a new indicator of government performance, which was that the government should do 50 community delimitations per year.

The issue was raised at a land delimitation conference in March 2010. At a conference in June of provincial mapping officials there was a debate, with a senior figure saying the real “land grab” was by communities trying to block investment. But most provincial officials disagreed, and decided to resume delimitations.

Area	Communities
<1,000ha	15
1,000-10,000ha	154
10,000-20,000ha	46
20,000-50,000ha	50
50,000-100,000ha	26
>100,000ha	32

DNTF Mar 2010

Community delimitation

Provincia	DNTF Mar 2010 – no. of communities			World Bank, Dec 2009, based on DNTF			
	In process	Delimited	Total	ha – In process	ha - Delimited	ha – Total	% of province area
Gaza	3	18	21	18002	444040	462042	6%
Inhambane	6	9	15		588509	588509	9%
Maputo	11	11	22	55337	98786	154123	6%
Nampula	3	94	97	47137	747376	794513	10%
Niassa	2	8	10		462831	462831	4%
Sofala	5	11	16	934987	591.084	935578	22%
Tete	27	0	27	3928911		3928911	39%
Zambezia	18	73	91	1842923		1842923	18%
Cabo Delgado	4	0	4				
Manica	13	7	20	553699	226374	780073	13%
TOTAL	92	231	323	7380996	2568507	9949503	12%

Finally on 1 October DNTF issued a new circular saying delimitations should return to the old system of provincial approval without development plans,

and that the 2007 law change only applied to demarcations and approval of DUAT titles.

The tables on the previous page give what information is available on community delimitations,

in early 2010 when the process had largely stopped, based on data from DNTF (*Direcção Nacional de Terras e Florestas*). The initial data shows that most communities are not large. Communities in Zambezia and Nampula are relatively small.

But 18 communities in Tete are more than 100,000 ha.

Not included in these tables is a report of a delimitation exercise of 8 communities in four districts in Niassa in 2004/5 which proposed an area of 2 million ha for these communities, which may not to have been accepted by the provincial government.

There are clearly many more small communities to delimit. Mozambique land expert Chris Tanner notes that “It is not clear how many ‘local communities’ there are, but the Ministry of State Administration has recorded over 10,000 villages. Normally a ‘local community’ includes several villages, so there could be anything between 2,000 and 3,000 communities.”

DNTF says most delimitation has been done by Mozambican NGOs, and ORAM reported in March

2010 that it had delimited 191 communities with 4 million ha. A donor-funded “land fund” (ITC, *Iniciativa para Terras Comunitárias*) has so far delimited 32 communities,



Lioma: conflict between big & small, investor & peasant

Land conflicts in Lioma, Gurué district, Zambezia, bring together all the hot issues and main players. On one side are small commercial farmers backed by both the government’s district development fund (“7 million”) and the Gates foundation. On the other is a foreign investor which has been given a large tract of land; the investor has limited financial resources but seems to have political backing, and evicted successful local farmers in December 2010

Lioma was a colonial settlement area (*colonato*) which became a state farm after independence and then was abandoned in the 1980s during the war. After the war, peasants as well as former state farm workers began to clear the thick bush from what is excellent farmland.

Seven years ago, with money from a Norwegian farmers cooperative, Clusa (Cooperative League of the USA) introduced soya beans into the area, initially with the idea of exporting to Norway, with technical support from TechnoServe, and also promoted the formation of farmer associations. The project was highly successful with more than 5000 producers across Gurué district, one-third of whom are women, in 112 association. (But they never exported to Norway, because the demand for soya from local chicken producers was so great.)

Then in December 2009 the Council of Ministers awarded 10,000 hectares of the old state farm to a Portuguese company, Quifel, to plant soya as well as sunflower for biodiesel. The land given to Quifel included 490 ha occupied by 244 farmers, who assumed they had a right to be their as they had occupied the land for more than 10 years, and had been encouraged to clear and use the old state farm land by local officials and Frelimo leaders.

Quifel held two local meetings on a single day, involving about 550 of the 15,000 people in the area.

It made extravagant promises of jobs as well as ploughing and clearing 2500 ha for an out-grower scheme. In the state farm era, Frelimo had wanted to turn peasants into workers, and in Lioma they succeeded – former tractor drivers and other skilled workers backed Quifel because of the promise of jobs; they signed a memorandum of a “community consultation” that day which said they accepted the project. The soya farmers did not, but their views and land holdings seem to have been ignored.

Quifel’s proposal to the government which resulted in the land allocation is secret, but is said to promise 600 jobs by the third year, as well as a school, health post, water and electricity.

Meanwhile the Clusa soya project continued and support increased. More than 300 ha has been ploughed by the Clusa project in each of the last three years and more by private farmers. There are now six tractors, three purchased with loans from the district development fund (“7 million”, OIL, *Orçamento de Investimentos de Iniciativas Locais*) and three leased from the provincial agriculture department. Production has risen from an average of 500 kg of soya bean per hectare to 1040 kg, with some farmers gaining nearly 2000 kg – probably the maximum possible yield in the area. In the larger Clusa project in 2009-10, 4500 farmers produced 4600 tonnes and sold it for \$1.4 million. In

September 2010 the Bill & Melinda Gates Foundation began backing the programme.

For the 2010 season, with Clusa support, farmers began ploughing in September because there is short window in December to plant soya. Then suddenly in December 2010 Quifel rushed to plough 500 ha before a visit by the governor. This was all land which had been cleared in previous years by the Clusa project, and included 40 ha which had earlier in the year been ploughed by local people. One woman had already planted maize; the photo on the previous page shows her standing in her field with the Quifel bulldozer in the background on 10 December.

Most of the 500 ha is now covered in tall grass. Quifel planted 50 ha of soya and has now planted 40 ha of sunflower, and may plant more before the end of February. Few jobs have been created, so far.

Local officials now seem embarrassed by the conflict, simply saying instructions to support Quifel came "from above".

Lioma is a large and fertile area that stretches beyond the former state farm. Because of the war, some areas have not been used for 25 years, and there seems to be land for both smaller farmers and larger investors. Indeed, several investors have been given 1000 ha and have cleared new land and started farming, and did negotiate with local communities to avoid existing farms. But in January a local community rejected a proposal from an investor for 600 ha, largely because of bad past experiences with outside investors.

So far, Quifel does not seem to have the money to farm 10,000 ha, and it even invited Clusa to invest in the project.

There is concern about what happens next. Quifel had asked for 23,000 ha, taking a large part of the old state farm. About 1000 farmers in the soya project are on old state farm land, but probably outside the initial Quifel area (they cannot be sure as Quifel did not do a formal demarcation within a year, as required). Will that land also be given to Quifel or other outside investors?

But the land conflict also points to a conflict of development models – between an internationally recognised success of smaller commercial farmers on one side and a very large plantation run by a foreign investor on the other.

Are state farms different?

Some areas have better soils and water and traditionally attracted local people – who were often evicted for Portuguese settlers, and those *colonatos* often became state farms. Thus former state farms have some of the best land and more conflicts. The law is also unclear.

Many state farms were privatised along with other state companies, but it appears that sometimes what was privatised was infrastructure – buildings and irrigation systems – but not the land, which had to be applied for separately. Lioma, for example, seems to have been privatised twice, in 1997 and 2001, but the transfer was never completed, and Quifel seems to have been given the land but not the buildings.

Meanwhile, the land law regulations (Decreto nº 66/98, art 10) say that individuals who occupy land "in good faith" for 10 years have the permanent right to remain. This was intended by the drafters of the law specifically to grant "squatters rights" and cover occupation of state farm land and other post-war settlements. But some in government now say, whatever was intended, occupying a state farm cannot be in "good faith" because occupiers knew the land belonged to the state farm. Furthermore, the regulations also exempt "areas legally reserved for any purpose", and some say a former state farm is such as reserved area.

In Nant, Maganja da Costa, Zambezia, there has been a dispute over a prime rice growing area for more than a decade. In 2005 an association applied to buy the state farm, but this was not accepted and the government has also been unwilling to agree a delimitation of land occupied by associations which includes the irrigated areas. In 2006 the irrigation system and infrastructure, but apparently not the land, was given to the Zambeze Valley Development Office (GPZ, *Gabinete do Plano de Desenvolvimento da Região de Zambeze*), itself since abolished.

Which development strategy to reduce poverty?

Much of the debate around the interpretation and use of the land law is directly linked to a debate on development policy, and to two very different approaches to development. On one side, Frelimo has always been committed to a model of big projects, arguing that Mozambique needs foreign capital, know-how and technology to speed modernization. Thus big projects are seen as the fastest way to create jobs, produce goods for local consumption, and generate resources which can be used for development.

In the socialist era, the stress was on state farms; now the same farms are being offered to private companies for investment. In this model, big foreign

investments are just like roads and bridges – they are projects in the national interest, decided on centrally. Therefore a major concern is to not harm

affected people. Local and national officials tend to use the Portuguese word “prejudicar”, meaning harm, prejudice, or injury.

The state wants to protect existing community rights, but is reluctant to do anything that might expand community rights, in part because the Council of Ministers wants to retain decision-making power over investments and wants contracts to be with central government and not communities.

The 1-3 September demonstrations have further sensitised ministers to the need to avoid conflicts, which is one reason land has risen on the political agenda.

Big mining and energy projects are seen in the same way, as generating resources and reducing dependence on donors. Linked to this is a view that a relatively more rapid way to build a domestic business sector is through contracts with these large projects, especially for services and construction. And the leadership wants to take advantage of the current global interest in Mozambique’s land and natural resources

But another development model is being articulated by community groups, organised civil society, and some in the international community. This argues that communities should take an active role in their own development and poverty reduction. It is not sufficient that communities are not prejudiced by development; they should directly benefit and should actively participate. Activists argue that the idea that big projects are in the national interest and that local people should step aside for the general good is paternalistic, and also violates the spirit of the land law and of calls by Frelimo leaders for everyone to work harder to overcome poverty. Investment and major changes in farming practices, including an end to shifting cultivation, are essential – but communities and Mozambican commercial farmers need to be genuine partners with foreign investors to intensify production together. It may initially be slower, but the learning process will turn Mozambicans into more successful farmers and entrepreneurs, rather than simply workers on foreign plantations, it is argued.

World Bank says small farms better

“Small farms are more productive than large ones,” Michael Morris of the World Bank told a conference in Maputo on 9 February. Research shows there is “little evidence to suggest that large-scale farming models are necessary, or even particularly promising, for Africa.” Commercialisation led by small producers will probably bring more inclusive growth with better vertical integration, he said.

It was a frontal and explicit challenge to Mozambique’s emphasis on big farms and foreign investors.

He went on to say that an alternative to big foreign-owned plantations was contract farming –

smaller foreign owned farms producing partly on their own but largely buying from surrounding out-growers. Mechanisation can be promoted through service contracts, for example for ploughing, or machinery hire. He also called for more emphasis on staple food production.

Morris argued that large farms survive only because they have privileged treatment by governments – access to land, low taxes, infrastructure investment, and subsidies. Small farms are more productive because they are more intensively managed.

Foreign Minister Oldemiro Baloi speaking at a large investment conference in London on 1 December 2010 set the tone when he called for foreign investment in agriculture and agro-processing: “All we need is for the investor to bring know-how and market access, and address the infrastructure constraints.”

But Mozambique’s “stress on large investors is not the best way forward,” noted Klaus Deininger, the principal author of the World Bank’s *Rising Global Interest in Farmland*. At the 9 February meeting, both Morris and Deininger pointed to the high failure rates of foreign investments and Deininger noted that in other countries when investors are in trouble, they tend to encroach on community land. He added that some of the interest in Mozambique is because land is seen as cheap and investors think communities lack rights. This encourages speculation as people try to obtain rights at low cost or through political patronage, and use the rights to gain loans and investments, or sell the company – in effect selling the land.

Rising Global Interest notes the frequent failure of investors “to deliver on initial expectations – either for employment or the provision of infrastructure or services. In Mozambique, communities gave up access to common property forest resources in the expectation that jobs and services would materialize – but this has not happened (and some of the ‘promises’ were of dubious credibility). Clearer frameworks are needed for specifying standards, responsibilities (for communities and investors) and the mechanisms for monitoring and enforcing them.”

The report continues that Mozambique, Sudan, and Zambia have “vast tracts of suitable non-forested and unprotected land” which are not cultivated. The very low productivity and surplus lands “suggests that other constraints prevent farmers from making the most effective use of available land. Understanding these constraints and identifying ways to address them will be critical to identifying the types of investments that could best help reduce poverty. Identifying constraints should precede efforts to attract outside investors.”

“Land-abundant African countries have a choice between establishing an agricultural sector founded on broad-based ownership of medium-sized farms (much larger than those currently operated and expanding over time) or a dual structure where a few mega farms coexist with many small producers.”

Jobs are clearly a central issue, and the government and local communities hope investors

will create jobs. And they do. Biofuel and timber proposals seen by the *Bulletin* all suggest about 1 job for each 5 hectares, at minimum wage. Medium size farms are likely to employ more people, when the farmer and family are taken into account.

Michael Morris produced the World Bank report *Awakening Africa's Sleeping Giant* in 2009. It compared agricultural successes in Brazil and Thailand to four African countries, including Mozambique. Their conclusion was that two factors drove the Brazil and Thailand successes: "very large public investment" in agricultural research,

development and training, as well as roads and electricity, and "very large subsidies to rural credit and finance". A lot of subsidised credit was very important in the early years of their agricultural growth, he stressed.

World Bank thinking "has evolved", he said; 15 years ago the Bank thought that all subsidies were bad, whereas now there is support for targeted "smart subsidies". He also stressed the need for the state to reduce the risk for farmers.

Niassa: peasants versus Nordic churches

Despite good intentions and green claims, problems continue with massive forestry plantations in Niassa. When Prime Minister Aires Aly visited Niassa in May 2010, local people complained about the timber companies. Aly ordered an investigation, which became available late last year, and was harshly critical of one company, Chikweti Forests of Niassa.

Chikweti is owned by the Global Solidarity Forest Fund (GSFF), a Sweden-based "ethical investment fund" which also aims to produce high profits. It is owned by the Swedish and Norwegian churches and a large pension fund for Dutch civil servants and teachers, Stichting Pensioenfond ABP, and plans to invest \$100 million.

Chikweti has been given 30,000 hectares, with another 14,000 ha in process. But the investigation by the National Directorate of Lands and Forests (DNTF, *Direcção Nacional de Terras e Florestas*) says it is occupying another 32,000 ha illegally. In Maniamba administrative post, "Chikweti invaded the land of local people, promising to compensate them, but failed to honour their promise."

On some of the illegal land, Chikweti was given permission by local *regulos* (chiefs) without consulting the communities, as required by law, or applying to central government for the land. The DNTF investigation says Chikweti sometimes hired local community leaders, creating a conflict of interest which led to consultations being carried out poorly.

André Calengo of Lexterra, who is involved with projects in Niassa, says the forest companies "are just like the old colonists. They buy the *regulo*, with money or jobs for his children." He went to one community meeting on Chikweti and he said local people stood up and accused the *regulo* of "selling our land". Criticism was so intense that the *regulo* fled the meeting, Calengo said. A World Bank report also points to forestry companies in Niassa giving preference for jobs to families of *regulos* and civil servants.

Community consultations are a big issue. One district administrator is quoted by DNTF as saying "community consultations are often intentionally falsified, for example with two signatures that are actually by the same person.

Local officials interviewed by DNTF were critical, and one district administrator accused Chikweti of

arrogance and a 'lack of social responsibility'.

Numerous land conflicts are reported. A big issue in the communities, confirmed by the DNTF investigation, is that there are farms inside the plantations. Not only is not enough area left for medium-term community growth, but in some cases trees are within 10 metres of houses and farms and when the trees are large they will shade the farms.

Chikweti is planting pine and eucalyptus, fast growing non-native species, and was only supposed to use degraded land. But the DNTF study reports: "Chikweti when it negotiated the establishment of its plantations, said it would only plant in marginal areas, but it has actually invaded productive farmland" as well as local pastures. DNTF also found that Chikweti was clearing dense native forest to plant new trees. In Sanga there was "large scale felling" of a forest fruit tree, *massuku*, used by local people. Local people are also losing access to other forest products, such as firewood and medicinal plants.

And it is accused of planting trees illegally close to roads – so close as to block vision of drivers on curves.

Community resistance continues. There were serious fires in Chikweti areas before the current rainy season, and the company accuses local people of sending in cattle to destroy newly planted trees. The World Bank reports that in Sanga in December 2009 the community threatened forestry company workers with knives.

In the DNTF report, Chikweti is given chance to respond, and in most cases says that the statements made by DNTF investigators are not true. In Maniamba, for example, it says people left their farms spontaneously and of their own free will.

However a study done by students of Mälardalen University in Sweden, with the cooperation of Chikweti and published last year, concluded that "Chikweti's managerial services are dysfunctional." There is a "high turnover of personnel" and "Chikweti has difficulties in trusting the employees".

The other main actor in Niassa forests is Malonda Foundation, set up by the Swedish government on the model of Sweden's own regional development funds of the 1950s. Responding to the difficulties communities have in forming joint ventures with investors, the idea was that the Foundation would obtain the rights to the land and the profits would go to the community. It was given land originally assigned to Mozagrus, a failed South Africa attempt to resettle white farmers in Niassa in the 1990s. Malonda has a board appointed by the Swedish embassy and the Mozambique state holding company (IGPE), with no local representatives, and ran into problems. A 2008 study of the project by Gunilla Åkesson, André Calengo and Christopher Tanner found "serious levels of community dissatisfaction and potentially explosive conflict, in areas where the initial clearances and planting of new plantation seedlings has restricted local land access and put at risk local livelihoods strategies. Hence, Malonda has run into problems." Local people "now feel extremely threatened and harmed by the first actions taken by the investors, who in some areas are actually surrounding the villages and dramatically restricting the population's access to the land they need to be able to maintain their crop rotation/fallow land system and other central features of their traditional production."

Again, the problem was with consultations. The study noted "a trend towards working with traditional leaders only and at the highest level instead of favouring grassroots leaders and those more linked to the different villages and families resulted in the marginalisation of the population which is becoming increasingly afraid of the impact of the plantations on their access to the land they need to maintain their extensive production systems."

In particular, communities did not have a clear understanding of the investors permanently taking up large tracts of land.

A World Bank study last year of another plantation in Niassa warned: "Of more serious concern is the potential longer term threat to local livelihoods. Already the plantation has reduced the area readily available for cultivation near to people's homes. Several people interviewed said they had managed to find alternative plots of land for their fields, but that these are much more distant from home and could take hours to get there. This increasing problem of distance – as the plantation takes up more of the previous land used for farming near to the town or villages – is likely to impact on food security in the future."

Also, consultations are "unbalanced in all aspects because communities are weak in relation to investors."

It called for new consultations, with "community members as co-holders, with a leadership legitimately identified and representative."

Malonda in its newsletter said that an April 2010 meeting agreed that "radical changes" were required. Malonda quotes a government spokesperson to say "we must consult communities" and "it cannot be permitted that community leaders

take decisions on their own without telling the community."

Malonda says the five forest companies working in Niassa hope to occupy an area of 597,000 ha, of which 322,500 ha will be plantation and 274,500 ha for conservation. They hope to create 22,000 jobs.

Chikweti's English website (but not its Portuguese website) says "15% of Chikweti is locally owned by institutions such as the Anglican Diocese of Niassa and Eduardo Mondlane University, but also by individuals."

The main investments of the Global Solidarity Forest Fund are in Mozambique. It also owns Florestal de Messangulo (also accused by DNTF of illegal occupation of land in Niassa), Tectona Forests of Zambezia, and Ntacia Florestas da Zambezia.

From the perspective of the Bishop

The Anglican Bishop of Niassa, Mark van Koevening, resigned in protest last year as chair of the four GSFF companies in Mozambique. Originally created as a joint project with Swedish and Mozambican churches, it was to have three components: commercial plantations, protect an equal amount of native forest, and community development. But only the first commercial part went ahead, and it has become "a standard foreign investment".

"We were naïve," he admitted. "It is the shareholders who decide, not the stakeholders." In particular, it was originally agreed that Mozambican shareholders would always have more than 10% of the shares, but as the GSFF attracted new investors, they did not accept this. The Bishop also wanted shares to go to communities that were giving up land, but this, too, was rejected. "Mozambique's attractiveness to investors is that land is cheap, and they did not want to increase the cost by giving shares to Mozambicans." As there are new foreign investors, the Mozambican shareholding is diluted, and is believed to be well below 10% now. (No details could be obtained from GSFF or Chitweke.)

Forestry has created more than 3000 jobs in Niassa, the Bishop says, and more investment is needed to create even more jobs. But these are nearly all at minimum wage. The agriculture and forestry minimum wage is 1,682 meticaís (\$53) per month, except Mt 1593 (\$51) for sugar workers; many work six days a week. There is a huge demand even for minimum wage jobs, but Bishop van Koevening worries that people are not being paid enough to compensate for the lost food production from their farms.

He also notes that the forestry companies are explicitly trading jobs for land. But most jobs are in the first three years of a project, when land is cleared and trees planted. "People give up land for a lifetime in exchange for 3 or 4 years of work."

Forestry investors want to obtain Forest Stewardship Council (FSC) certification, which

restricts the replacement of native forests by newly planted trees. But this is having a knock-on effect in Niassa, putting pressure on the farming system. To obtain non-forest land to plant trees, the companies are using land left fallow by farmers. Farmers, in turn, must go further away to find new land, often

falling trees. So FSC certification may be promoting indirect deforestation.

For the Bishop, the priority is to increase the bargaining power of local communities, to make them more equal in negotiations with investors, and to gain more benefit from the investments.

Exaggerated plans fuelled by secrecy & speculation

The Procana disaster should be a warning about big investment deals cooked up in secret. Procana was an attempt by Central Africa Mining to move into producing ethanol from sugar. On the basis of being given 30,000 ha in Massingir, it raised \$13 million from investors, but promised to invest \$500 mn (mostly from loans).

The project was soon mired in problems. It used water that rice farmers wanted, it took land from local farmers and particularly grazing land, and it was opposed by local communities. In addition, Procana was given land which previously had been set aside to resettle people from the Limpopo trans-frontier park. The project proposal assumed that Procana would get exceptionally high sugar cane yields and obtain double the ethanol from the sugar, so as to produce four times as much ethanol as any other producer in Mozambique, which was clearly unrealistic. In two years, the company opened only 125 ha, and then pulled out in 2009 and returned to the mining business, leaving the government to clean up the mess.

In *Rising Global Interest in Farmland* the World Bank reports on Procana that “although few benefits materialized, local people lost access to forest (especially biofuels) for fuel wood, game meat, fish. Investor uses local water supply and roads without compensation; thus negatively affecting women who gather the water.”

How did Mozambique ever give 30,000 ha to an investor without checking the viability of the proposal and looking at land and water conflicts? Government says nothing. But an independent study of land proposals commented on the “paucity of detailed technical and financial information submitted to the government.” Despite lack of details, proposals are accepted. It has been noted that 5% of Procana was owned by Mozambicans, and senior officials hint that politically powerful people pushed it through.

Critics argue that Mozambique’s system encourages corruption and speculation, because the cost of obtaining permissions and land is negligible. That makes it possible to obtain land on a flimsy proposal, and hope to raise the money later.

It is very hard to check, because proposals are secret, even after land has been awarded. The World Bank points out this is not necessary. In its report *Rising Global Interest in Farmland*, the Bank cites the example of Peru: “Where an investor expresses interest in public land, the investor is required to present a business plan to a board of public and private sector specialists. If the project is

considered viable, the proposal is published for at least 90 days to allow other investors to present offers. If any investor comes forward, the public bidding process ... is initiated. If no other investor shows interest, the initial investor can proceed.”

Would Mozambique consider publishing proposals and inviting counter bids?

Communities gain little

So far, local communities have gained little from agricultural and forestry investments costing tens of millions of dollars in their areas. In part, this reflects the slow start and sometimes poor planning of more speculative proposals, but it also reflects the nature of the agreements.

The main local demand is for jobs, and these are being created, at roughly one minimum wage job for each 5 hectares, earning typically 65 meticais (\$2) per day. But the World Bank in *Rising Global Interest in Farmland* warns that Mozambique’s minimum wage is “insufficient to compensate for lost livelihoods”.

Many projects involve families having to move from the development area, and there is sometimes compensation and support, although this is often not generous.

Beyond that, communities only benefit from corporate social responsibility projects – wells, health posts, etc. These may be given to gain community agreement to the initial contract, but there is usually no promise of continued support – who mends the pump when it needs spare parts?

For the investors there are problems and costs, particularly relating to Mozambique’s lack of infrastructure. Many cite problems of bureaucracy, including repeated complaints about petty corruption, so that sometimes investors do not know what is a bribe and what is a legitimate fee. And there is a cost involved in giving shares and jobs to senior people in Frelimo or their family members. So there is a “hassle factor”. Nevertheless, when land in other countries costs hundreds or even thousands of

dollars per hectare to rent, investors think land in Mozambique is cheap.

Some projects, notably sugar and vegetables, have created out-grower or contract farming schemes in which local farmers supply the investor's processing unit, and these seem popular and promote local development. Contract farming is also used for cotton and tobacco. A Wageningen University study suggested that contract farming would be particularly suitable for jatropa. So far, however, most investors have not shown an interest in these sorts of community links.

The 1995 National Land Policy, approved before the land law was written, explicitly says (art 25) that once the land is registered (for example, through delimitation), any outside entity "is obliged to negotiate with the local community." And it uses the word "negotiate" rather than "consult". The Policy continues: "in this way a community could enter as a partner in an investment, sharing the profits and benefits of the investment."

So far, no community has reached any such agreement and there has been no profit sharing. But there are increasing arguments from consultants and international experts that, even with local hassles and problems, amounts as large as \$10-\$50 per hectare per year could be going to local communities, without discouraging investment.

The World Bank's *Rising Global Interest in Farmland* gives Mexico as an example. There the government did a rapid registration of community land (known as *ejido*) and in slightly more than a decade registered 100 million ha. Communities are required to establish an accountable and transparent structure to manage *ejido* land. The Bank argues

that community registration "encouraged investment and provided a basis for joint ventures with outside entrepreneurs, with the government acting as a broker to provide investors with information on land access opportunities. To date this has resulted in some 3,000 contracts, often with large firms."

There is no question that communities would need substantial support to enter into negotiations with investors. But training by Mozambican and international NGOs has already raised the management ability and commercial sense of many farmers' associations. And even big companies often rely on consultants and experts to assist in negotiations, so there is no reason why communities should not have outside support so as to know what is reasonable to expect and ask for.

Too often, communities do not think long term and ask for small things like wells immediately; outside assistance might allow them to think of longer term profits from the investment. Capacitating a community and helping it to negotiate a contract takes time. Until now, Mozambican officials have been afraid that if they did not respond quickly, investors would go elsewhere. But with a global land shortage and rising food and fuel prices, Mozambique now has the upper hand, and can take its time to get the best deals.

There is also an issue around giving investors such large tracts of land, which many of them cannot handle. It would make more sense to start with 1000ha than 10,000ha, and if that can be made to work in cooperation with the community, there will be strong support for expanding the area.

Poor consultations mean communities lose out

Consultations are central to avoiding conflicts and encouraging greater involvement of communities. Yet many studies and reports show that consultations are done badly and in the most cursory way, and do not take the communities seriously. The Council of Ministers in August approved changes to tighten up the consultation system, but this may not be sufficient.

The normal model is for a delegation of often quite senior officials and investor representatives to arrive and try to sell the project. Grand but vague promises are made, particularly about jobs. *Regulos* are often co-opted with promises of jobs, or

pressured to support a proposal which comes from above.

"Local communities continue to lose and investors nearly always win," summarises Sérgio Baleira of the Judicial Training Centre (CFJJ, *Centro de Formação Jurídica e Judiciária*).

Alda Salomão, director of Centro Terra Viva (Living Earth Centre) and a leader on land issues, says that all the large investment projects have caused conflicts with communities and some, like Procana, have caused significant "social turbulence". So far it is largely just local tension, but

Salomão thinks it will become more serious: "eventually we will have problems as people learn their rights and the value of their land."

Another problem is that the reports (*actas*) of consultations tend to be very vague and not contain many of the promises that have been made, and there are widespread reports of promises to communities being ignored. This is compounded by the fact that contracts between investors and government are secret, which means communities have no way of checking what the investor told central government it would do locally.

The CFJJ journal *Sociedade & Justiça* in 2009 reported a study of consultations which found most studies were badly done with too few people from the community; the population did not know their rights and did not see the consultation as a negotiation.

CFJJ also points out that the form used to report consultation only allows one quarter of one page for statements and agreements.

A study of biofuels in Mozambique by the International Institute for Environment and Development (IIED) found that “none of the case studies examined in this report involved genuine and enforceable partnership agreements between investors and communities. Some consultation minutes did refer to the creation of jobs and social infrastructure, though usually with rather open wording (without clear timeframes, for instance).”

The report quotes the minutes of a consultation in Dondo, Sofala with Elaion Africa, which plans to produce jatropha, saying: “Communities have agreed with the project because it will bring a lot of benefits to the communities, especially jobs. The

community welcomes the project because it will help to combat poverty and requests the proponents not to keep its promises only on paper. The community requests the proponents to respect the community.”

In this case, “the minutes indicate that the communities accepted the occupation of the area because the area ‘was only used by charcoal producers’. In the site visit, however, the researchers realised that communities were also farming in the area. Community plots were included in the project area, where plot-holders agreed to switch from maize and cassava to jatropha.” The report also picks up a point which has been repeated in a number of consultation reports – the farmers were consulted but not charcoal burners.

Tighter consultation rules plus training

Concern over the poor quality of consultations led the Council of Ministers to approve a change in consultation procedures in August 2010. A single meeting has been replaced by two. The first is simply to give information about the project and the land it wants. The second is for the community to respond and say if it is prepared to give up land. Meetings should be given adequate publicity to ensure “effective participation”

Another important change is giving a central role in the consultation to the local consultative council which is a “representative” body named by the district administrator. As well as the communities affected, the council must approve the plans.

Three questions have been raised about the changes. First, the structure is still to inform the community and gain its agreement, not to make it an active participant and even promote negotiation.

Second, there is a danger that what little power the community has will be taken by the consultative council, which, although locally based, also has close links to the district administration.

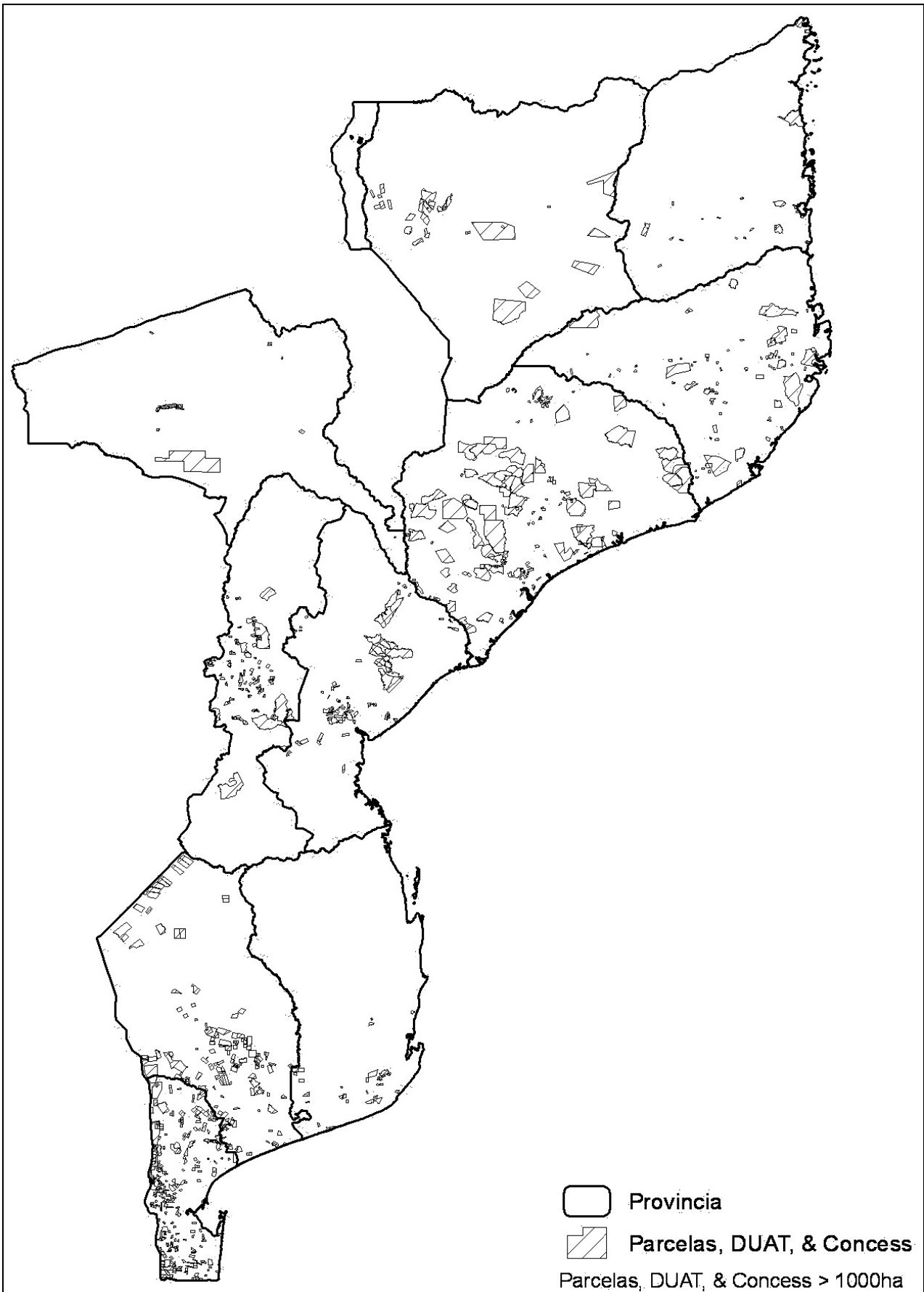
Third is the increased role of the district. District administrators are often caught in the middle. On one hand, many want to support their local communities, and would like to defend communities in conflict with would-be investors. On the other hand, district administrations often receive mobile telephone calls from senior party people, at provincial or national level, saying “find land for X”,

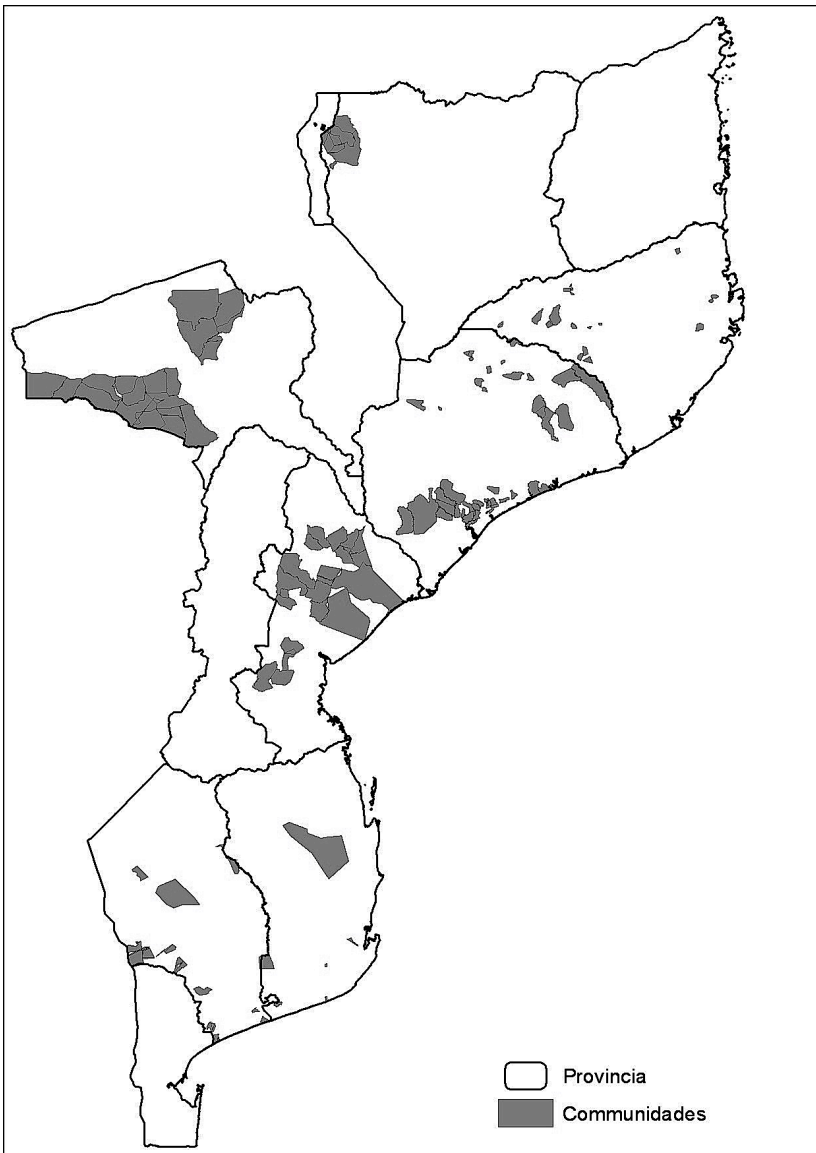
who may simply be the relative of someone important in Frelimo, or who may be a serious investor. When an investor arrives with a senior Frelimo person, some district administrators and officials may feel that their future promotion prospects are more important than defending their communities.

Training is proving to be an important way of redressing the balance, and NGOs have done extensive training. CFJJ, with its legal focus, has trained 500 community activists as paralegals with a basic knowledge of the land law.

A particularly imaginative CFJJ programme is to bring together for two weeks of training all the

people who deal with land and natural resources in a district – the district administrator, the district official responsible for economic activities, the police commander, the district judge, and the prosecutor. More than 40 districts have been trained so far, and the collaboration between the different actors appears to continue after the course.





Concessions, delimitations, and overlapping allocations

The map on this page shows all allocations of land of more than 1000 ha, in early 2009.

The main map on the next page shows the community land delimited in seven provinces.

The third map puts the two together, and looks more closely at the Beira corridor and Zambeze River valley. The blocks are areas delimited to communities or assigned to investors, and the black areas show overlaps. The arrows point to significant overlaps between investors and communities in Tete, in Sofala around Inhaminga, and in Zambezia: near the EN1 west of Nicuadala, Maganja, and Miiange;

a detailed look at an enlarged map shows many more, particularly in rice growing areas near the coast north of Quelimane.

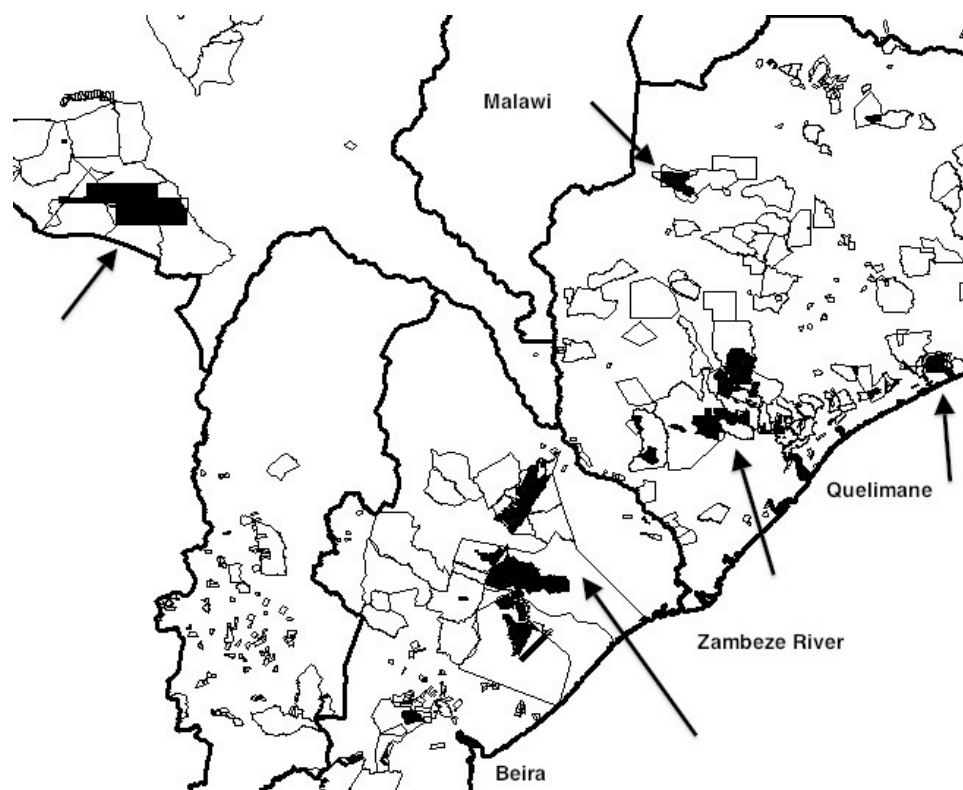
The maps are based on those in the presentation made by Klaus Deininger of the World Bank on 9 February in Maputo. Deininger is one of the authors of the World Bank book *Rising Global Interest in Farmland*, which is available free from the World Bank on

http://siteresources.worldbank.org/INTARD/Resources/ESW_Sept7_final_final.pdf

Delimited community land

Overlaps between community and investor land

The arrows point to significant overlaps in Tete, in Sofala around Inhaminga, and in Zambezia near the EN1 west of Nicuadala, in Maganja da Costa, and in Miiange,



Biofuel expansion slower than expected

Sugar was first introduced into Mozambique in the 19th century to produce alcohol to sell to South Africa, and through the colonial era the sugar plantations continued to produce alcohol. And in the colonial era, coconut was developed as a major export crop.

President Armando Guebuza first promoted jatropha as a peasant crop in 2004 – it was supposedly a miracle crop which would grow on poor land, produce lamp oil for peasants, and could be sold for biodiesel. This floundered, in part because to be productive, jatropha requires good soil and water, and thus competes with food crops. At least two commercial jatropha producers have abandoned production, because the soil was not good enough.

Thus Mozambique was already talking about biofuel and had experience with the relevant crops when the oil price rise of 2005-08 triggered commercial interest. Mozambique received around 25 expressions of interest for 2.5 mn ha. Some were granted. But in 2007 Mozambique stopped granting land for biofuel to allow time to think and in 2009 published a national biofuel strategy, by which time oil prices were – temporarily – falling. The policy “promotes” biofuel production, but not at the expense of food. In particular, the policy authorises sugar and sweet sorghum for ethanol for petrol, and

jatropha and coconut for diesel, but excludes the use of food crops, including maize, cassava, sunflower and ground nuts. It suggests that 450,000 ha could be available for biofuel, creating 150,000 jobs – 100,000 on farms and 50,000 in refining. The policy also calls for out-grower and contract farming by small producers. Most biofuel is for export, but the policy calls for requiring 10% biofuel in petrol and 5% in diesel sold inside the country, and then increasing the biofuel content.

The policy says that the government will identify regions where biofuels can be grown, and that commercial biofuel production will not be permitted outside those areas, partly to “avoid unacceptable risks to food security.” The mapping exercise ordered last year by the Council of Ministers is partly intended to identify land for biofuel and reduce conflict with food crops. Since the beginning of 2010, no biofuel projects of over 1000 ha have been approved.

The pause also allowed a slight shift in government policy, away from purely investment

facilitation towards investment selection – a shift encouraged by the failure of Procana and the very slow start of several other investments. Indeed, growth of biofuel production has been slower than expected, although the rise in oil prices may accelerate some projects. The slow start is partly triggered by lack of finance, as many investors hope to raise more than half their money from loans. It is also taking longer than expected for investors to develop appropriate jatropha varieties, in part due to unexpected insect pest problems (jatropha had been promoted as not having pests).

By the end of 2009, only four large biofuel projects had been approved, and one of those (Procana) has been cancelled. The remaining three have been given at total of 52,000 ha and say they will invest \$565 million; there is one each for sugar, sweet sorghum, and jatropha. No biofuel project has been approved since then. At least 20 formal biofuel proposals are pending, asking for more than 300,000 ha and proposing to invest more than \$1 billion. But only one has reached an advanced stage and is pending before the Council of Ministers.

A number of jatropha projects are under way, however, based on existing commercial farms or recent concessions. Sun Biofuels in Manica province is the most advanced for jatropha production, but simply took over an abandoned tobacco farm. At least 16 jatropha projects of 1000 ha or less were approved last year by provinces. A dozen were in Inhambane, totalling only 4,400 ha; eight were for 100 ha each.

Existing sugar producers use 35,000 ha and provide 25,000 jobs. and are expanding.

A paper in the journal *Energy Policy* last year by Marc Schut, Maja Slingerland and Anna Locke gives the most comprehensive analysis. Sugar is very expensive, with investment costs of \$15,197 per hectare, while jatropha investment is only \$1,663 per ha.

Several reviews of proposals show that job creation is much less than hoped by the government, with 1 job for each 7 hectares in sugar and 1 job for each 10-20 ha for jatropha, although jobs will also be created in refining factories. Only two of the jatropha proposals involve contract farming by smaller farmers.

The *Energy Policy* paper also notes that the best land for biofuel is in the north of Mozambique, which also has the highest poverty rates and is most in need of jobs, but investors prefer to be near transport links so most proposals are for the Beira corridor or the south.

A number of donors and investors are targeting Manica and Sofala along the Beira corridor, and there is serious potential for land competition and conflict. Many of the new projects are for labour intensive export food crops, particularly fruit and vegetables, which require relatively less land. But the Beira corridor is also the centre of present sugar production and most new sugar proposals, and sugar demands large amounts of land and water.

Not much has been said about the impact of biofuels on women. A study for the UN University

WIDER research institute by Channing Arndt, Rui Benfica and James Thurlow, published in October, concludes that “biofuels accelerate GDP growth and reduce poverty.” But it warns that “Increasing women’s participation heightens the tradeoff between biofuels and food availability, since women are typically responsible for food production. This leads to higher food prices,” which in turn means that since poorer households are often net buyers of food, there is less poverty reduction. In other words, if women get jobs on biofuel plantations, food production falls and prices rise.

Hundreds of land conflicts

Most land conflicts are local and not recorded, but it appears that conflicts are increasing as investors are given land. The CFJJ estimates more than 300 conflicts in the past five years. DNTF reported 76 conflicts in 2008. A CFJJ study in 2009 of 176 delimited communities found 34 “in open conflict with a private investor or the state”

The maps on the previous pages show the extent to land concessions overlap, which will become an area of conflict.

Water rights do not even enter into the discussion, and this is particularly important for biofuels which demand large amounts of water.

Some conflicts are indirect. For example the IIED biofuels study notes that the Ecoenergy project in Cabo Delgado has been given land close to the Quirimbas National Park and argues this will push people into the park to open farmland.

Large land concessions

There have been 12 large land concessions since 2004, of which one, Procana, has been withdrawn. This table shows the areas (ha) and locations of the remaining 11:

Forest			
Malonda	Niassa	220000	
Chikweti	Niassa	100000	
Florestas de Niassa	Niassa	210000	
Lurio Green Resources	Nampula	126000	
Portucel	Zambezia	173000	
<i>Total Forest</i>			829000
Biofuels			
Principle Energy	Manica	18000	
Enerterra	Manica	19000	
Grown Energy	Sofala	15000	
<i>Total Biofuel</i>			52000
Agriculture			

Madal	Zambezia	57000	
Quifel	Zambezia	10000	
<i>Total agriculture</i>			67000
Total			948000

Resettlement badly done

Many of the big investment projects require local people to move, so resettlement is an important issue. The first study, of villagers moved for two big mining projects, shows the resettlement badly done, and setting a worrying precedent.

The investigation was done by Tomas Selemene of the Public Integrity Centre (CIP, Centro de Integridade Publica).

At the Moatize open cast coal mine run by the Brazilian company Vale, 760 families were moved. The houses for the resettled families were badly built and did not correspond to the model house that was shown to villagers before they agreed to move. There are also issues about splitting people into "urban" and "rural" groups, and that latter were moved 40 km for the city, making marketing difficult. There are ongoing disputes with resettled families.

At the heavy sands (titanium) mine at Moma, Kenmare moved a long established village in 2007.

Residents claim that after three years, Kenmare still has not provided the promised water, school and

health post, and the residents have not been given adequate new farmland, Selemene reports. Local people were not trained or hired for the mine. And a local development association set up with Kenmare money is not working effectively.

"Some of the points raised are simply inaccurate, some have validity and either have been addressed or are in the process of being addressed", responds Tony McCluskey, Financial Director of Kenmare. "There is an abundance of evidence that local residents are much, much better off then beforehand."

The Chinese land grab myth

Wild and ridiculous claims in the international press about land grabs by South Africa and China in Mozambique have created an NGO industry worried about Mozambican land.

But a recent thesis on Chinese agricultural investments in Mozambique by Sigrid-Marianella Stensrud Ekman found very little: "In the media, China has been reported to lease large tracts of land in Mozambique with the aim of satisfying her food security issues. In conjunction with this, it is claimed that thousands of Chinese settlers would immigrate to Mozambique for farming purposes. ... The field visit to Mozambique revealed no evidence supporting these claims." There are no large and allocations to China or Chinese companies.

She traces the story to Loro Horta at the Nanyang University in Singapore, who in 2007 and 2008 claimed China wanted to lease vast tracts of land in order to set up large-scale farms producing with the aim of meeting China's booming domestic food consumption. He also claimed that 20,000 Chinese settlers were to move to Mozambique in order to work on these "massive agricultural projects." Hota's claims were widely quoted in the international media, and eminent research institutes such as the International Food Policy Research Institute (IFPRI) in Washington DC then quoted the press reports. But it was not true.

Indeed, Ekman notes that the now abolished Zambeze valley office (*Gabinete de Promoção do*

Vale de Zambéze, GPZ) tried hard to get Chinese investment and failed; it only received a \$50 mn soft loan for four agro-processing factories.

In her 2009 book *The Dragon's Gift: The Real Story of China in Africa*, Deborah Brautigam tells this story (p 258): "One widely circulated 'fact' that turned out to be fiction was a story that China had promised to invest \$800 million to modernize Mozambican agriculture. In Mozambique I spoke to local journalists, NGOs, the head of the peasants association, the Chinese, and top officials in the Ministry of Agriculture. I even hired an assistant to search through four years of local newspapers, but found no sign of the pledge. The Chinese *had* promised to build one of the fourteen African agro-technical stations in Mozambique: a training center on 30 hectares, at a cost of RMB 55 million (\$8 million). Could this have been the origin of the rumour?"

And it is not just China. Over the past 15 years white farmers' leaders in South Africa have repeatedly claimed that large numbers of white farmers were going to Mozambique – or were already there. The latest was on 11 November 2010, when the South African Press Association (SAPA) quoted Agri SA deputy president Theo de Jager to

say that 800 South African commercial farmers had already signed land deals to farm in Gaza province, apparently to grow biofuels.

Some concessions are cancelled or reduced

DNTF can only check about 10% of the provisional licences (DUATs) which are granted, and this is usually done when an application is made to have the DUAT made permanent. The World Bank, in *Rising Global Interest in Farmland*, notes that “in Mozambique, virtually all DUATs remain provisional.” And a recent land use audit showed that fewer than half of investors (by land area) complied with their investment plan. But during that period, action was taken; 1500 investors had their land cancelled or reduced. One quarter were in Maputo province, where land pressure is greater; other larger areas were in Gaza and Sofala.

Land Use Audit 2002 – 2008

DUAT Not Used		DUAT Partially Used		DUAT Fully Used	
number	Area (ha)	number	Area (ha)	number	Area (ha)
1062	488056	681	366744	1496	770743

Measures taken

Cancellation		Reduced area	
number	Area (ha)	number	Area (ha)
946	260724	556	188134

Confusion around urban land

Urban land is covered by the same constitutional and land law provisions, which means occupiers gain permanent rights (DUAT). Two aspects, however, make urban land different and are causing problems. First, when a house in an urban area is sold, the land automatically goes with it. This has created a large informal urban land market, which is also having important class implications – poorer people are selling their “house” for what, for them, is a large amount of money, but for the buyer is tiny. The house is immediately demolished and replaced by a much grander one, leading to gentrification of preferred areas, such as near the beach in Maputo.

Second, a 2006 Council of Ministers decree on regulating urban land set up three levels of plan, a structure plan, an urbanisation plan, and a map of what is actually on the ground, which had to be approved through a consultation process. No DUAT titles could be issued until plans were approved – which some experts say violates the land law, since

DUAT titles for people who occupied the land for 10 years or more should be automatic.

Many municipalities, particularly in the north, have simply ignored the 2006 decree as impractical, and are continuing a process of “regularising” occupation by issuing DUAT titles. On Friday 18 February, *Noticias* reported that with support from the US-funded Millennium Challenge Account, eight municipalities in the north hope to issue 140,000 titles in three years.

Even where land is in a formal expansion area, a title is normally only given after a house has been built, even when the land was allocated by the municipality.

But Maputo and Matola are developing the full set of plans, and are beginning to grant titles in newer more well ordered outer suburbs, but not in the denser inner suburbs. There are complaints in Matola that where people have occupied larger areas, they are only being given titles to smaller plots. This is a sensible part of a strategy to increase urban density, but probably goes against the land law.

And a December 2009 study by the Centro de Integridade Pública found that the complex processes in Maputo and Matola encouraged corruption.

Background documents

This issue of the *Bulletin* draws on an unusually large set of documents. We are constructing a bibliography and will post documents cited here which are not available elsewhere. This should be available in mid-March, on:

tinyurl.com/mozamb
in a folder called “Land”.

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