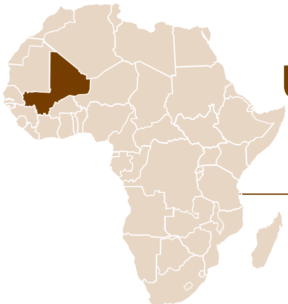

UNDERSTANDING LAND INVESTMENT DEALS IN AFRICA

MALIBYA IN MALI

LAND DEAL BRIEF | JUNE 2011

"It was a fait accompli. It was negotiated between the Malian president and the Libyan head of state. And no president anywhere has the right to give away his land like that."

– Ibrahima Coulibaly, President, Coordination Nationale des Organisations Paysannes (CNOP)

BACKGROUND

The Malibya project established by the Libyan Africa Investment Portfolio secures 100,000 hectares of fertile land for Libya within the borders of Mali. The land, located in the Office du Niger,[1] comes free of charge for 50 years. Libya intends to build the necessary agro-industrial infrastructure (e.g. canals and roads) in order to cultivate rice and cattle in the region.

GENEROUS TAX BREAKS AND UNSPECIFIED ADVANTAGES

Mali's Investment Code and terms for large enterprises undertaking a new activity, include:

- total exemption from all duties and taxes related to the activity for 30 years
- exemption for the first 8 years from company tax, corporation tax, and license
- 3 years construction exemption of import taxes and duties on equipment and other capital for the project

Malibya is eligible for these benefits as well as advantages contained in the "Action Plan" between the two countries, signed May 9, 2008. The "Action Plan" and its advantages have not been made public.

WHY DID MALI GIVE SOME OF ITS MOST FERTILE LAND TO LIBYA?

Abdalilah Youssef, Malibya's Director, claims the project will ensure food security for Libya in conjunction with, and not at the expense of, Mali. The vision rests on three fundamentals:

Higher Yields: Once in full phase, the project, via the introduction of hybrid rice, will "triple, even quadruple" rice yields, from 2 to 8–9 metric tons per hectare.
Employment: The project could "provide employment for all inhabitants of the region Ségou," and "priority will be given to the local population."
Resettlement: "It is not a question of chasing the people out or evacuating them, but simply of reorganizing them."

GROUND REALITY

There are reasons to doubt both the underlying tenets of the Malibya project and the long-term expectation of food security.

Food Security & Livelihoods: In terms of Mali's food security, the Malibya contract does not require that the products grown be bought and sold within Mali. Moreover, the hybrid rice that would be grown has been determined "not suited to the domestic market due to quality and taste" by the Office du Niger officials. This furthers the fear that agricultural output will be exported.

Though the project was cited to spur economic development, the contract for constructing the irrigation canals in the region has been awarded to a Chinese company, CGC. Rights over the hybrid rice strain also belong to a Chinese company. Malibya spokespeople have stated that the project will employ all of the population of the Segou region (estimated to be 2.3 million) but no concrete economic projections or plans have been presented. Instead, women farmers who produced and sold vegetables from garden plots have been adversely affected by the Malibya project. Canal construction resulted in the loss of the women's land and livelihoods without compensation or consultation.

Water Issues: Mali is contractually obligated to provide the "quantity of water needed for the Malibya crops through the Macina Canal."[2] This promise raises large questions—how much water will the project need for year-round agricultural production? What impact will it have on the rest of the Office du Niger and on the Niger river?

Currently, a 40 km long irrigation canal is being constructed upstream on the Niger River. Malibya's director says that the irrigation capacity will be 4 billion cubic meters per year. In comparison, the 17 million inhabitants and all the industries in Beijing use 3.5 billion cubic meters of water a year.[3] These plans ignore the fact that only 5% of the land in this country is arable and water levels have dropped 30% here in the last three decades. These figures raise questions about the economic efficiency and competence of the project's design.

> *"We will all become the beggars of Gaddafi."*
>
> – Tiédo Kane, a member of the farmers union, SEXAGON

Furthermore, the Malibya agreement indicates the project may consume water "without restriction" from June to December of each year and requests that between January and May, when the river is low, less water-intensive crops should be cultivated. June itself is a low-water month for the Niger River, and millions downstream depend on heavy water flow well after the river peaks between July and December. Their access to water will be restricted due to irrigation divergence.

Resettlement & Compensation: The infrastructure efforts of the project have thus far ignored small landholders and local people. Locals say 150 households in the area have already been affected by the construction and less than half received any compensation for their lost homes, plots and trees. When it has occurred, this compensation rarely covers total expected losses.[4]

The construction of the irrigation canal and adjacent road has caused massive disruption in Kolongo and communities in their path. Houses have been razed, market gardens and orchards bulldozed, and the broad canal now divides single villages that find themselves cut in two by the broad expanse of the canal. A cemetery was unceremoniously unearthed in the village Goulan-Coura. Local people there were shocked to find human remains scattered about the construction site before the contractors then plowed them into the ground.[5]

The local farmers union, SEXAGON, believes that when the millet-producing region is transformed to grow rice for export, the local people who lose their land and livelihoods will no longer be able to feed their families. To date, there has been no consultation with the farmers and the Malibya project has not informed locals about how many people will be employed and what kind of compensation they will receive. With such details outside the public domain, it is unclear whether the local people will be participant to economic development in the long-term.

Lack of Governance and Transparency: The project was negotiated in near-complete obscurity at the top levels of government. Malian civil society and farmers' associations were able to get a copy of the six-page agreement months after it was completed and initial construction work had begun on the irrigation canal. The Malian government has not made public any Environment Social and Impact Assessment (ESIA) and it is not clear whether such an assessment has ever been made. According to the Secretary of State, ESIA are not sent to "those who are not concerned."[6]

However, it appears that the population of the Office du Niger has reason to be concerned and, had the true costs of the project been publicly assessed, it is conceivable that the project may never have moved forward.

ENDNOTES

1. Office du Niger is a vast inland delta of more than one million hectare, partially irrigated by the Niger river.
2. Convention d'investissement dans le Domaine agricole entre La République du Mali et La Grande Jamahiriya arabe Libyenne populaire et socialiste, May 2008.
3. Beijing troubled by severe water shortage, China Human Rights Net, 20 December 2009, http://www.chinahumanrights.org/Messages/China/t20091221_523635.htm (accessed 25 January 2011).
4. Lamine Coulibaly and Boaventura Monjane, "Libyan land grab of Mali's rice-producing land," Via Campesina, 11 September 2009, http://www.viacampesina.org/en/index.php?option=com_content&view=article&id=785:libyan-land-grab-of-malis-rice-producing-land&catid=23:agrarian-reform&Itemid=36 (accessed 29 January 2011).
5. Direct communication. SEXAGON members in Kolongo, community members in Goulan-Coura, 25 October 2010.
6. Ibid.