

ON THE WRONG TRACK?!

Forest Plantations in Mozambique

IMPRINT:

On the wrong track?! – Forestplantations in Mozambique

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ABSTRACT

This study focuses on mega-projects in the forestry sector in Mozambique. It illuminates both the structure and financing, as well as the realized and planned activities of the involved companies. It also describes the already known impacts on the local population (creation of jobs, infrastructure, land grabbing and environmental damage).

In central and northern Mozambique more than a million hectares of land are claimed by different investors. These areas are largely traditionally occupied farmland but also still existing natural forests.

The two biggest companies in the field of forestry plantations in Mozambique are Green Resources and Portucel. In May 2014 the Global Solidarity Forest Fund (GSFF) and thereby also Chikweti Forests de Niassa, Tectona Forests of Zambezia, Ntacia Florestas de Zambezia and Niassa Florestal de Messangulo, were taken over by Green Resources.

Portucel is planning an integrated forestry project with forest plantations, pulp and paper production and biomass power plant(s) (with a capacity of 50 megawatts each). This project is strongly supported by the Government of Mozambique. In September 2015 Portucel put the largest tree nursery in Africa into operation. It has a preliminary capacity of 12 million seedlings per year for the plantations in Manica and Zambezia. The capacity can be doubled by 2016, which illustrates the enormous expansion needs of the plantations in the future. The Mozambican president Filipe Nyusi reaffirmed in September 2015 that 365,000 ha in Manica and Zambezia are available for eucalyptus plantations for Portucel.

The local population itself benefits little from the forestry projects when it comes to job creation and above all, far less than the traditional community leaders (Régulos) were promised in advance to promote the acceptance of these projects. In the process of establishing forest plan-

tations a substantial number of seasonal workers is needed while the process itself is little labor intensive in later stages. In addition, there are statements about inadequate labor standards, such as insufficient safety standards, delayed payment of wages or transportation problems. Promises made by the investors were neither respected nor demanded to be fulfilled from political authorities.

The improvement of infrastructure for the local communities, which had been promised in public debates by different companies, is often not part of the final legal contracts and therefore only partially implemented.

Landgrabbing for existing forest monocultures has already been published in different studies which show numerous cases of illegal land grabbing, lack of community consultation and in some cases expulsion. According to a study by the Mozambican Ministry of Agriculture and the National Directorate of Agriculture and Forestry (DNTF), the company Chikweti illegally planted an area of 32,000 ha in Niassa in 2010. Unlawful conduct of investors has never been punished. Thus, the food security of the local population is at risk.

Forestry plantations being monocultures do not provide natural habitat of ecological value. In fact, they cause numerous environmental damages. So far, they were only noticeable in some areas in Mozambique, since most environmental damage only occurs after several years. Observations in other regions have shown the following impacts on the environment:

- Lowering of groundwater level due to high water consumption of fast growing tree species → drying-out of wells
- Contamination of ground water with fertilizers, herbicides and pesticides such as glyphosate

- Loss of biodiversity, degradation of soils, susceptibility for erosion
- Furthermore, natural forests have already been partly destroyed to make room for plantations.

Green Resources claims to be one of the first companies in the world that sells certificates under the emissions trading directive (carbon trade) making profits in doing so. In addition, most of its plantations are FSC certified by now. In our opinion it is misleading to label monocultures with a considerable negative environmental impact as sustainable products.

Altogether, it can be observed that the mega projects violate the right of local populations in terms of access to land and food production. Irreversible damages to the environment are to be expected. These impacts will be multiplied by the planned expansion of planted areas. In this regard, the projects do not keep the publicly made promises for local and regional development and the fight against poverty. At the moment this contradiction is of little interest in the Mozambican media, enabling investors to develop their projects in accordance with their interests and without political control or media attention.

INTRODUCTION

This study, commissioned by the Co-ordination Committee of Mozambique in Germany (KKM), examines the activities of the Norwegian company Green Resources in Mozambique.

During the first internet research it turned out that it is useful to include other major investors in the area of forest plantations in Mozambique, since the plans and activities of Green Resources are also influenced by competitors. This was confirmed in May 2014 when Green Resources merged with one of the other main investors.

Chapter 2 provides an overview of the publicly known major projects in the field of forest plantations. Relevant

sources are the following studies: World Rainforest Movement (WRM): "O avanço das monoculturas de árvores" by W. Overbeek (2010), "The Human Rights Impacts of Tree Plantations in Niassa Province, Mozambique" by FIAN International (2012) and "Os Senhores da Terra" by JA and UNAC (2011).

Chapter 3 focuses on the investors who are behind the projects and their link to donor countries, which are also partly supporting forestry projects through their development agencies.

Chapter 4 provides information about recent developments, mergers of companies and the expansion of projects. The sources are studies, press releases and

newsletters, as well as information of various NGOs that monitor the activities of investors in the provinces and support the local population in land conflicts.

In Chapter 5, the previously documented effects of forest monocultures on local communities are examined and positive impacts (creation of jobs) and negative effects (land grabs, environmental damage) are compared. Sources are the above-mentioned studies, press reports and information from local NGOs.



Community meeting in Mutapua, Nampula: "None of the promises made by Lurio Green Resources have been met – but the plantations are here."

LARGE-SCALE PROJECTS FOR FORESTRY MONOCULTURES IN MOZAMBIQUE

As the global demand for wood to produce paper, other cellulose products and for energy production increases, the area of forest monocultures rises rapidly. According to FAO estimates, the area of plantations in the Global South has increased from 95 million hectares to 153 million hectares from 1990 to 2012, an increase of more than 50% (FAO, 2012). This trend reached Mozambique about ten years ago.

According to the study "O avanço das monoculturas de árvores em Moçambique" by W. Overbeek published by the World Rainforest Movement (WM) in 2010, there were already several large projects for forest plantations in the provinces of Nampula, Niassa, Zambezia and Manica in 2009, however, not all final approvals (DUATs) of the central and provincial governments had been issued. According to FAO (2012), there were an estimated 62,000 ha forest plantations in Mozambique in 2010, mainly eucalyptus and pine. But this is only a very small part of what is planned for the future. Since the government is relying on large investors for agriculture and forestry for its various development strategies while also advertising for foreign investors to invest in forest plantations especially in central and northern Mozambique, millions of hectares will be added.

The following major projects in the field of forestry monocultures are known through existing studies and press releases:

Manica und Sofala

Industriais Florestais de Manica (Ifloma): 80% owned by the South African Komatiland Forests Pty. since 2004 and 20% by the Mozambican state (state holding IGEPE). Ifloma mainly produces for the domestic and the South African market. They operate a sawmill in Messica and sell impregnated round timber (lumber). Since 2010 they operate 10,000 hectares

on three eucalyptus and pine plantations.¹ The company employs about 700 workers. According to press releases dated July 2012, Ifloma plans an expansion to 73,000 hectares in Manica and Sofala to supply a planned paper mill in Beira. According to press reports, 32,000 ha had already been planted by 2012.²

Zambezia and Manica

The Portuguese paper manufacturer Portucel will establish approximately 200,000 ha of pine and eucalyptus plantations for a planned cellulose factory in Mozambique via its Mozambican subsidiary Portucel Moçambique. The project has been significantly expanded in scope now to 360,000 ha (see Chapter 4).

Zambezia

Tectona Forests of Zambezia: A temporary license (DUAT) of 20,000 ha for planting a teak plantation was issued by the Council of Ministers in 2011; 70% of the wood is intended for export, while 30% will be used at the local market. The investment is approximately US\$ 100 million, of which 10 million should be used for local infrastructure. (Investor: GSFF 90% and as a local partner the Diocese of Nampula, 10%).³

Natacua Florestas de Zambezia: Founded in 2008, planned: 35,000 ha of eucalyptus and pine plantations (GSFF) (Overbeek, 2010); an application for an expansion to a total of 70,000 ha was submitted in 2011.

Nampula

Lurio Green Resources (LGR), the Mozambican subsidiary of the Norwegian corpo-

1 <http://www.komatilandforests.co.za>

2 Club of Mozambique: "Forestry company plans to invest \$348 Million in Mozambique", 02.07.2012

3 <http://www.macauihub.com.mo/en/2011/10/10/mozambique%E2%80%99s-government-authorises-forestry-project-in-zambezia-province/>

ration Green Resources (GR), was granted a concession of 50 years in late 2009 to grow more than 126,000 ha of eucalyptus. Until the 2013/14 season, 3,000 ha were already planted. Initially wood chips and wood pellets, but also timber will be produced for the local market. Later on, a cellulose plant is planned. Investment: US\$ 2.2 billion. Green Resources indicates that 11,500 jobs will be created, schools, health centers and other infrastructure for the local population are supposed to be built.⁴ (for LGR also see Chapter 3, investors)

Niassa

Niassa as the largest province of Mozambique (129,000 km²) with the lowest density of population, relatively good soils and rainfall is recommended by the Government as the most suitable province for tree monocultures. The aim is to allure potential investors for large scale projects to this remote province which would lead to the development of a better infrastructure while creating jobs for the local population.

The first monocultures were planted as trials on a small scale in 2005 with the aim to expand to a larger scale by 2007. Allegedly, the idea for forest plantations in Niassa originated from a resident of the province, an Anglican priest, who campaigned for support overseas. Thus, the commitment of the Norwegian and Swedish churches and the Diocese of Niassa in the forestry projects could be explained (Overbeek 2010).

Role of Malonda Foundation in Niassa

The Malonda Foundation in Niassa was established by the Mozambican government in 2005 and was financially supported by the Swedish state-owned de-

4 <http://www.greenresources.no/Plantations/Mozambique/Lurio.aspx>

velopment agency SIDA. The Foundation is subordinated to IGEPE (Institute for the management of state-owned Holdings) and is intended to support investors in forest plantations, agriculture, wildlife / tourism and micro credits for agriculture in the province. Malonda Foundation also operates an 800 ha pine and eucalyptus plantation in Lichinga district with an associated tree nursery; this area will be expanded to 1,000 hectares and according to Malonda Foundation is mainly used for forest plantation trials.

By the end of 2009 the following companies were supported in the implementation of their projects in the forestry sector in Niassa and consolidated as partner organizations by the foundation:

- New Forests Malonda: The British company New Forests, which also operates plantations in Uganda, Tanzania and Rwanda, maintains a concession of 10,000 hectares of eucalyptus (shares: 80%, 20% Mozambican partners).⁵
- Malonda Tree Farms (80% owned by Green Resources, 20% by the Malonda Foundation), of a total concession of 60,000 ha 24,000 hectares are to be used for forestry plantations and 36,000 ha are to be conserved as natural forests

5 <http://www.clubofmozambique.com/solutions1/sectionnews.php?secao=business&id=16145&tipo=one>

Florestas de Niassa is owned by the Rift Valley Corporation, an agro-industrial company from Zimbabwe that has invested in Zimbabwe, Tanzania and Mozambique in tea, tobacco, bananas and forestry. Florestas de Niassa plans 120,000 ha of pine and eucalyptus plantations in Niassa for cellulose and timber for local, regional and international markets. By November 2013, 750 jobs were created.⁶

The three companies combined planted about 15,000 ha by 2009, according to information from the Malonda Foundation.

Malonda Foundation considers a total of 2.4 million ha (18.6% of the total area of Niassa) as potentially suitable for forest plantations, according to a brochure published by the foundation.

Chikwe Forests of Niassa

Another major project in Niassa (not being part of the Malonda Foundation partnership) is Chikweti Forests of Niassa (Investor GSFF, see below). The requested concession area amounts to 140,000 ha, of which 68,500 hectares are planned to be forest plantations. With Florestal de Messangulo being another project of GSFF, a concession of 34,000 hectares has

6 <http://www.riftvalley.com/florestas-de-niassa/>

Sweden terminates support of the Malonda Foundation

In June 2013, SIDA terminated any further support for the Malonda Foundation. The reasons given were money embezzlement and counterfeit checks at the office of Niassa of at least US\$ 32,000 that had been detected by SIDA and the responsible audit firm KPMG at the end of 2012. In 2010 the Foundation had begun to implement a strategic plan, which was budgeted for US\$ 9 million and was funded by SIDA. Until the financial support was stopped, already half the budget had been paid out. However, according to the weekly newspaper Savana, results of the work of Malonda in the province were not really visible. In her statement, the Swedish ambassador spoke of a lack of transparency and a high risk that the funds were not used in accordance with the agreements: "This is not in line with the Swedish development policy, which is intended to reduce poverty and not for the illegal enrichment of individuals." The chairman of IGEPE, the Governmental holding to which Malonda Foundation belongs, confirmed the allegations of fraud, but was optimistic that other partners could be found to support Malonda in the future, otherwise governmental funds would be made available.¹

Note: It is well known that most companies operating under IGEPE are unprofitable, dilapidated and are a strain to the government budget. In August 2015, IGEPE announced that 68 of a total of 113 companies are to be sold to private investors or liquidated, in the long term only 45 profitable companies are to remain.²

1 Club of Mozambique; www.clubofmozambique.com; "Sweden cuts support to Niassa Foundation", 02 June 2013

2 AIM&CTA, Newsletter No 216, "IGEPE intends to sell, liquidate more than half its companies", 28 August 2015, www.aim.org.mz

THE INVESTORS

It also seems to be worthwhile to further investigate the structure of the investors.⁷

The Global Solidarity Forest Fund (GSFF) is an investment fund based in Sweden with investments in forest plantations in Mozambique and Angola. The Fund was founded in 2006 by the Swedish Diocese of Vasteras, the Lutheran Church of Sweden and the Norwegian Lutheran Church Foundation (OVF). More shareholders are one of the world's largest pension funds, the Dutch ABP and the US Fund Diversified International Timber Holdings (DITH).

In 2009, GSFF owned four companies in Mozambique: Chikweti Forests of Niassa, Tectona Forests of Zambezia, Ntacula Florestas de Zambezia and Niassa Florestal de Messangulo in Niassa with the Diocese of Niassa being the local partner with a share of 10%.

GSFF in Niassa has also received support from USAID: With initial funding from USAID and in cooperation with the Diocese of Niassa and the United States Forest Service International Program, a project was started, named "5F program" (Forests, Finance, Food, Fuel and Future). While Chikweti Forests is reported to be responsible for the commercial aspects (e.g. forest plantations and job creation), the "development of local communities"

⁷ W. Overbeek, April 2010, complemented by separate research

falls under the authority of the Diocese of Niassa.

Green Resources (GR) and Lurio Green Resources (LGR)

As it is mandatory for foreign investors in Mozambique to have a registered company in the country, Lurio Green Resources (LGR) was founded as a subsidiary by Green Resources. We do not have information who are the Mozambican shareholders of LGR, this aspect could be further investigated. LGR has received a concession of 126,000 hectares in Namupula, of which about 3000 ha were planted with eucalyptus by 2014. In Niassa, Green Resources owns 80% of the shares of Malonda Tree Farms, which has a concession of 60,000 hectares.

Green Resources AS is a Norwegian joint-stock company (not listed on the stock exchange), which was founded in 1995. It was operating under the name Fjordgløtt AS until 2000, continuing as Tree Farms AS until 2007 when the name was changed to Green Resources. Its founder and current CEO, Mads Asprem, was originally the largest shareholder with 30%. According to its website, the company now has 80 shareholders (2015). The three largest are the US fund Diversified International Timber Holdings (DITH) (20.6%), specialized in forest plantations all over the world, Phaunos Timber Fund

Ltd. (18.8%), which is registered in the tax haven of Guernsey and is traded on the London Stock Exchange and NewAfrica (14.2%). All other shareholders hold less than 5.6%.⁸ No information about who is behind NewAfrica could be found on the Internet, but according to Timberwatch Coalition Mads Asprem is probably the main owner of the company.

The founder and CEO of GR, Mads Asprem, is constantly striving to greenwash GR and is always ready to highlight the merits of the company in terms of climate protection (CO₂ reduction), the creation of jobs and infrastructure and the good relationships with the local communities. "The company believes that forestation is one of the most efficient ways of improving social and economic conditions for people in rural areas and aims to be the preferred partner for local communities in these areas; it also wants to be the favored African employer within its industry". Unfortunately, real achievements have so far hardly been visible and even the supposedly good relations with local communities were disproved by several studies of Mozambican NGOs (see Chapter 5). Asprem's sarcastic reaction in response to criticism can be seen on the website of GR (for example "Dark Green?" GR CEO responds to report "The Darker Side of Green", 11.12.2014).

⁸ http://www.greenresources.no/portals/o/GR_SH.PNG

ABP under pressure in the Netherlands

In December 2011, ABP commented a critical report of the Dutch newspaper Volkskrant on increasing protests of the local population in Mozambique regarding land grabbing on a large scale by the forest companies financed by GSFF. ABP admitted, that the investment projects in which ABP is involved with 47 million Euros (54%), do in this form not agree with their ethical standards and they have therefore put pressure on GSFF to resolve the issues. Shortly after, the general manager and CEO of GSFF and the CEOs of all four companies in Mozambique were replaced.¹

¹ Club of Mozambique: "Civil service pension fund admits Mozambique forestry mistakes", 06 December 2011



Trials of different Eucalyptus varieties and other exotic trees from Lurio Green Resources in Mutápua, Nampula

GR subsidized by the Norwegian government

In a study on emissions trading with forest plantations using the example of Tanzania, the South African NGO Timberwatch investigates the amalgamation of interests of GM and the Norwegian government (Timberwatch Coalition, 2011). For five years Norway implemented a US\$ 100 million program in Tanzania to support REDD-projects¹. Because of suspected corruption the funds were not disbursed to the responsible ministry but to national and international NGOs, universities and research institutions. GM also benefited partly from these funds. Between 1998 and 2010 the company was able to acquire more than US\$ 100 million for its enterprises in Tanzania in form of low-interest loans, grants and issue of shares from NORAD, the Norwegian Development Assistance Funds Norfund, Phaunos Timber Fund, IFC (World Bank Group), the Norwegian Embassy and the EU Fund for Renewable Energy. The Norwegian Ministry of Finance in return buys Emission Reduction Certificates from GR, so-called CER quotas², which the company receives for its CDM (Clean Development Mechanism) certified companies in Tanzania. Timberwatch argued consequently, even though GR being registered as a private company, due to the close business and financial support it can in fact be seen as an extended arm of the Norwegian Government, using these projects to support its business interests in Tanzania (for example Norway's state owned company Statoil has a concession for oil exploration off the coast of Tanzania). The negative side of the deal is that Norway in that case supports a form of land use (tree monocultures) that destroys biodiversity and soil fertility by the conversion of ecologically valuable grassland, for which CER quotas are issued, which are in return bought by the Norwegian government. By the acquisition of GSFF and their companies in mid-2014, Green Resources temporarily became the largest investor in forest monocultures in Mozambique (see next section).

¹ REDD (Reducing Emissions from Deforestation and Degradation) is a program of the United Nations with the aim of climate protection by protecting forests.

² CER: Certified Emission Reduction, is the official name of quotas for greenhouse gas reduction by a CDM certified project

RECENT DEVELOPMENTS

While several critical studies and press releases on forest monocultures in Mozambique were published from 2010 to 2012, reports (and also activities of NGOs active against land grabbing) from 2013 focused on the mega project ProSavana, an agriculture-based investment program planned by the governments of Japan, Brazil and Mozambique which covers the so-called Nacala Development Corridor in a total of 35 million hectares of land. After the first draft of the master plan which became publicly available only by chance in 2013, a great storm of protests was raised from the affected rural population, the NGOs active against land grabbing and those representing small-scale farmers. Due to its enormous scale this project has ever since dominated the discussion about land grabbing. Therefore the public debate about large-scale forest plantations faded into the background, which does not mean that planning and expansion are not progressing.

Important for the further development, however barely noticed by the press and the public, was the takeover of GSFF by Green Resources mid 2014.

In May 2014 Green Resources (GR) and the Global Solidarity Forest Fund (GSFF) signed an agreement on a merger. In order to finance the takeover of GSFF (and thus also of the four companies of GSFF in Mozambique), GR issued 17.8 million new stock shares to pay the shareholders of GSFF. On their website GM announced that they have become the largest commercial timber producers in Africa outside South Africa through the merger. East Africa (incl. Mozambique) is one of the most promising regions in the world to establish large eucalyptus and pine plantations: "The combined company will have 40,000 ha of standing forest and significant operations in Mozambique, Tanzania and Uganda."⁹ Because of the acquisition Chikweti Forests de Niassa, Tectona Forests of Zambezia, Ntacula Florestas de Zambezia and Florestal de Messangulo in Niassa now belong to Green Resources, who have be-

⁹ <http://norwegianafrican.no/news/naba-member-green-resources-merges-with-gsff-to-create-leader-in-african-forestry>, 27 May 2014

come the largest company in the sector of forest plantations in Mozambique.

According to the website of GR (2015) 45,000 ha of eucalyptus and pine plantations have already been planted in Mozambique, Tanzania and Uganda and land titles for another 200,000 ha were acquired in the three countries. GR claims to be one of the first companies to sell certificates under the Emission Trading Scheme to generate profits. In addition, most of its plantations are now FSC-certified.¹⁰

According to information from ORAM Nampula LGA plans to create a total of 180,000 hectares of forest plantations in the province of Nampula, of which 126,000 ha are managed by the company (in accordance with the already granted DUAT) and 54,000 ha by contract farming with small and medium-sized farms. In Niassa 50,000 to 70,000 ha are planned, most likely including the concessions taken over from GSFF.

Planned investments of Portucel

More recently the Portuguese company Portucel, which has even bigger plans for the establishment of forest monocultures in Mozambique, has made headlines in the Mozambican media.

Since his inauguration in January 2015 the new Mozambican President Nyusi promotes the investment in forest plantations and paper production. During his three-day state visit to Portugal in July 2015 he visited Portucel Soporcel, the largest Portuguese pulp and paper producers: "I came here to encourage the project because the industrialization of Mozambique is part of our cycle of governance."¹¹ He campaigned for Portucel to implement its investment project for a large pulp mill in Mozambique as fast as possible. In the provinces of Manica and Zambezia, Portucel already planted eucalyptus, which is later supposed to be processed into cellulose in the proposed factories. The first factory is supposed to be operational by the end of 2023.

¹⁰ <http://www.greenresources.no/Company.aspx>

¹¹ AIM&CTA, Newsletter No 212, "Nyusi encourages massive pulp Project", 24. July 2015, www.aim.org.mz

According to the CEO of Portucel, an integrated forestry project, forest plantations, pulp and paper production and biomass power plant(s) (capacity 50 MW) are planned in Mozambique whose total investment could reach up to 2.1 billion. According to Portucel the number of planned power plants depends on the need which will be determined by the Mozambican government. During the visit of the Mozambican president Portucel announced that its subsidiary Portucel Mozambique, founded in 2009, will put the largest tree nursery in Africa into operation in September 2015. It has a preliminary capacity of 12 million seedlings per year for plantations in Manica and Zambezia. The capacity could be doubled by 2016. This shows the enormous need for plantation expansions in the future.

Nyusi confirmed that 365,000 ha of eucalyptus plantations are already available for Portucel in Manica and Zambezia.¹² In early September 2015, the nursery in the district of Ilé in Zambezia was inaugurated by the president. The General Director of Portucel Moçambique announced at the ceremony that the planned paper mill is to be built in the district of Mocuba and could employ up to 7,000 workers.¹³

The IFC (International Finance Corporation), which is part of the World Bank Group, holds a 20% share of Portucel Moçambique since December 2014. IFC is supporting the project for two years with an international team for the project component "Community Development", which is estimated at US\$ 40 million and is expected to reach 130,000 people in Manica and Zambezia. According to the IFC spokesman, the products (cellulose and biomass, including wood pellets) are exclusively intended for export, with an estimated sales volume of US\$ 1 billion a year from 2023. This is the largest investment project outside the mega projects of the extractive industry and the major infrastructure projects (such as the railway line in the Nacala Corridor and the national expansion of ports and roads).

¹² MacaHub News: "Mozambique will have biggest eucalyptus nursery in Africa", 21 July 2015

¹³ MacaHub News: "President of Mozambique inaugurates biggest plant nursery in Africa", 09 September 2015

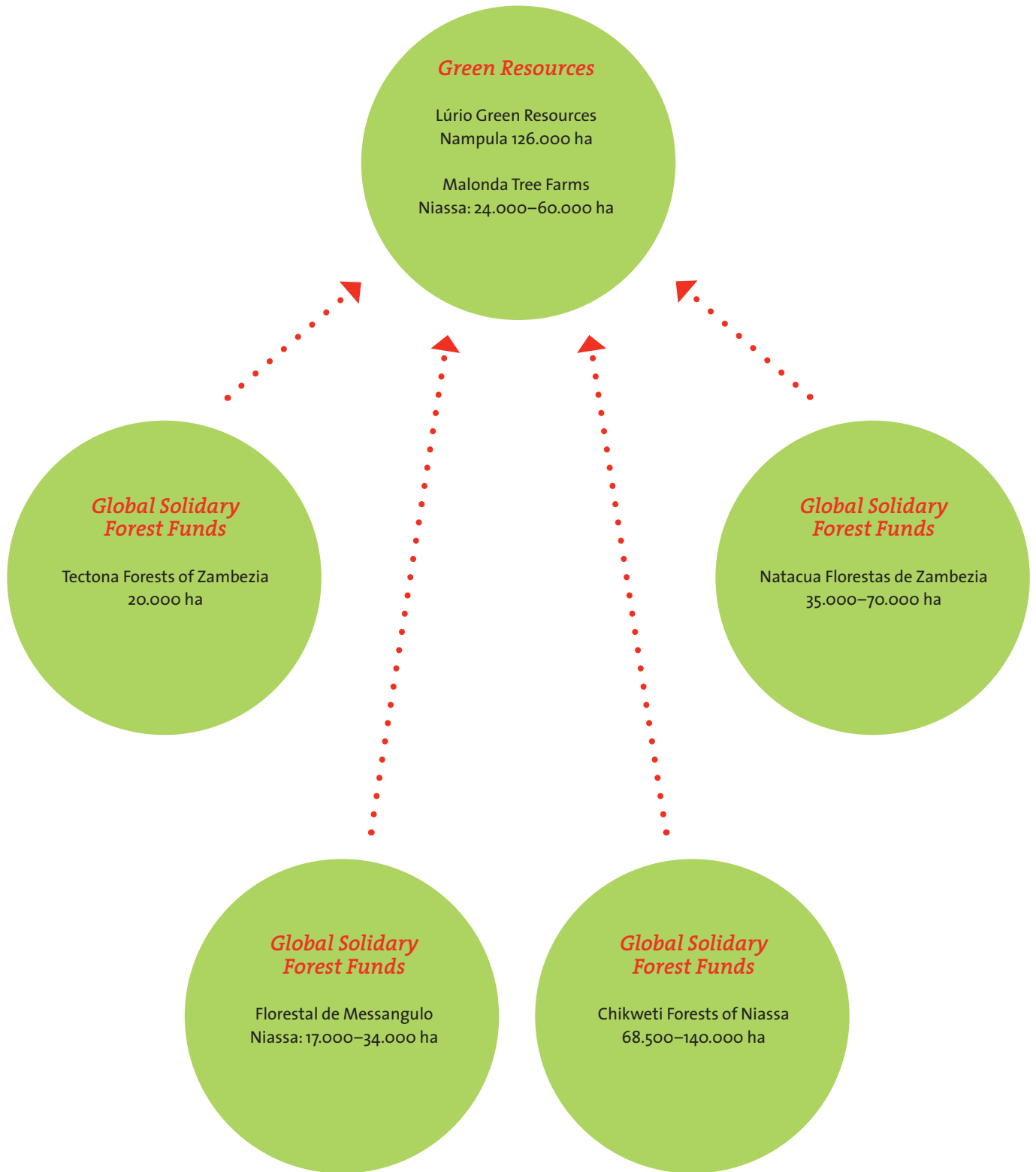
PROVINCE PROJECT	INVESTOR	ORIGINALLY REQUESTED CONCESSION FOR FOREST PLANTATIONS (HA)	TOTAL CONCESSION OR PLANNED EXTENSION TO ... (HA) *
MANICA AND SOFALA Industriais Florestais de Manica (Ifloma)	Komatiland Forests Pty. Southafrica (80 %), IGEPE (20 %)	23.000	73.000
ZAMBEZIA Tectona Forests of Zambezia	Global Solidary Forest Fand (GSFF) (90 %); diocese Nampula (10 %); since 2014: Green Resources	20.000	20.000
Ntacua Florestas de Zambezia	GSFF since 2014: Green Resources	35.000	70.000
ZAMBEZIA AND MANICA Portucel	Portucel Moçambique	200.000	365.000
NAMPULA Lurio Green Resources	Lúrio Green Resources	126.000	126.000
NIASSA Chikweti Forests Niassa Florestal de Messangulo Malonda Tree Farms	GSFF; since 2014 Green Resources GSFF; since 2014 Green Resources Green Resources (80 %); Malonda Foundation (20 %)	68.500 17.000 24.000	140.000 34.000 60.000
Florestas de Niassa New Forests Malonda	Rift Valley Corporation, Zimbabwe New Forests (80 %), british; 20 % Malonda Foundation	120.000 10.000	120.000 10.000
TOTAL HA	Of which Green Resources:	643.500 290.500	1.018.000 450.000

* Total concession or planned expansion: In its projects GSFF applied for concessions of twice the area of the proposed forest plantations, with the other half being supposed to protect existing natural areas/forests. Whether this concept also applies after the acquisition of GSFF by GR is unknown. The left column shows the areas that were actually applied for plantations. The right column also shows the planned expansions of other companies. Portucel is Planning for more than 350,000 hectares of eucalyptus plantations in Zambezia and Manica to fully utilize the planned cellulose factory.

Portucel indicates that the planned factory in Zambezia will have a production capacity of 1.3 million tons of pulp per year from 2023 on. This would almost double Portucel Soporcel current annual production of 1.4 million tons. However, for the full utilization of the factory it is assumed that the currently approved production areas of Portucel in Mozambique would have to be doubled (according to a yet to be published study from European Environmental Paper Network – EEPN).

As can be seen from the table above, more than one million hectares of land in Central and Northern Mozambique are so far claimed by investors for forestry monocultures. These are mainly traditional farmlands but also remaining natural forests.

Concentration of forestry companies through the takeover of GSFF by GR in 2014





Luciana Pahiva lost her land and all her fruit trees to Lurio Green Resources. The land she got as compensation is far away and difficult to reach for her as an older woman.



Large-scale projects for forestry monocultures in Mozambique

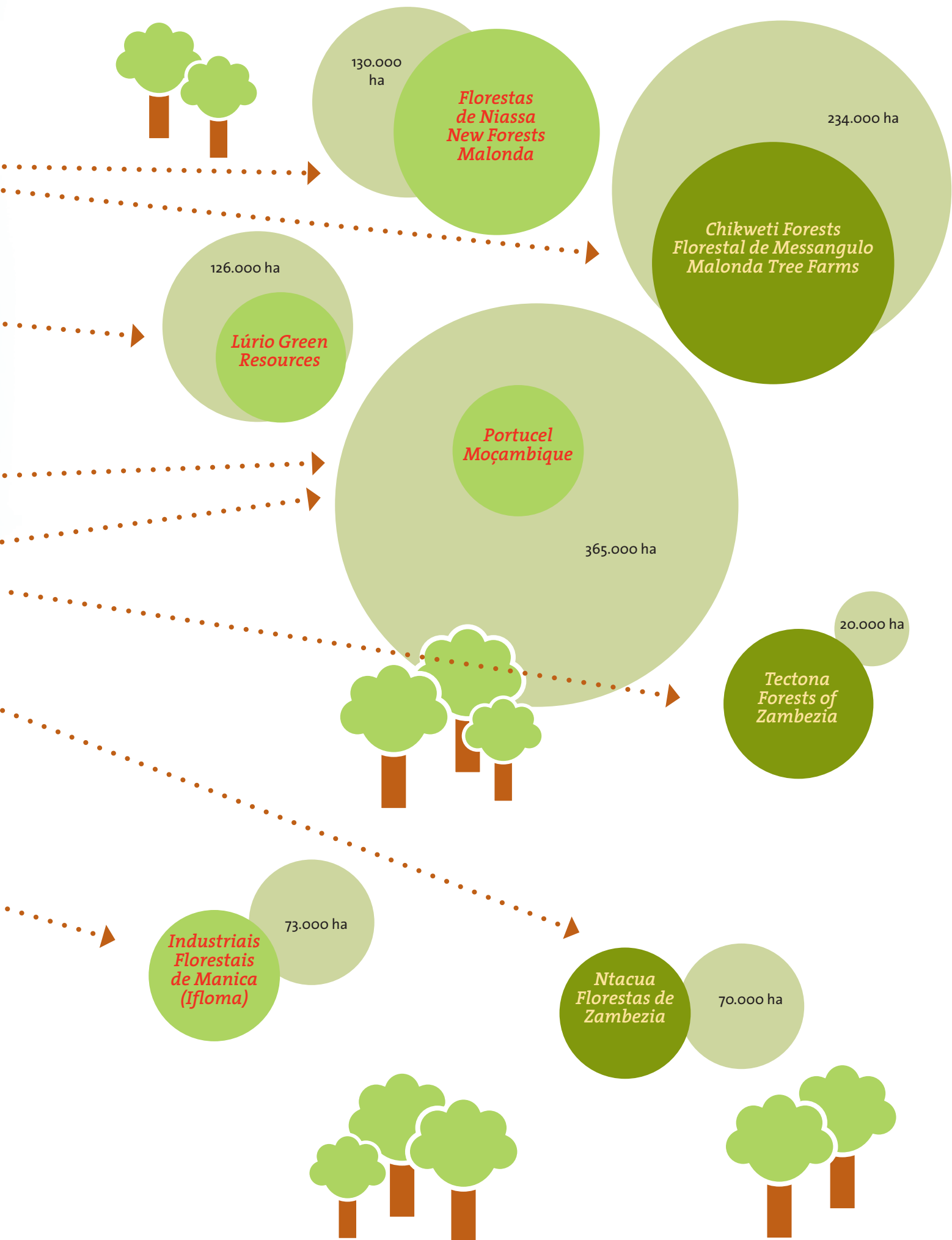


Illustration: Gregor Zielke

● since 2014 part of Green Resources

HOPES AND DISAPPOINTMENTS: IMPACTS ON THE LOCAL POPULATION

Although only a small portion of the proposed forest plantations have been planted up to now, conflicts over land use between the investors and the local population are already on the agenda and documented by several studies and film documentaries. Promises about job creation, construction of social infrastructure such as wells, hospitals and schools were hardly kept. Since the plantations are usually approved and politically enforced "from the top" the local population receives no support in defending their interests by the local district administration or the provincial government, and people feel both betrayed and deceived.

World Rainforest Movement (WEM) has published a series of studies that examines the negative socio-economic and environmental impacts of eucalyptus and other forest monocultures in different countries such as Brazil, Chile, Cambodia, South Africa and Swaziland. The study "The Expansion of Tree Monoculture - Impacts on local peasants communities in the Province of Niassa", published in 2010, is a continuation of this series and is based on a field study of W. Overbeek and another Brazilian activist in Niassa, who were supported by UNAC and UCA.

Land grabbing

The requisition of communal land for forest plantations has so far shown the highest potential for conflicts between investors and the local communities. All traditional community leaders (régulos) interviewed by Overbeek have so far opposed the system of monocultures near their villages. They also criticized that important decisions had been made without their consent since investors had already made agreements with high-ranking politicians. According to the Mozambican land law, at least two community-consultations must be held and community representatives must agree to the use of land by a third party, but

these consultations have not been carried out in accordance with the law. In fact, government representatives approached the higher ranking régulos to inform them that an investor will be planting trees for the benefit of the communities (promising jobs and investments in local infrastructure). The communities were neither properly informed nor consulted on the project – therefore the option to refuse to the agreement was never given.

The initial agreements with the régulos to plant on land with marginal soils which was not used by the villagers for farming were often not kept by the investors. The conflict always intensified when fertile land near the villages were illegally confiscated. The régulo of the Quavago municipality stated that his village is now completely surrounded by eucalyptus plantations. Not him, but a higher-ranking régulo gave the land to Malonda Tree Farms (Green Resources). Furthermore, there were several complaints from régulos that Chikweti Forests of Niassa (GR) and New Forests Malonda (Muebe District) failed to meet the terms they had agreed to in the original arrangements. (Overbeek, 2010).

The study "Os Senhores da Terra" by JA and UNAC (2011) examines the nationwide conflicts between local communities and investors in the fields of mining, agriculture and forest plantations. The following companies are listed as negative examples in the field of forestry monocultures: Ifloma, Natacua, Tectona, Chikweti Forests and Malonda Tree Farms. Except for Ifloma, all companies now belong to Green Resources. The main issues in all of these conflicts are illegal land acquisition, the lack of community consultations and the loss of or reduced access to agricultural land. (JA/UNAC)

The film "Seeds Of Discontent"¹⁴, published in October 2013, accompanies community members of Licole, Niassa, at their daily work and demonstrates how the implementation of large-scale mon-

ocultures by Chikweti Forests has drastically changed people's lives. Initial hopes for permanent jobs have been shattered, there is almost only seasonal underpaid work. Since eucalyptus is growing on former agricultural land, the women have to cover longer distances to their fields and to collect firewood. Even the local leaders, being initially supportive towards the project, now have become opponents of Chikweti Forests.

When former Prime Minister Aires Ali visited Niassa in 2010, there were many protests regarding the practices of Chikweti. The Premier then ordered an investigation, which was conducted by the Department of Agriculture and the National Directorate of Land and Forestry (DNTE). This confirmed the complaints of the local population in nearly all cases: at this time, Chikweti had land titles (DUATs) of 30,000 ha, but had already claimed an additional 32,000 hectares, without valid DUATs. These were fertile farmlands and pastures, although Chikweti originally planned to reforest "degraded land" only. It has also been confirmed that in some regions natural forests were cleared to create plantations. This report, however, was never published and had no negative consequences for the company. (FIAN, 2012)

ORAM Nampula confirmed in October 2015 that in some areas adjacent to the concession areas of LGR families had to give up their homes for the cultivation of the plantations. The compensations given to the community members by LGR was not transparent and therefore led to disagreements within the communities. For example, ten families had to give up their homes in Mercuburi. However ORAM indicates, that only a small number of families has

been affected by relocation so far and there is no official resettlement program on the part of LGR.

¹⁴ <https://www.youtube.com/watch?v=xoQNhVg6qgQ>; Seeds Of Discontent



Small scale farmers in N'tatapila (Nampula) are identifying on a map the areas where Green Resources has illegally planted Eucalyptus on communal land.



More and more waterholes are drying out due to the high water consumption of Eucalyptus plantations.

False promises about the creation of jobs

The creation of jobs is the main argument of politicians and foreign investors negotiating with the régulos about the availability of communal land for plantations. In the provinces where more than 80% of the population makes a living from subsistence farming, these outlooks may sound promising. The traditional community leaders are often lured with contracts, to initially strengthen their willingness to cooperate. After one or two years, when people realize that the jobs are not permanent, disillusionment is spreading. However, by then contracts have been signed and land is already leased for 50 or even 100 years and lost for future generations.

Because of varying information on employment figures, it cannot be determined how many jobs are actually being created. In October 2015, ORAM requested these figures directly from LGR in Nampula, but received no information. There have already been conflicts between LGR and prematurely dismissed workers.

In the stage of land preparation and planting, a large number of seasonal workers are employed; however the amount of jobs will dramatically decrease when a plantation is established. Chikweti promised to create 3,000 jobs in Niassa. According to the Malonda Foundation, the number of employees was reduced from 2,500 to 900 in 2012 (FIAN, 2012). Complaints by régulos and communities about the quantity and quality of jobs shows that these contexts were unknown, one reason being that many workers never had a formal employment before. Among other things, the following aspects are criticized:

- many of the employees were dismissed after a year, so there is no job security
- no transportation is provided for the workers, who sometimes have to travel long distances to their work places
- in some cases workers died due to the lack of labor safety measures
- payment of wages is often delayed
- no continuation of payment in the event of illness

It is easy for investors to lure with the promise of creating a high number of jobs before the implementation of their projects as those promises are normally not followed up and demanded from the governmental side. Portugal recently stated that 7000 jobs will be created in the planned paper mill in Zambezia. When the plant goes into operation in 2023, probably no one will remember these numbers.

Food security at risk

As described above, local communities living near the new tree plantations lose agricultural land and pastures by the extension of these plantations. Since the vast majority lives of subsistence farming, it is self-explanatory that thus the food security of these families is threatened. The vulnerability of small-scale farmers is comparatively high due to the increasing threat of weather-related disasters such as floods and droughts. If the access to agricultural land is becoming more difficult, the food supply of local markets is also at risk.

Another critical issue is the same work peak for seasonal workers and small scale farmers. At the start of the rainy season, when the young trees are being planted, the fields also need to be tilled, hence season workers, who work on the plantations will not find the time to tend to their fields. In interviews several régulos have expressed concerns that the biggest threat to their communities are recurring periods of famine caused by crop failures or lack of food production. "You can't eat eucalyptus" is often used as an argument against plantations. (Overbeek, 2010)

Promises to improve infrastructure for the communities

It is difficult to determine whether the promised improvements in infrastructure, such as the building of schools, health centers and wells have been implemented by the various investors. Although "community development projects" have always been part of the project descriptions, neither schedules nor the number of the planned measures are known by the communities and can later not be claimed. On their website, Florestas de Niassa claims to have handed over a health center in the district of Lichinga in July 2011 and plans to build another one in Namaunica.¹⁵

In June 2015 Green Resources announced on their website that six boreholes for drinking water were handed over to some communities in Nampula who live close to the plantations of Lurio Green Resources. "Lurio GR looks forward to working with local communities in the future, and to continue supporting the implementation of further community development projects"¹⁶ However, since the concession was granted in 2009,

¹⁵ <http://www.riftvalley.com/florestas-de-niassa/>

¹⁶ <http://www.greenresources.no/News/tabid/93/articleType/ArticleView/articleid/71/Six-new-Boreholes-built-in-Nampula-Province-Mozambique-060715.aspx>

these boreholes seem to be the only "development activities" – fairly little, considering that these holes were probably drilled to forestall complaints about declining groundwater levels caused by eucalyptus plantations. On their website ORAM also confirmed that these are the only "infrastructure measures" of LGR. The documentary "Ausverkauf um jeden Preis" from INKOTA-network illustrates that the concerns of the local population, like the lack of water supply, are not taken into consideration.¹⁷

Further effects

Compared to other regions with extensive tree monocultures, (e.g. South Africa) complaints about declining water levels have not yet been subject of discussions in Mozambique. UNAC, however, received information from some communities that wells close to plantations dry out earlier in the year and people have to walk longer distances to collect water. Since fast-growing trees such as eucalyptus and pine are known to have a very high water consumption, declining groundwater levels are likely to become a growing problem. The water consumption in these monocultures increases with the age of the trees. Eucalyptus, for example, reaches its water peak consumption after around 15 years.

Another issue is the possible contamination of waters by herbicides, pesticides and fertilizers. It is unknown which chemicals are currently used. Malonda Foundation claims to have used pesticides to target termites. It is also interesting to read what Mads Asprem, CEO of Green Resources, wrote in an open letter to Norwegian environmentalists from September 2014 concerning a GR owned company in Uganda (BFC): "It is incorrect that there is pollution by agro-chemicals. BFC, as well as the rest of Green Resources, is an African leader in sustainable forestry management.... why should we not be allowed to use glyphosate in Uganda?"¹⁸ Why not? ...because it is currently being discussed in the EU, not to renew the license for the herbicide glyphosate, produced by Monsanto, in Europe for another 10 years, because it has been classified as "probably carcinogenic" by the WHO!

The negative ecological impacts of eucalyptus and other monocultures like

¹⁷ Study of ilm and of INKOTA-network under: <http://www.inkota.de/aktuell/kampagnen/news/vom/26/feb/2014/neue-inkota-doku-ausverkauf-um-jeden-preis-land-grabbing-in-mosambik/>

¹⁸ <http://www.greenresources.no/News/tabid/93/articleType/ArticleView/articleid/69/Lurio-Green-Resources-achieves-FSC-certification-for-7955-ha-031214.aspx>



Idyllic scenes can be deceptive: Green Resources has planted new plantations which had not been agreed upon with the community N'tapila in Nampula, thus further reducing their community land.



"Forest plantations create jobs and development for our community. Let us avoid all uncontrolled fires." This slogan is of no use when disappointed community members initiate the fires on purpose to demonstrate against the illegal practises of the plantation companies. Foto: Monika Orłowski

loss of biodiversity, soil degradation and erosion as well as contamination of drinking water due to the use of herbicides and pesticides are not clearly visible in the early years of a plantation and are therefore not yet noticed by the local communities. During interviews it became obvious that many community members are not aware that the land has been leased for 50 years or more. They were of the opinion that they would get access to the community land if they wanted to use it for farming (FIAN, 2012). Another reason of concern for the local communities was the fact that the companies did not respect local traditions and practices, like the protection of sacred forests and sites, which are often old cemeteries. These sites should be excluded from tree plantations.

Local resistance

It is both difficult and dangerous for local communities to stand up and defend their land against the interests of political leaders. A community leader, whose com-

munity initially opposed the plantation of eucalyptus in their area commented, that "if you decide to say no to the plantations, you eventually will become scared of the government." (Overbeek, 2010)

Since the companies claim more and more land, which in many cases has not been granted to them by the communities, open resistance becomes more frequently. With the approval of the communities in Licole and Lipende, Chikweti began with the plantation of pine trees in 2009/10. When the plantations were expanded onto agricultural land the following year without any agreement, angry residents destroyed 60.000 seedlings on an area of 12 ha in April 2011. Twelve people, who were accused of being the rebellion leaders, were arrested. They were later released but had to report to the police on a regular basis. The conflict broke out again in June when some of Chikweties buildings were set on fire. In other communities, plantations were set ablaze, forcing the company to hire guards.

Régulos of the affected communities also show resistance by trying to organize themselves in their fight against

land grabbing. They asked UCA (União dos Camponeses e associações de Lichinga) and UNAC for support. In the community of Quavago (District Sanga), whose villages are now completely surrounded by plantations, the local régulo stated that he will unite with other traditional community leaders to force the companies to at least partially give them back their land.

ABBREVIATIONS

ABP: National Civil Pension Fund

BFC: Busoga Forestry Company Ltd.

CER: Certified Emission Reduction

CDM: Clean Development Mechanism

DITH: Diversified International Timber Holdings

DNTF: Direção Nacional de Terras e Florestas (National Directorate of Agriculture and Forestry)

DUAT: Direito do Uso e Aproveitamento da Terra (Land title)

EEPN: European Environmental Paper Network

FAO: Food and Agriculture Organization of the United Nations

FIAN: FoodFirst Information and Action Network

FSC: Forest Stewardship Council

GR: Green Resources

GSFF: Global Solidarity Forest Fund

IFLOMA: Industriais Florestais de Manica

IFC: International Finance Cooperation

IGEPE: Instituto de Gestão das Participações do Estado (Institute for the management of state-owned Holdings)

JA!: Justiça Ambiental

LGR: Lúrio Green Resources

NORAD: Norwegian Agency for Development Cooperation

ORAM: Organização Rural de Ajuda Mútua

OVF: Opplysningsvesenets fond (Norwegian Lutheran Church Foundation)

SIDA: Swedish International Development Cooperation Agency

UCA: União dos Camponeses de Associações de Lichinga

UNAC: União Nacional de Camponeses

USAID: United States Agency for International Development

WRM: World Rainforest Movement

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