

The African Land-Grab: Creating Equitable Governance Strategies through Codes-of-Conduct and Certification Schemes

Barry Ness*, Sara Brogaard, Stefan Anderberg, Lennart Olsson

Centre for Sustainability Studies, Lund University (LUCSUS) PO Box 170, 22 100 Lund, Sweden

Abstract

This paper examines two failed land acquisition processes for food and biofuels production in Africa with the aim to establishing more equitable governance strategies. More specifically it explores the roles of certification schemes and codes-of-conduct can play in these processes. The two cases used are the South Korean Daewoo Logistics case in Madagascar and the Swedish SEKAB in Tanzania. The methods used were a literature survey and a case structuring using a multi-level (governance) framework. Analyses reveal that governance disconnects occurred between the regional and village levels with the Daewoo-Madagascar case driven largely by a lack of transparency in the negotiation process. The SEKAB-Tanzania case failed largely due to discrepancies revealed by an interest organization and the inability of traditional governance systems to manage the scale of the project. Lastly the paper presents a framework consisting of four areas where certification schemes and codes-of-conduct can be used in order to provide a governance system in order to increase access and allocation aspects.

Keywords: Tanzania, Madagascar, SEKAB, Daewoo Logistics, land acquisition, biofuels production, land grab.

Introduction

The search for land to augment food and biofuels production has generated new land use pressures throughout Africa. The groups include both private interests in industrialized and

* Corresponding author: tel. +46 46 222 0512, email barry.ness@lucsus.lu.se

rapidly industrializing countries seeking to capitalize on uncertain agricultural commodity markets—particularly with the sharp price increases of 2007-08—and agricultural commodity importing nations trying to secure steady food supplies for the future. Adding to the pressures governmental biofuels targets and incentives, particularly in the EU and the US, are driving producers to seek new areas for feedstock production (Cotula, *et al.* 2009). But with projects now occurring in a majority of African countries, is Africa developing into no more than an extended resource outlet for industrialized food and biofuel production systems with, in many instances, minimal considerations paid to fairness and equity issues for the populations and environment where the acquisitions are occurring?

Objectives and aims

The overall objective of this paper is to advance the discourse in establishing fairer and more equitable land acquisition governance strategies in Africa. It examines the roles that *codes-of-conduct* and *certification schemes* can play in creating a more sustainable system by addressing environmental and socio-economic vulnerabilities faced by agents, and in particular small-scale land holders. The specific aims of the paper are twofold. First, to better understand governance dynamics, we describe and structure two recent and contested projects of industrial agricultural development by outside interests in Africa. One project focuses on biofuels development in Tanzania by a Swedish interest group. The other project concentrates on food and biofuels procurement in Madagascar by a large industrial conglomerate based in South Korea. The structuring will use a multi-level nested domain framework to determine key agents and the governance actions associated with them. The assessment will also concentrate on where inter- and intra-level governance system *disconnects* (*i.e.* governance problem areas) lie. Second, based on the identified disconnects, we assess the attributes needed with codes-of-conduct and/or certification as well as how and where they might be used to create a governance mechanism that is more environmentally and socially equitable.

The paper starts with a general overview to certification schemes and codes-of-conduct. Backgrounds to the Malagasy and Tanzanian cases are then provided. In the subsequent section the multilevel structuring of each case is carried out as well as a discussion that concentrates on the key points from each of the case studies, overarching themes and differences between them, and how certification and codes could have played a role in the land acquisition processes through the creation of a framework concentrating on four governance areas.

Methods and Materials

The main method used in the study was a literature survey. Because of the lack of academic literature on the case studies, alternative sources (*e.g.* newspaper reports, blogs, other non-peer reviewed literature and direct accounts from people living in the case study countries) were relied on to gain an overview of the general accounts of the land acquisition processes[†]. Case structuring was based on Hägerstrand's (2001) system of nested domains. The framework has commonalities to other multilevel conceptualizations presented by *e.g.* Young (2006), Cash, *et al.* (2006) and Gibson, *et al.* (2000). The Hägerstrand framework aims at a socio-spatial division and understanding of how macro and micro governance aspects are connected with an emphasis on how larger-scale (*e.g.* national and international) decision-making works—or fails to work—with individual actions and changes occurring on the landscape. The conceptualization allows one to visualize how the domains at each of the upper levels influence the actors below (and *visè-versa*), and how a myriad regulations, policies, subsidies, and information are ultimately interpreted on the ground (*i.e.* agent level).

Background

Certification schemes

Certification schemes (for *e.g.* food, fiber, energy/electricity, agro-fuels), to help ensure that commodities are produced in an environmentally sustainable manner—while abiding by basic social standards—have increased in recent times. The number of schemes and subsequently the academic literature surrounding them have likewise experienced increased attention—especially with escalations in biofuels production (*cf.* Smeets, *et al.* 2008; Kaphengst, *et al.* in press; van Dam, *et al.* 2008). The certification process is complex due to the multitude of aspects that must be carried out including specific production procedures, life-cycle analysis, monitoring and verification (Anonymous, 2006). Examples of established schemes are those from the Forest Stewardship Council (FSC) for forestry, Sustainable Agricultural network (SAN) for agriculture, the European Green Electricity Network (EUGENE) for biomass for energy/electricity. Schemes in general focus on three general areas: greenhouse gas balances, direct and indirect environmental impacts, and direct and indirect social and economic

[†] By land *acquisition* in this paper, we mean both lands for purchase and for long-term lease (*i.e.* plus-50 years).

impacts (e.g. human rights, poverty, food security); initiatives can be either voluntary or mandatory (Gilbertson, *et al.* 2008). Certification schemes vary greatly in breadth and scope, but generally focus on technical standards, methodology standards, good practice guidelines, and sustainability standards (*i.e.* criteria and related indicators) (Lewandowski and Faaij, 2006). Issues of land acquisition are largely absent in biomass certification schemes; although they do appear as one of the 34 areas of concern in a survey of schemes presented by Lewandowski & Faaij (2006). Their minimal presence is largely due to the procurement processes coming before the biomass production process, which is normally the concern.

Codes-of-conduct

Another governance mechanism with relevance to land acquisition processes is codes-of-conduct. Codes-of-conduct for business fall under the broad area of corporate social responsibility (CSR). Their aim is to fill a gap that exists when an enterprise operates across regulatory, legislative, moral and/or cultural borders (van Tulder, *et al.* 2008). They are often prompted by *intrinsic* motivations such as the strategic need control and coordinate activities over greater spatial distances and constituencies (Mamic 2005; Donaldson and Dunfee, 1999). *Extrinsic* motivations in the form, for instance, as reputational considerations, are also a strong stimulus for the initiation of codes (van Tulder, *et al.* 2008). Codes can be directed to a variety of business areas such as labor and workplace health conditions, environmental standards, human rights, *etc.* The level at which an enterprise is active in CSR, and hence, codes-of-conduct, can also vary significantly. To demonstrate the diversity, van Tulder and van der Zwart (2006) suggest a conceptualization with four different procedural attributes. The diversity varies from those organizations that view CSR as a *hands-off* and *in-active* strategy, where codes are internal to the organization and level of specificity and compliance are low. At the other end of the continuum are those that view CSR as a *pro-* or *inter-active* strategy, where joint codification constantly evolves through stakeholder dialog and where code specification and compliance are high.

Daewoo Logistics, Madagascar

The first case study is the 2008 land procurement attempt in Madagascar by Daewoo Logistics Corporation, a subsidiary of South Korean conglomerate Daewoo Corporation. The acquisition concentrated on four of 22 regions in the country. Media and governmental reports of the case however were limited and vague. After an initial public announcement of negotiations between Daewoo and the Malagasy government, there were reports of land

negotiations for 150,000-200,000 ha (Ratsifandrihamanana 2009). On November 19th, 2008, however, a Financial Times article reported a 99-year lease of 1.3 million ha (3.2 million acres) of land in Madagascar; a deal that was reported to have been signed already in July of that year (Song, *et al.* 2008). Payments for the land were likewise vague. The Financial Times article reported that no direct lease payments would be paid for the land (*ibid*), while other accounts reported a \$12/acre (~\$30/ha) payment for the land (*cf.* Walt 2008). Reports also pointed toward an estimated \$2 to \$6 billion in infrastructural development that would be spent in coming decades by the company necessitating the creation 45,000-70,000 jobs (Head 2008; Ramaro and Sguazzin 2009), although it was rumored that a significant portion of the employment positions would be filled by skilled South Africans.

The main aim of the land acquisition is to secure a grain supply, and in particular, corn for animal feed and syrups solely for export to South Korea[‡], a country that is presently only ~50% self-sufficient in grain production. The remainder of the land was to be devoted for agrifuels in the form of oil palm plantations (Young-jin 2009). The commodities differ significantly from Madagascar's dominant agricultural products that include rice, coffee, vanilla and cloves. The exposure of the details of the agreement between Daewoo and the national government, in conjunction with revelations of a jet purchase (*cf.* Nevin 2009) by the Malagasy president, Marc Ravalomanana, were strong contributors to a series of riots and protests in early-2009 where an estimated 100-plus people died in the unrest. The unrest also led to the resignation of the Madagascar's president in a military-backed *coup d'état*. Ravalomanana's official replacement was also the then, 34-year-old mayor of Antananarivo and opposition leader, Andry Rajoelina, on March 21st, 2009 (Anonymous 2009).

The chain of events led to foreign aid suspension by donors (*e.g.* U.S. France, Germany, Norway, European Union) in a country of 20 million inhabitants where roughly 70% of spending comes from foreign funds in the form of aid. The suspension follows a series of top-down, foreign-backed land reformation and titling efforts in Madagascar by such organizations as the World Bank, the International Monetary Fund and the Bush Administration's Millennium Challenge Corporation (MCC) in recent years (Bellemare 2009). Despite wider legal and judicial system reforms being needed, the Malagasy government went out with proposals to foreign countries. Daewoo responded. The project has

[‡] The news accounts differed on if the corn would be exported to South Korea, or only be exported in times of grain commodity crises.

now been officially cancelled by the Malagasy Government, but there are rumors of multiple smaller projects to supplant the Daewoo attempts.

SEKAB project, Tanzania

SEKAB is a Swedish municipality-owned company with core activities concentrating on the development of ethanol and green chemicals from cellulosic biomass (2nd generation). The company supplies approximately 90% of Swedish ethanol market. The driver behind the company's business idea has been to increase alternative renewable liquid biofuels production for the transport sector with the aim to reduce emission of greenhouse gases from the sector. But in order to achieve an operational expansion, SEKAB has also found it necessary to include traditional (1st generation) ethanol production based on food crops such as sugar cane. In order to obtain the biomass feedstock, SEKAB has targeted countries such as Brazil, Tanzania, Mozambique, Ghana, Poland and Hungary (Havnevik 2009). The company's more specific plans were to invest in large scale plantations for biofuel production in Tanzania (400,000 ha) and Mozambique (200,000 ha). For the purpose of the operations in Tanzania, SEKAB International created a daughter company, SEKAB Bioenergy Tanzania Ltd. Its aim was to develop clusters of plantations for biofuel of sugar cane ethanol each of about 20,000 ha in size (Roberntz, *et al.* draft). The two initial areas targeted for development were 20,000 ha in the Bagamoyo and 300,000 ha in the Rufiji-Kilwa districts.

Land acquisition activities took place on a number of fronts. SEKAB held a number of information meetings with the Swedish International Development Authority (Sida) and the Swedish Foreign Ministry to keep Swedish authorities updated on their plans. The Swedish Embassy furthermore created a forum for discussions among stakeholders involved with land for biofuels investments. A task force was also created by the Tanzanian Government, which included people from a number of relevant ministries and state organizations. Draft land acquisition guidelines were circulated several times amongst institutions, but by July 2009, no final guidelines had been approved (Havnevik 2009).

There were also a variety of established governmental bodies in Tanzania with relation to the foreign direct investments. One institution was the Tanzanian Investment Centre (TIC), which was created to be the primary agency of the government to coordinate investments in the country. TIC's role was to facilitate investors to acquire land by offering them land derivative titles on behalf of the government under the Land Act—stemming from the fact

that foreign entities cannot own land in the country. The Tanzanian Government also passed the Labor Relations Act (2004) with the purpose of having labor regimes whose policies, laws and regulatory structures promote employment, protect labor and, at the same time, allow enterprises to grow and compete (Sitta 2005). TIC's mandates are to identify available land in the country and offer it to investors that need to acquire land, and to help investors obtain the needed permissions (Cotula *et al.* 2009). According to Cotula, *et al.* (2009), roughly 2.5 million ha of land was identified as suitable for investment projects. But this *land bank* was to a large extent not created because international donors were not willing to support it financially in the fear of not sufficiently compensation is being given to small scale farmers in the process (Havnevik 2009). Land is vested to TIC and then allocated through them to the investor (Cotula, *et al.* 2009; Havnevik 2009). An annual fee is paid by the company for the lease to TIC. However, due to the complicated process, very few companies actually have managed to lease land under the TIC agreement.

In addition to going through TIC, the process of acquiring permission for the investment also requires permission from the Ministry of Agriculture (agricultural viability), the Ministry of Lands and Housing Development (land registration) and the Ministry of Environment (environmental impact assessment) (Cotula, *et al.* 2009). After the national level procedure is passed, the investors need to talk to the district level and, if there is land assigned and surveyed by TIC in the "land bank" the process may be easier. But if the land is still classified as "village land," direct negotiations with local communities are necessary. The investor must have the request for land transfer approved in turn by the Village Council (*i.e.* senior village representatives), the District Council Land Committee, and finally the Village Assembly, comprising of all adult residents of a village (Sulle 2009). The strategy pursued by SEKAB was to negotiate with one village at the time and agree on land areas for lease. In Tanzania few of the approximate 11,000 villages have acquired the village management plan according to the 1999 village land act and hence have not received a land certificate at the national level. Many villages along the Rufiji River, however, have been mapped and village management plans have recently been produced at the National Land Use Commission (Roberntz, *et al.* draft).

In addition to generating large amounts of ethanol, the SEKAB investment was intended to generate electricity to the Tanzanian national grid, generate a multitude of employment positions and tax revenues. But despite the potential positive developmental impacts of the

project, deficiencies in the process were also revealed. In February 2009 it was reported that, due to the political and economic burden for the Swedish municipalities, the investment in foreign countries, including in Tanzania, would be terminated. This was preceded by an intense debate in foremost the Swedish media and in a report by the NGO, *Swedwatch*, which pointed to, among other areas, the lack of transparency in the planning process and contradicting messages from SEKAB (SwedWatch 2009). The process leading to this decision is comparatively well documented by NGOs, researchers and through media coverage.

The lack of openness in the process has been a factor in the failure of the project. The environmental impact assessment was not approved and made official by the Tanzanian government, and the planned development in the Rufiji area can be considered questionable based on the high level of biodiversity and other crucial ecosystem services provided by the area (SwedWatch 2009). Roberntz, *et al.* (draft) argues that "...a majority of the people in the Rufiji area depend heavily on the free access to natural resources products and services to support their livelihoods in the absence of viable alternatives." Furthermore, land clearing and carbon debt concerns also became hindrance for the project. Investigations revealed the potential soil and above ground biomass carbon release in the grassland forest areas (Roberntz, *et al.* draft). Finally, although important laws and regulations as well as institutions (see further below) seemed to be in place in Tanzania to deal with at least some of the aspects of foreign investments involving land for production of biomass for biofuels, it seems as if the country lacked sufficient experience and guidance for involved authorities on different levels (Cotula, *et al.* 2009).

Analysis and Discussion

Madagascar case

Figure 1 shows a multilevel conceptualization of the Daewoo-Madagascar case. The main actors directly involved were the Malagasy national government, the four regional governments (*faritra*), Daewoo Logistics, the project initiators. Other actors associated with the process were the villages (*fokontany*), where the land was to be acquired, the South Korean government, who would benefit from the stable commodity supplies, and the outside interest organizations, who played a (transparent) role in monitoring the land acquisition processes.

The figure also shows that negotiations for land took place between national government officials and presumably government officials in the four regions targeted for development. The main problem driver was the lack of governmental *transparency* in the land negotiation

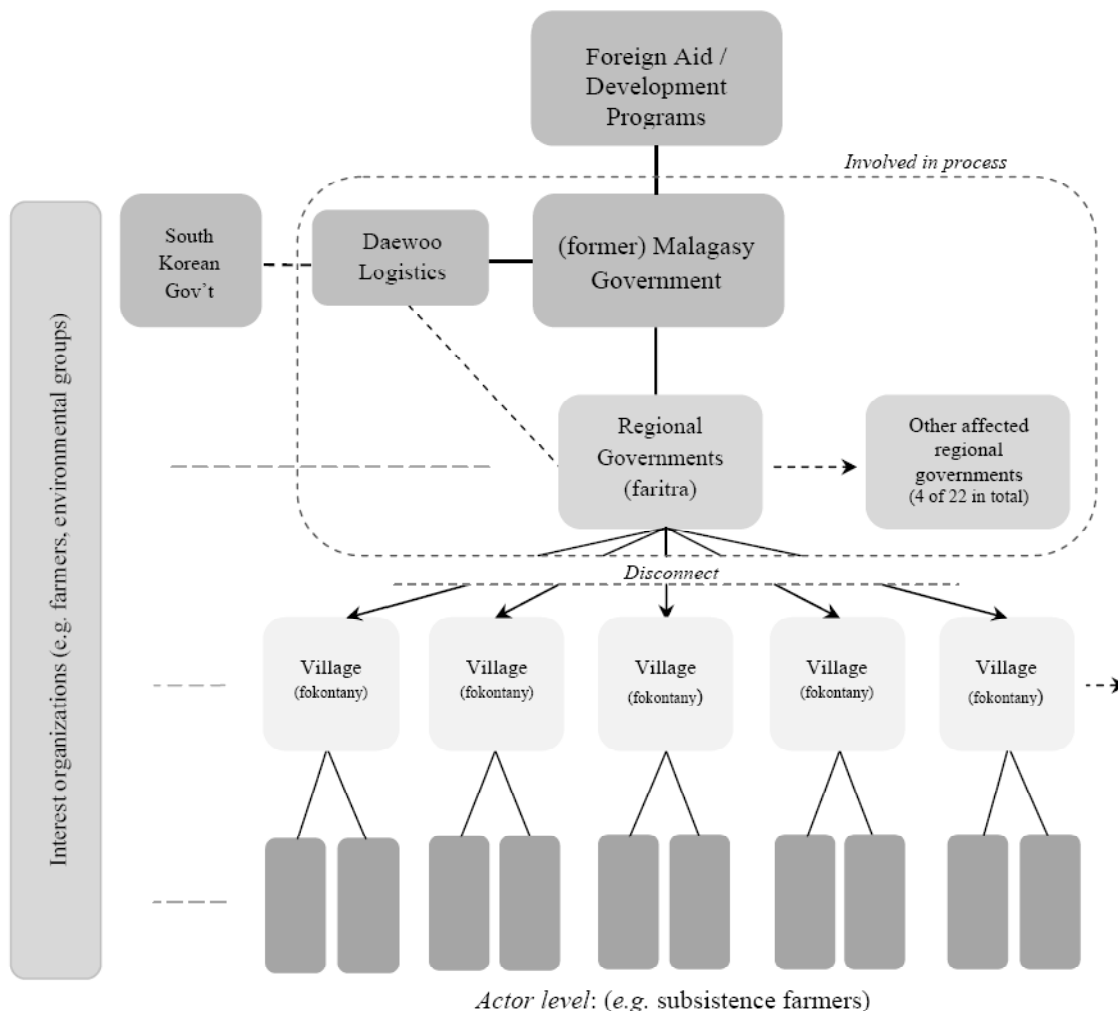


Figure 1. Multilevel structure for the 1.3 million ha land procurement in Madagascar. The figure shows the key actors at the different levels. These actors are the Malagasy government, the six provincial governments and village governments. There are also the actors of the South Korean government, whose goal is to procure a stable grain supply, and Daewoo Logistics, who was negotiating the land procurement deal. Finally, there are outside *interest* organizations working at all levels and other national and international bodies, such as aid and development organizations. The key disconnect is the lack to transparency between the Malagasy national level and lower levels in negotiation of the land deal. Other drivers at the actor level include, e.g. land ownership rights deficiencies, poverty, illiteracy, lack of democratic liberties, and infrastructural development problems.

process that created a disconnect between the national level and commune level, where actors at the village level were not sufficiently informed of the amount of land, the time duration, and land lease payments of the land lease deal. Another important driver between the national level and farm level was the system of land ownership rights, which had been had been in a state of flux in Madagascar. Historically, ownership deeds by farmers were largely not filed

with governmental authorities. This changed following 2003 through international pressure with programs such as the MCC, which sought to raise incomes in Madagascar by assisting the rural population to transition from subsistence agriculture to a market economy. Two important components to the program were the land tenure project, which was designed to increase land titling throughout the country, and the other aims to identify investment opportunities for rural Madagascar, making the way for investment into the country. The Malagasy government issued a call for expressions of land acquisition in the country; Daewoo Logistics was one of the organizations that responded (Ratsifandrihamanana 2009).

There were also a number of other drivers at different levels that contributed to the civil and political unrest. The combination of poverty, illiteracy, lack of democratic liberties, and infrastructural development deficiencies at the actor level reinforced the problem dynamics and led to fears of retribution by those affected by the land acquisition.

A final important aspect for the failure of the Daewoo Logistics' land acquisition attempts was simply the scale of the project. The project alone would have meant an increase in land area in Madagascar allocated to investors from just over 800,000 ha (~2.3% of the total area suitable for rain-fed crops), to an area in excess of 2.1 million ha. Furthermore, the time scale in the form of a 99-year lease commitment in conjunction with reports on no money paid for the land leases was also problematic.

SEKAB case

The multilevel framework for the SEKAB case in Tanzania is displayed in figure 2. The figure shows the important actors from the national to the landscape level. A key actor at the upper level is the diversity of national level governmental institutions that were involved in the land acquisition process. Also important in the process were a number of different Swedish national level institutions (*e.g.* Sida, Foreign Ministry, Embassy in Tanzania), which assisted in trying to operationalize the land acquisition process through the creation of forums, *etc.* District governments and villages were also an active part of the process—connecting national level efforts to villages. SEKAB's efforts extended from the national level down through the village level. Finally, oversight from interest organizations, especially those based in Sweden, also played key roles in developments.

So what were the problems that caused the SEKAB acquisition attempts to fail? Problems exist in a number of areas. First, and likely most importantly, the sheer speed and size of the land acquisition project—even if smaller than the Daewoo case—caused a separation between the state level and district and village levels. Although legislation (*e.g.* Land Act, *etc.*) and institutions (*e.g.* TIC, Land Bank) existed in Tanzania for dealing with land

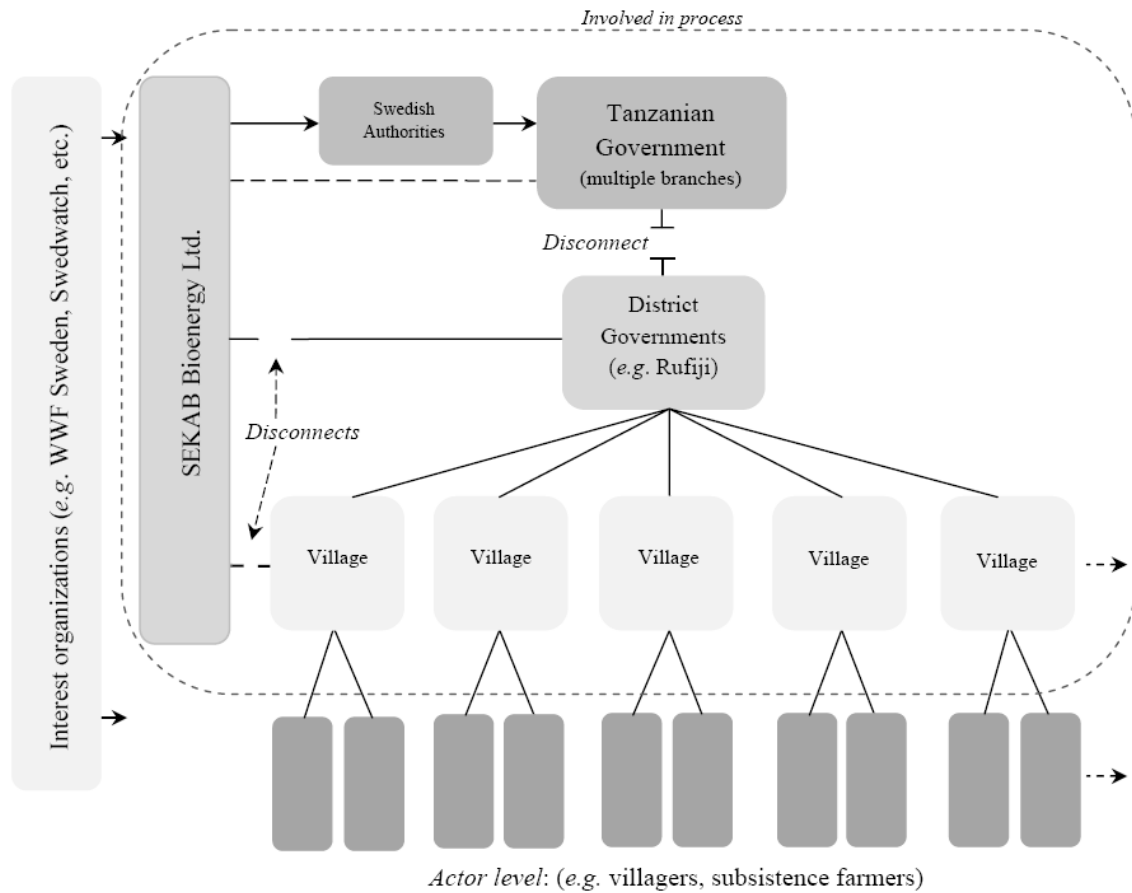


Figure 2. Multilevel structure for the SEKAB project in Tanzania. The figure shows the key actors at the different levels including multiple branches within the national government, regional government and village levels. The figure shows SEKAB's land acquisition process extended from the national level down to village level. Also important in the processes were interest organizations (left), especially those based in Sweden, which acted as a system of checks and balances in the process. One key *disconnect* was the discrepancies in the areas (i.e. protected areas) to be utilized for sugar cane growing as presented by SEKAB. Other drivers included the type of land that was to be turned for the creation of sugar cane plantations (wooded grassland).

acquisition and foreign direct investment, their state of development were insufficient to deal with the complexities and scale of the acquisition attempts—even with additional assistance by Swedish governmental institutions. Land mapping and registration was underway throughout the country in order to provide a stock of land that could be acquired efficiently, but at the time of the project, only a small percentage (~10%) of land had been registered by the Ministry of Lands (Roberntz, *et al.* draft).

Other disconnects existed between SEKAB, which operated openly at a variety of levels, and the realities at regional and village levels (left side of figure). Overlaps between the company's proposed cane growing areas and forest reserve areas as well as the actual sizes of the acquisition area contributed to concerns over project legitimacy. Additional disparities included the nature of the land tenure arrangements with smallholders. Shareholder arrangements instead of preferable *outgrower* scheme arrangements made the project less attractive in the Rufiji area (*ibid*).

Finally, the environmental impacts stemming from land use change also spurred discontent. Much of the planned cane plantation was proposed to be wooded grassland areas containing vast amounts of sequestered carbon that would be released through project creation. It was estimated by WWF-Sweden that releases from one district alone would equal four to 20 years greenhouse gas emissions from Swedish road transport (*ibid*).

Case comparison

The previous analyses of the cases showed that there were unique circumstances in each country that led to the unsuccessful land acquisition attempts by outside interests. The failure of both land acquisition projects were shaped by multiple interconnected drivers. The Daewoo case in Madagascar hinged largely on processes that were not transparent between upper level governance systems (*i.e.* national and regional) and the action level (*i.e.* village). Problems were enhanced by deficiencies in democratic liberty, poverty, illiteracy and infrastructural development. Efforts by SEKAB in the Tanzania case on the other hand were comparatively much more transparent than the Daewoo case. The failure of this case hinged significantly on the ability of the institutions to manage the scale and speed of land acquisition attempts. In addition, there were actor level discrepancies between the actual areas to be acquired in the project, the types of land the plantations would use as well as the land tenure arrangements for small-scale holders involved in the project.

Despite the failure of both projects it must be pointed out that the actual institutional development of governance systems differs considerably between both cases. Tanzania had more experience in dealing with investment projects and basic governance systems had been evolving since the 1990s in Tanzania. The Land Act, Land Bank and TIC, etc. were all governance institutions established to facilitate and land acquisition processes in the country.

Although basic institutions existed in Madagascar, the structures and processes were not transparent and did not reach lower levels. This was particularly true for foreign-backed land and property-rights development programs like the MCC.

The level of involvement and location of non-state actors also differed between the cases. For the SEKAB-Tanzania case the role of interest organizations was more pronounced. Established organizations such as the WWF-Sweden and SwedWatch played vital roles monitoring land acquisition attempt details. For the Malagasy case, the roles of interest organizations were less concrete. Much of the initial discontent with the project originated because of actions driven from international land rights interest groups operating outside of both Madagascar and South Korea. The actual resistance to the project, particularly in the form of violent protest, took place almost solely in Madagascar. In the case of SEKAB, the vast majority of the resistance to the project originated in and was confined to Sweden.

The Malagasy case also differs from an earlier 50-year (and negotiable up to 99-year) land lease and contract farming deal with Varun International, an Indian company, where 13 local landowner associations in the Sofia, Atsinanana, and Melaky regions were actively involved in the negotiation process of 465,000 ha of land (Ramaro & Sguazzin, 2009). Another important part of the deal was that 50-60% of the rice, maize and wheat produced on the land were for the domestic markets (Topmada 2009).

Finally, since the formal cancellation of the projects in Africa two events have evolved with implications on future land acquisition attempts in the region. First, SEKAB has sold activities in both Tanzania and Mozambique to the company, EcoDevelopment for Europe, for 400 SEK (~US\$60). The director of the new company is the former director of SEKAB (Press Release 2009). These actions show that the acquisition projects just do not fail, but rather reemerge into new attempts. Second, because of the acquisition cases such as SEKAB, Tanzania has temporarily banned all land acquisition projects.

Role of certification or codes

So how can certification schemes and/or codes-of-conduct contribute to more equitable of land acquisition processes in Africa—especially when, as seen, disconnects can occur in a variety of areas? Based on the cases, figure 3 suggests a conceptualization of how the roles of certification schemes and codes can be strengthened to create more effective land acquisition

governance. We propose four areas of focus: development of certification schemes that focus beyond just the chain of production, more proactive CSR approaches by private enterprise, development of general codes-of-conduct (or principles) for transnational governance institutions, and more comprehensive oversight of acquisition processes by outside interest organizations. By addressing a variety of levels, the four areas build overlaps, or a system of checks and balances, that may be deficient—or even non-existent—in most land acquisition processes in the Global South.

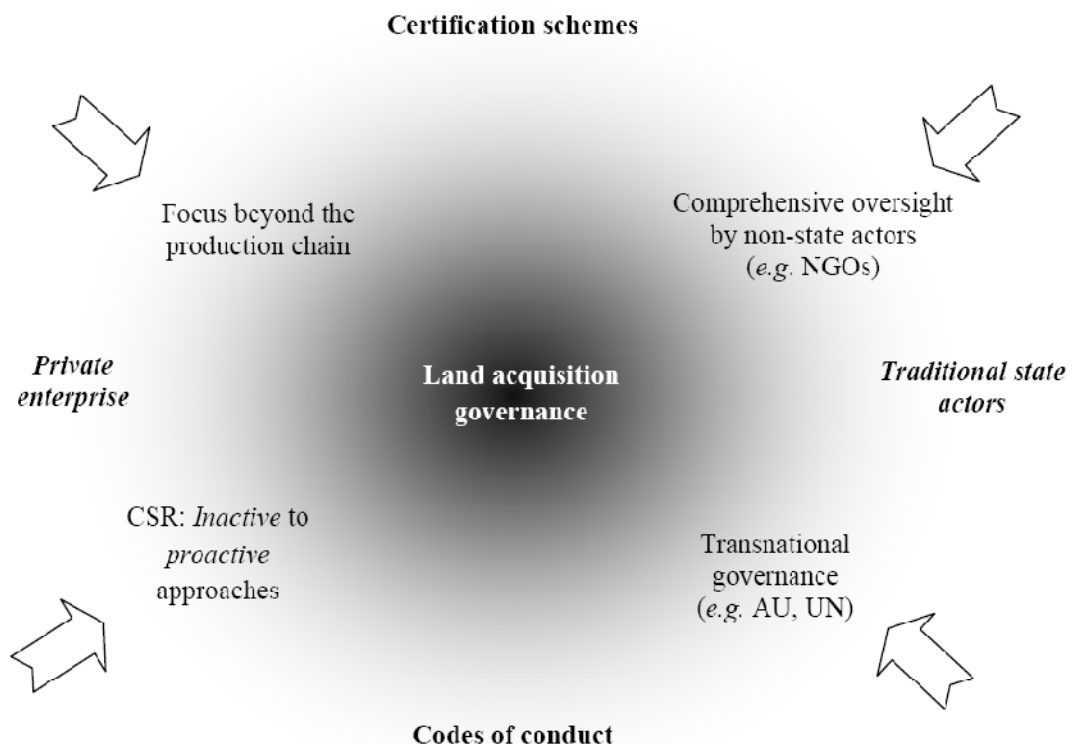


Figure 3. The figure suggests a land acquisition governance framework to supplement traditional governance procedures. It is made up of four areas of governance intervention concentrating on a variety of levels to create fairer and more equitable land acquisition processes. The four areas are focus beyond just production chain aspects, the implementation of more proactive CSR programs for private enterprise, the development of general code of conduct (e.g. principles) by transnational governance institutions, and more comprehensive oversight by non-state actors (e.g. interest organizations).

The first suggestion (upper left) is for certification to move from schemes that focus predominately on production chain processes to also encapsulate up-front land acquisition issues, areas that impact groups such as small-scale holders directly. As Lewandowski and Faaij (2006) and van Dam et al. (2008) present, there are schemes that tangibly address up front issues that must be considered and agreed upon prior to the project approval. Concerns such as the involvement of local stakeholders in the food or biofuels production system, the

exact location of the land(s) being acquired, long-term community well-being issues, stakeholder project acceptance, community revenue-sharing arrangements, *etc.* must be agreed upon by agents at all relevant levels, and in particular the village levels. It is admitted however that challenges can exist in better addressing the issues. Adding additional certification criteria to an already comprehensive set of areas that are assessed, monitored and verified can act to further burden the certification process.

Another option to create a better blanketing of governance mechanisms at all levels is to develop business' CSR efforts as to it shifts across the continuum (bottom left of figure). Private enterprises' *inactive* CSR processes, including the establishment, monitoring and verification of codes-of-conduct, must evolve into *proactive* corporate societal responsibility actions that more effectively engage a wider range of relevant stakeholder groups. The large challenge in this area is in creating the incentive structures for enterprise to change thinking and behaviors beyond just short- to medium-term economic gains to long-term relationships with consideration for particular needs and requirements of agents at the action level. Even though the land acquisition attempts proved to ultimately be deficient, the SEKAB project in Tanzania was an example of an organization that actively communicated with stakeholders at a number of levels—including the village level.

The transnational agents can also play important roles in guiding land acquirement processes; their involvement may not be devoted to specific criteria and indicators included in certification schemes, but rather through the establishment of general principles that must be incorporated at upper level(s) (*e.g.* national and regional), especially amongst traditional state actors. Action in this area is already underway. For example, in June 2009, a set of core principles and measures was established by the Special Rapporteur on the right to food from the Office of the High Commissioner of Human Rights of the United Nations (De Schutter 2009). The recommendations included 11 measures focused on transparency, revenue sharing, environmental and human rights issues. The recommendations were also presented as an open letter to the African Union and African Heads of State and Governments (United Nations 2009).

Finally, an area that pertains to both codes and certification is the important role of alternative, or non-state, governance mechanisms that have been evolving over recent decades. As discussed in the comparison, the role played by WWF-Sweden and SwedWatch

were imperative in providing a system of checks and balances to the SEKAB case. Such a system can not only act in unison with a certification system it can even use established codes or certification schemes as a basis for assessment of particular land acquisition processes. Such actors have a especially important role to play when dealing with traditional governance systems that lack legitimacy or where large levels of corruption exist.

Concluding remarks

The aim of this paper has been to establish more equitable governance strategies through examining two failed land acquisition projects in Africa: the South Daewoo Logistics case in Madagascar, and the SEKAB in Tanzania. Analyses revealed that governance disconnects occurred between the regional and village levels with the Daewoo-Madagascar case driven largely by a lack of transparency in the negotiation process, and the SEKAB-Tanzania case failed largely due to discrepancies revealed by an interest organization as well as the inability of traditional governance systems to manage the scale of the project. The paper presented a framework of four areas where land acquisition governance can be strengthened in order to provide a more just and equitable system.

Acknowledgements

A special thanks to Nanie Ratsifandrihamanana at WWF-Madagascar for her insights and reflections on the Daewoo-Madagascar case, and Peter Roberntz at WWF-Sweden for work and insights into the SEKAB-Tanzania case.

References

Anonymous, (2006) Defining Biomass: Which Types of Biomass Will Count as Renewable Energy Sources? *Refocus*. September/October, 58-59.

Anonymous, (2009) International: A Coup That is Not Yet Irreversible: Madagascar and Africa. *The Economist*. 390, 8624. 56.

Bellemare, M. (2009) Sharecropping, Insecure Land Rights and Land Titling Policies: A Case Study of Lac Alaotra, Madagascar. *Development Policy Review*. 27(1), 87-106.

Cash, D. W., Adger, W. N., Berkes, F., Garden, P., Lebel, L., Olsson, P., Pritchard, L. & Young, O. R. (2006) Scale and Cross-Scale Dynamics: Governance and Information in a Multilevel World. *Ecol. Soc.*, 11, <http://www.ecologyandsociety.org/vol11/iss2/art8>

Cotula, L., Vermeulen, R. Leonard, R. & Keeley, J. (2009) Land Grab or Development Opportunity? Agricultural Investment and International Land Deals in Africa. IIED/FAO/IFAD, London, Rome.

De Schutter, O. (2009) Large-scale acquisitions and leases: A Set of Core Principles and Measures to Address the Human Rights Challenge. Special Rapporteur on the Right to Food. 11 June. www2.ohchr.org/english/issues/food/.../BriefingNotelandgrab.pdf.

Donaldson, T. & Dunfee, T. (1999) *Ties that Bind: A Social Contract Approach to Business Ethics*. Boston, Harvard Business School Press.

WWF (2008). Scoping Exercise (Situation Analysis) on the Biofuel Industry within and Outside Tanzania. World Wide Fund for Nature, Sweden.

Gibson, C. C., Ostrom, E. & Ahn, T. K. (2000) The Concept of Scale and the Human Dimensions of Global Change: a Survey. *Ecological Economics*, 32, 217-239.

Gilbertson, T., Holland, N., Semino, S. and Smith, K. (2008) *Paving the Way for Agrifuels: EU policy, Sustainability Criteria and Climate Calculations (Discussion Paper 2007)*. Transnational Institute.

Havnevik, K. (2009) Outsourcing of the African Lands for Energy and Food – Challenges for Smallholders. Paper presented at the IPD's African Task Force, Pretoria, South Africa, July 9-10.

Head, B. (2008) Deal Brings Many Jobs, But at What Price? *The Guardian*. 22 November. <http://www.guardian.co.uk/environment/2008/nov/22/food-biofuels-madagascar>.

Hägerstrand, T. (2001) A Look at the Political Geography of Environmental Management. In: Buttimer, A. (ed.) *Landscapes and Lifeways: Scale and Appropriateness*, Ireland, Cork University Press. 35-58.

Kaphengst, T., Ma, M. S. and Schlegel, S. (in press) At a Tipping Point? How the Debate on Biofuel Standards Sparks Innovative Ideas for the General Future of Standardization and Certification Schemes. *Journal of Cleaner Production*. 1-3.

Lewandowski, I. and Faaij, A. (2006) Steps Towards the Development of a Certification System for Sustainable Bio-Energy Trade. *Biomass and Bioenergy*, 30, 83-104.

Mamic, I. (2005) Managing Global Supply Chains; The Sports, Football, Apparel and Retail Sectors. *Journal of Business Ethics*, 59, 81-100.

Nevin, T. (2009) All the President's Planes. *African Business*, 355. 50.

Press Release (2009) SEKAB sells subsidiaries in Tanzania and Mozambique to EcoDevelopment in Europe AB. 23 October. www.sekab.com/default.asp?id=2475.

Ramaro, O. and Sguazzin, A. (2009) Madagascar May Welcome Farm Ventures after Daewoo Cancellation. Bloomberg.com. 10 April
<http://www.bloomberg.com/apps/news?pid=20601116&sid=acmiQQBrFzBI>.

Ratsifandrihamanana, N. (2009) Personal communication. 1 October 2009.

Roberntz, P. Edman T. and Carlson, A. (draft) The Rufiji Landscape. The Sweet and Bitter Taste of Sugarcane Grown for Biofuel. Draft report prepared for WFF, Sweden.

Sitta S. (2005) Presentation at NEPAD/OECD Investment Initiative. Imperial Resort Beach Hotel Entebbe, Uganda. 25th – 27th May. www.oecd.org/dataoecd/35/60/34974158.ppt

Smeets, E., Junginger, M., Faaij, A., Walter, A., Dolzan, P. and Turkenburg, W. (2008) The Sustainability of Brazilian Ethanol—An Assessment of the Possibilities of Certified Production. *Biomass and Bioenergy*, 32, 781-813.

Song, J-A, S. Oliver, C., and Burgis, T. (2008) Daewoo to Cultivate Madagascar Land for Free. *Financial Times*. 19 Nov.
http://us.ft.com/ftgateway/superpage.ft?news_id=fto111920081227033091&page=2

Sully, E. (2009) Biofuels, Land Access and Tenure, and Rural Livelihoods in Tanzania, Arusha. Tanzania Natural Resources Forum and London International Institute for Environment and Development, Unpublished.

SwedWatch (2009). En Brännande fråga - Hur hållbar är den etanol som importerats till Sverige (A Burning Question – How Sustainable is the Ethanol that is Imported to Sweden) Report No 25. http://www.swedwatch.org/swedwatch/arkiv/arkiv_2009/sekabs_etanolimport_granskad

Topmada (2009) Varun-Madagascar Contract. Food Crisis and the Global Land Grab, www.farmlandgrab.org/2849

United Nations (2008) World Population Prospects: The 2008 Revision. Department of Economic and Social Affairs – Population Division. <http://esa.un.org/unpp>.

United Nations (2009) Open Letter to African Heads of State and Governments: Reinvesting in African Agriculture: Grounding efforts in the Right to Food as a condition for sustainable results. www2.ohchr.org/english/issues/food/.../Open_letter_AU_july09.pdf.

Walt, V. (2008) The Breadbasket of South Korea: Madagascar. *Time*, 23 Nov.
<http://www.time.com/time/world/article/0,8599,1861145,00.html>

van Dam, J., Junginger, M., Faaij, A., Juergens, I., Best, G. & Fritsche, U. (2008) Overview of Recent Developments in Sustainable Biomass Certification. *Biomass & Bioenergy*, 32, 749-780.

van Tulder R. & van der Zwart, A. (2006) *International Business Society Management: Linking Corporate Responsibility and Globalisation*. London, Routledge.

van Tulder, R., van Wijk, J. & Kolk, A. (2008) From Chain Liability to Chain Responsibility. *Journal of Business Ethics*, 85, 399-412.

Young, O. R. (2006) Vertical Interplay Among Scale: Dependent Environmental and Resource Regimes. *Ecology & Society*, 11,
<http://www.ecologyandsociety.org/vol11/iss1/art27/>

Young-jin, O. (2009) Daewoo's African Dream (Editorial). *Korea Times*. 17 Feb.
www.koreatimes.co.kr/www/news/opinion/.../164_39711.html