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FACTS ABOUT THE G8'S NEW ALLIANCE IN AFRICA

The New Alliance (NA) is a set of agreements announced by the G8 in 2012 and 2013 that give large corporations a key role in agricultural development in Africa and require participating governments to provide incentives to agribusiness and expand corporate access to land, water, labor, and markets.

- Tanzania, Mozambique, Ghana, Ethiopia, Burkina Faso, Côte d'Ivoire, Malawi, Nigeria, Benin and Senegal have signed NA agreements.¹
- The NA was negotiated between governments and large-agribusiness without involvement from small-scale farmers' associations.²

FACT THE NEW ALLIANCE REPRESENTS A REDUCTION OF AID AND PUBLIC INVESTMENT IN AFRICAN AGRICULTURE

- G8 countries pledged about \$6 billion "in support of the goals of the New Alliance" from 2011-2018. Most of this is not new money, but previously committed aid. It's a drastic reduction in comparison to the \$22 billion the G8 promised for public investment in agriculture from 2009-2012, but failed to fully deliver.³
- Companies in the NA are planning for-profit investments. The largest of the 180 companies include: Yara (fertilizer), Dupont, Syngenta, Monsanto (seeds

'The announcement of the New Alliance for Food Security and Nutrition at the G-8 summit in May 2012 offers much lower investment pledges and gives greater emphasis to private agribusiness investment. Public and private investment may be complementary, but the goals of agribusiness, which focus on profits, do not necessarily correspond with the interests of smallholder farmers in improving income and food security, and neither do they necessarily help reduce poverty.'

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- and chemicals), AGCO (tractors), Bunge, Cargill, Diageo, Louis Dreyfus, Kraft, and Unilever (agricultural commodities).⁴
- Research shows that small farms can sustain more livelihoods and produce more food per land area than large farms, like those the NA is promoting.⁵ Research comparing countries in Southeast Asia and Africa has shown that public investment in small-scale farming is key to increasing food security and reducing poverty.⁶
- In spite of the urgent need for tax revenue to fund rural community development, New Alliance countries have agreed to reduce taxes on agribusiness, and the inputs used most heavily by large farms.⁷

FACT THE NEW ALLIANCE THREATENS RURAL COMMUNITY LAND AND CREATES SOCIAL INEQUALITY

- According to the NA agreements, almost all countries are starting land banks and/or offering land to investors before fully implementing the UN Committee on World Food Security's land tenure guidelines, which prioritize the land needs of marginalized and vulnerable populations.
- A major feature of the NA is hub and out-grower schemes, in which agribusinesses are given large amounts of land in exchange for their state intention to work with small-scale farmers. The farming methods of large plantations are not always easily transferable to out-growers, and some companies will prefer to expand by acquiring more land. Either way, the result is often inequality and conflict in rural areas.⁸
- Many of the NA companies specialize in machinery, seeds, and chemicals, which are most appropriate for big new investors in agriculture rather than the existing smallholder community. Their business and lending practices will likely encourage land grabbing by local and national elites.⁹
- Several NA companies have already been involved in land-grabbing. For example, Cargill was discovered to be illegally buying up small farms in Colombia. Dominion Farms of Nigeria has been accused of land-grabbing in Kenya. Numerous NA projects in Tanzania will require the displacement of communities.¹⁰

FACT THE NEW ALLIANCE UNDERMINES BIODIVERSITY & SUSTAINABLE AGRICULTURAL METHODS

- The New Alliance requires countries to facilitate the use of patented seeds, some of which have been genetically modified, leading to the loss of local varieties. Mozambique has even promised to stop the distribution of free seeds to poor farmers.¹¹
- The NA encourages the replacement of public agricultural research with the services of chemical companies, making it unlikely that sustainable and ecological alternatives will be tested or implemented.

FACT OPPOSITION TO THE POLICIES AND PRACTICES OF THE NEW ALLIANCE IS NOT OPPOSITION TO PRIVATE SECTOR INVESTMENT

- Small-scale farmers provide the overwhelming majority of private investment in agriculture. Provision of public services and infrastructure to rural communities will allow smallholders to make additional investments and increase food production.¹²
- Other investors can partner with small-scale farmers to help them utilize new methods, develop infrastructure, and reach markets. But it is crucial that farming communities have their own independent organizations to support them to retain control of their land and projects that affect them. The New Alliance fails to prioritize small-scale farmers. It provides an inappropriate framework for investment that endangers both food security and rural communities.

1. www.gov.uk/government/organisations/department-for-international-development/series/the-new-alliance-for-food-security-and-nutrition-corporate-frameworks
2. <http://policy-practice.oxfam.org.uk/blog/2013/06/what-have-we-gained-from-the-new-alliance>;
3. www.grain.org/es/bulletin_board/entries/4507-letter-from-african-civil-society-critical-of-foreign-investment-in-african-agriculture-at-g8-summit
4. www.actionaid.org/sites/files/actionaid/g8-accountability-report-2011.pdf. The 5 billion total pledged in the 8 NA framework agreements appear to be previously planned bilateral aid.
5. The framework agreements provide a list of companies with few specifics about investments.
6. IAASTD (2009), Agriculture at the Crossroads.
7. Van der Ploeg (2013), Peasants and the Art of Farming.
8. Netting (1993), Smallholders, Householders.
9. <http://onlinelibrary.wiley.com/doi/10.1111/j.1467-7679.2012.00563.x/abstract>
10. See NA framework agreements note 1.
11. On tax dodging by an NA company see http://www.actionaid.org.uk/sites/default/files/doc_lib/calling_time_on_tax_avoidance.pdf
12. Examples of Hub and Out-grower are EcoEnergy and Agrica in Tanzania and Rei do Agro in Mozambique. EcoEnergy and Agrica have both required resettlement of small-scale farmers. <http://farmlandgrab.org/post/view/17729>; <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Environmental-and-Social-Assessments/Tanzania%20-%20Bagamoyo%20Sugar%20Project%20-%20RAP%20Summary.pdf>
13. During field visits in Tanzania, AAUSA learned that many "investors" from the capital are coming to rural areas to try to get control of village land in areas near large projects.
14. For example Cargill, has recently been illegally buying up small farms in Colombia. <http://www.reuters.com/article/2013/09/27/us-cargill-colombia-idUSBRE98Q04K20130927>
15. Dominion Farms which is entering the New Alliance in Nigeria has been accused of land grabbing in Kenya. <http://farmlandgrab.org/post/view/20085>; See also, Karol Boudreaux, 'An Assessment of Concerns Related to Land Tenure in the SAGCOT Region', Unpublished Report for USAID-Tanzania, April 2012.
16. Mozambique and other NA framework agreements.
17. FAO, The State of Food and Agriculture 2012: Investing in Agriculture.

ActionAid is a partnership between people in poor and rich countries, dedicated to ending poverty and injustice. We work with people all over the world to fight hunger, seek justice and education for women, hold companies and governments accountable, and cope with emergencies in over 40 countries.

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