

## **Associations file petition against Italian company JTF Tozzi Green for its activities in Madagascar with the support of Belgian and Finnish development cooperation**

### *Summary of the petition to the OECD Italian Contact Point*

On October 13, 2023, ActionAid Italy, the collective for the defense of Malagasy lands BMTT and Colletif Tany, filed a petition against the Italian company JTF Tozzi Green for its agro-industrial activities in Madagascar. The petition was filed at the OECD National Contact Point in Italy, the country where the multinational company is based.

This is the first litigation related to a land grabbing case in Italy. Also involved are the Belgian and Finnish governments, which finance Tozzi Green through their public development banks.

### *Who is Tozzi Green, the company being sued?*

Italian renewable energy company Tozzi Green operates two large-scale plantations through its subsidiary JTF Madagascar (Jatropha TechnologyFarm Madagascar). The first lease dates back to 2012 and covers nearly 7,000 hectares of land in two municipalities in the Ihorombe region of south-central Madagascar. This area was initially intended for the cultivation of *jatropha curcas*, a plant used to produce agrofuels. Since the plantation did not produce the expected results, the JTF replaced it with maize intended for poultry feed producers on the island. The second lease for nearly 4,000 hectares was signed in 2018. By encroaching on the land of a third municipality, it aims to extend corn plantations but also to grow geranium, whose leaves and stems are processed locally by JTF into essential oil, which is then exported internationally.

To finance its activities, since 2019 JTF Madagascar has benefited from 7.5 million euros in loans from two state-owned development banks, FINNFUND (Finland) and BIO (Belgium), intended to foster local development, food security, and respect for human rights and the environment.

### *A multinational company challenged in Madagascar, Belgium and Italy.*

For more than a decade, local communities have been protesting the concessions (the two leases signed between JTF and the state) and in particular the lack of participation, information and adequate compensation for local communities. More recently, the Belgian NGO Entraide et Fraternité (a BIMTT partner) collected testimonies and data during a visit to the region in April 2022. In September 2022, Collectif TANY commissioned a fact-finding mission during which several interviews were conducted with local communities and authorities and interactions were held with JTF management. Over the past two years, the case has come to the fore in Belgium, where Belgian NGOs and parliamentarians have questioned BIO's involvement in the project in light of the implications of the concessions on fundamental rights such as the right to food, the right to a healthy environment, and the right to water.

### *What are the grievances behind the petition?*

We summarize here the main points raised by the people of Ihorombe and communicated to the JTF, the Malagasy government, and European donors on numerous occasions. These various grievances are set out in the petition submitted to the OECD National Contact Point in Italy (where Tozzi Green is based).

- Tozzi Green's activities contribute to worsening food security for the people of the Ihorombe region because of the detour of water needed for the paddy fields by the company's motor pumps, but also because the products grown by the company are intended for export (essential oils extracted from geranium) or for animal feed (maize), and not for staple foods that could directly feed the local population in a country that is already facing a serious food crisis. In addition, the local population's main source of income is livestock farming, which is particularly affected by Tozzi Green's agro-industrial activities, affecting vast tracts of land previously used by the population as grazing areas;

- While the Malagasy laws of 2005 recognized the customary rights of the land occupants, the communities claim that the project developers did not respect the land rights of the residents and led them to believe that land whose owners had no land title belonged to the state;

- There were a number of shortcomings in the consultation of local residents, both in 2012 and 2018. Only small groups were consulted, often consisting of the mayor and the heads of fokontany (fokontany is the smallest administrative unit in Madagascar), that is, the equivalent of one or more hamlets. Residents of one hamlet who refused to give up their land recall that the company plowed all the land around their houses and fields, so much so that they ended up leaving under pressure;

- In addition, the company imposed exorbitant financial penalties when zebu entered jatropha plantations. Since most of the members of the communities are zebu farmers, the residents were forced to move away from the plantations or leave. This is what Ihorombe communities call "forced evictions" in letters of complaint they have sent to public authorities and international partners;

- Some residents of Satrokala and Andiolava, the two municipalities involved in the first lease, said they agreed to donate land because the company promised to provide jobs for young people and build infrastructure in their fokontany. But the company did not keep its promises, and they regretted doing so because the infrastructure was built only in the capitals of the communes and the youth in the local communities were offered only seasonal and precarious day jobs;

- According to testimonies collected during previous fact-finding missions, several people who did not accept the Tozzi Green project were threatened by local and national authorities and pressured. For example, Ambatolahy is the third municipality affected by the second lease. Its mayor always opposed the Tozzi Green project, but finally agreed to give up the land in 2018. As a result, citizen opposition was not taken into account and the project went ahead without adequate support and consent.

- During the first few years of corn cultivation, the company's policies prohibited local residents from harvesting seeds that had fallen to the ground once the corn had been mechanically harvested, and then finally allowed them to harvest them, but not to keep them but to sell them back to the company at a fraction of the price of corn on the local market, under penalty of being charged with theft;

- communities also question whether JTF's production methods use pesticides that are not authorized in Europe and/or pose high risks to health and the ecosystem. This point was the subject of a parliamentary question submitted by a Belgian member of parliament to the Minister of Development Cooperation, who in his response confirmed that the fears were well-founded;

- in February 2023, the company informed communities that it had returned 3,500 hectares of land because the corn was not growing well. The communities pointed out that they had no written proof

of this information and that, even if they did, the land had not been returned to the local communities but to the state, which had registered it in its name before leasing it to the company.

In light of these facts, 3 Malagasy, Italian, and French NGOs and groups (Collectif TANY, BIMTT, and ActionAid Italia) have approached the Italian National Contact Point (NCP), arguing that Tozzi Green's practices do not comply with OECD guidelines for multinational corporations.

Specifically, Tozzi Green:

- failed to comply with Malagasy standards on free, prior and informed participation of local communities;
- failed to provide transparency, appropriate information and adequate participation before and during project implementation, resulting in social tensions, unmet expectations and unfair treatment;
- violated numerous human rights of communities affected by agribusiness activities, with temporary and permanent effects on people, livelihoods and the environment;
- caused a significant decline in zebu numbers due to lack of access to large grazing areas;
- aggravated the food insecurity of local people due to the drying up of paddy fields and the detour of water needed for paddy fields by motor pumps;
- in general, it has made the lives of communities even more difficult.

What are the plaintiffs asking for?

They are asking the OECD's Italian Contact Point (NCP) to take the necessary steps to ensure compliance with the OECD Guidelines for Multinational Enterprises.

Using the OECD's mediation services, their goal is to have Tozzi Green:

1. cease its operations and leave the Ihorombe region, returning the monopolized land to local communities through a transparent, effective and participatory process;
2. pay compensation for damages to members of the affected communes and fokontany whose lands were occupied and seized, and that these sums be used to promote community projects.

Contact

Italy:

Action Aid :[Cristiano.maugeri@actionaid.org](mailto:Cristiano.maugeri@actionaid.org) and also [ufficiostampa@actionaid.org](mailto:ufficiostampa@actionaid.org), +39 02 742001

In Madagascar and France:

Collectif pour la défense des terresmalgaches- TANY: [mamyrakoton@gmail.com](mailto:mamyrakoton@gmail.com).

In Belgium:

Entraide et Fraternité: Renaud Vivien, Renaud.vivien@entraide.be, 0497 04 79 99

Legal Clinic UAntwerpen : Tomaso Ferrando, Tomaso.Ferrando@uantwerpen.be