

Source: <http://www.spiegel.de/international/world/0,1518,576548,00.html>

GREEN GOLD RUSH

Africa Becoming a Biofuel Battleground

By Horand Knaup

Western companies are pushing to acquire vast stretches of African land to meet the world's biofuel needs. Local farmers and governments are being showered with promises. But is this just another form of economic colonialism?

Everything will turn out alright. Correction: everything is going to get better. There will be new roads, a new school, a pharmacy, even a proper water supply. Most of all, there will be jobs -- 5,000, at the very least. "If there are jobs for us, then it's a good thing," says Juma Njagu, 26, who hopes to be able to leave his meager existence as a planter and charburner behind soon.

Njagu lives in Mtamba, a village of about 1,100 souls in Tanzania's Kisarawe district, about 70 kilometers (43 miles) south-west of Dar es Salaam, the capital and largest city. Mtamba, accessible by dirt road, is a place where people scrape by on a bit of farming, a bit of fishing and the production of charcoal. There isn't much else in Mtamba.

That could change if the British firm Sun Biofuels goes ahead with plans to produce biodiesel fuel from "Jatropha curcas," an energy plant with a high oil content, which it hopes to plant on Kisarawe's farmland.

The Tanzanian government has granted the British firm the use of 9,000 hectares (22,230 acres) of sparsely populated farmland, or enough land to cover about 12,000 soccer fields, for a period of 99 years -- free of charge. In return, the company will invest about \$20 million (€13 million) to build roads and schools, bringing a modicum of prosperity to the region.

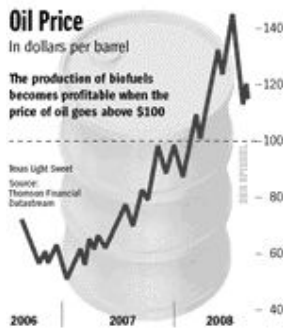
Sun Biofuels is not alone. In fact, half a dozen other companies from the Netherlands, the United States, Sweden, Japan, Canada and Germany have already sent their scouts to Tanzania. Prokon, a German company known primarily for its wind turbines, has already begun growing jatropha curcas on a large scale. It expects to have 200,000 hectares (494,000 acres) -- an area about the size of Luxembourg -- under cultivation throughout Tanzania soon.

A gold rush mentality has taken hold -- not just in East Africa but across the entire continent. In Ghana, the Norwegian firm Biofuel Africa has secured farming rights for 38,000 hectares (93,860 acres), and Sun Biofuels is also doing business in Ethiopia and Mozambique.

Kavango BioEnergy, a British company, plans to invest millions of euros in northern Namibia. Western companies are turning up in Malawi and Zambia, where they plan to produce diesel fuel and ethanol from jatropha curcas, palm oil or sugar cane. Foreign investors have their eye on 11 million hectares (27 million acres) in Mozambique -- more than one-seventh of the country's total area -- for growing energy plants. The government in Ethiopia has even made 24 million hectares (59 million acres) available.

The consequences of this boom are dramatic. Experts agree that the worldwide push to grow energy plants is an overwhelming factor in the global explosion of food prices. According to one [study by the World Bank](#), as much as 75 percent of the increase could be attributable to this change in the types of crops being farmed. Many farmers in industrialized countries are more than happy to accept government subsidies for corn or rapeseed, but this comes at the cost of the cultivation of wheat, potatoes and legumes.

Oil plants are not competing with intensively farmed land in Africa -- yet. Investors argue that the land they are using is uncultivated or underused. But rising food prices and population growth will also increase pressure in the southern hemisphere to convert unused land to agricultural use.



DER SPIEGEL

Biofuels are profitable when oil is expensive.

For investors, growing energy plants in Africa is highly profitable. Crude oil will become scarce in the foreseeable future, so that easy-to-produce biofuel comes at just the right time. At an estimated annual yield of 2,500 liters per hectare, Sun Biofuels is in it for the long haul in Tanzania. Production becomes profitable as soon as the price of a barrel of crude oil exceeds \$100 (€69) on the world market. A barrel currently goes for just over \$100.

Africa offers oil farmers virtually ideal conditions for their purposes: underused land in many places, low land prices, ownership that is often unclear and, most of all, regimes capable of being influenced.

The land is unusable, says the Ethiopian energy and mining minister in Addis Ababa, the country's capital. "It's just marginal land," say officials at the Ministry of Energy and Mineral Resources in Dar es Salaam. "The whole thing is nothing but positive," says the district administrator of Kisarawe, who is responsible for the Sun Biofuels project. "We have convinced the people." In his rudimentary office, which

lacks both a computer and a copy machine, he leafs through the planning documents.

In none of these places are the needs of local residents taken into account. In Ghana, BioFuel Africa wrested away land clearing and usage rights from a village chief who could neither read nor write. The man gave his consent with his thumbprint. The weekly newspaper Public Agenda felt reminded of the "darkest days of colonialism." The Ghanaian environmental protection agency eventually put a stop to the clear-cutting, but only after 2,600 hectares (6,422 acres) of forest had been cut down.

In Tanzania, while there are hopes, there is also plenty of reason to be skeptical about promises that everything will improve. In April 2006, Sun Biofuels claimed that it had received formal approval for cultivation from 10 of the 11 affected villages. At that point, however, several communities were not even aware of the plans, while others had attached conditions to their consent. A village head complained, in writing, to the district administration that Sun Biofuels had cleared and marked off land without even contacting the village elders.

In Dar es Salaam, Peter Auge, general manager of Sun Biofuels Tanzania, sits in his office. He is a casual, straightforward South African. "It is true," he says, "that we were a little reserved with our information policy." There are still many unknowns, says Auge, adding that he doesn't want to read in the paper that "the project is two years behind schedule."



Auge promises social investments, although they are not part of the agreements at this point. Even when it comes to compensation for the people living on the land, which the government insists must be paid, the investors are getting an exceedingly good deal. They offered the equivalent of about €450,000, a ridiculous price for the 9,000 hectares (22,230 acres) that they can now use for almost a century.

Seventy kilometers (43 miles) farther south, on the Rufiji River, thousands of residents are being forced to move to make way for the Swedish company Sekab's plans to grow sugarcane, a highly water-intensive crop, on at least 9,000 hectares (22,230 acres) and then distill it into ethanol. Five thousand hectares (12,350 acres) have already been approved.

The river and the wetlands along its banks are the only source of drinking water for thousands of people, especially during the dry season. Sekab also plans to tap this reservoir to irrigate its plantations. Transparency? Nonexistent. Compensation? None whatsoever. Information? A scarce commodity. When residents attending an informational event asked about compensation payments, they were told curtly: "You will get what you are entitled to."

The PR machine is all the more active, even in poor countries like Tanzania. Naturally South African national Josephine Brennan, who is in charge of public relations for Sekab in Dar es Salaam, sees only good things for Tanzania's future. Farming for biofuel will enable the country to build new schools and new roads, which translate into better opportunities for Tanzanians, says Brennan. According to Brennan, small farmers will also be able to earn more money in the future by growing biofuel-ready plants, and up to three million people in Tanzania alone will be lifted out of poverty. With its two million hectares of potential cropland, Tanzania, says Brennan, has as much growth potential "as the Celtic Tiger, Ireland." Finally, she is convinced that "the world needs Tanzania."

But Brennan's rosy predictions do not reflect opinions in East Africa. A study on energy plants in Tanzania, conducted by the German Agency for Technical Cooperation, lists a host of negative side effects. What is more, this is not the first time that white investors have promised prosperity for Tanzania.

With similarly enticing promises, small farmers were talked out of their land several decades ago to make way for coffee plantations. In the 1990s, foreign mining companies arrived in Tanzania to dig for gold. "They promised us jobs, new roads, new wells and schools," says journalist Joseph Shayo. "And what happened? No schools, no wells and few jobs, which were low-paying jobs, to boot." To make matters worse, large mining zones were fenced off and became inaccessible to the original residents.

In a recently published study on the "Biofuel Industry in Tanzania," journalist Khoti Kamanga of the University of Dar es Salaam warns against the side effects of energy plantations. The population, Kamanga writes, is usually uninformed, while the cultivation of energy plants usually goes hand-in-hand with forced resettlement. According to Kamanga, it is very likely that ethanol production will also affect food prices in Tanzania, with the country's dependency on food imports growing even further.

In Dar es Salaam, the government has now recognized that the boom also comes with problems. "Energy plants cannot be an alternative to food production," said President Jakaya Kikwete, responding to widespread resentment in his country over high food prices.

But the energy farmers remain unimpressed. Sun Biofuels and Sekab each want to expand their production to 50,000 hectares (124,000 acres) -- as soon as possible.

-- Translated from the German by Christopher Sultan