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INVESTIGATION REVEALS THAT BAD ENERGY AND DEVELOPMENT POLICIES CONTRIBUTE TO FAMINE AND CONFLICT IN AFRICA

Reports Showcase Bad Energy Policies from US and EU, Expose Development Approach that puts Control in Hands of Foreign Investors

Oakland, CA - At the same time that individuals across the US and EU offer support to victims of famine and conflict in Africa, their countries' energy policies and development agendas take food and other resources away from Africans - while also harming the environment.

Research released today by the Oakland Institute demonstrates that land grabs - largely unregulated land deals involving foreign corporations and speculators - continue to be promoted as a "development" solution for African nations. Development agencies including USAID and the World Bank Group are often the architects of these deals that promise benefits for Africans but fail to deliver. Furthermore, the research shows that US and EU energy policies that tout the benefits of agrofuels and carbon credits - key elements of these land deals - are actually making climate change a bigger problem.

"The energy policies of these governments - along with the growing Western market for agrofuels- is harming both the people of Africa and the environment," Oakland Institute Executive Director Anuradha Mittal said. "This approach of 'developing' Africa is neither just nor sustainable. It is displacing people by taking over their land and natural resources that produce food and provide livelihoods while making climate change worse."

Mittal noted that people can follow the supply chain to identify the bad actors - who claim benefits for Africa but seldom deliver: so-called developers who determine how land will be used (such as Iowa-based AgriSol Energy and Texas-based Nile Trading Development), companies that grow non-food crops on the land (including Sun Biofuels and Addax Bioenergy) and groups that buy up agrofuels and timber (including major western airlines such as Lufthansa).

The second phase of the "Understanding Land Investment Deals in Africa" report series focuses on these issues as well as the specific nations of Mozambique, South Sudan, Tanzania and Zambia. The reports expose documents and actors promoting policies behind the deals that:

- **Create additional food insecurity:** The current trend of large-scale land investments is taking away land and water from local populations and transforming valuable grazing land, natural forests, and food-producing fields into plantations for agrofuels and trees for export.
- **Promise jobs but fail to deliver them:** A close look at the actual business plans dismantles the myth of job creation through agricultural investments in Africa. For instance, Iowa-based Agrisol claims to be "identifying local farm project managers" for a project in Tanzania. However, managing director and political powerbroker Bruce Rastetter has admitted the company plans instead to import white South African farm managers for this work.
- **Tout the promise of agrofuels:** Although United Nations officials have called the widespread agrofuel development in Africa a "crime against humanity," fertile African

lands are being turned into agrofuel plantations with governments and corporations promoting agrofuels as a solution to climate change. The United States and the European Union have set targets to replace 30 percent and 10 percent, respectively, of their gasoline with agrofuels.

- **Create loopholes that help foreign investors but further impoverish many African nations:** Research exposes details of strategic investor status and Investment Protection and Promotion Agreements that provide extensive tax holidays, minimal fees for land and water usage, among other incentives.

"In our research of over 50 land deals in seven African countries, we did not find the evidence that such investments will provide fair financial returns for the countries or their populations," Oakland Institute Policy Director Frederic Mousseau said. "Even the IMF has said that the generous tax incentives should be minimized since these tax holidays and other breaks are saddling local governments with more burdens than benefits."

Previous reports in this series were instrumental in stopping one shady land deal in Southern Sudan by exposing how corrupt U.S. investors were trying to enrich themselves through an exploitive agreement. However, land grabs across the continent continue, despite widespread opposition.

Environmental impacts also are detailed in the reports and include problems such as:

- Displacing food crops to grow agrofuels such as jatropha - reducing the amount of food available and requiring twice the water that cereal needs to grow.
- Clearing native forests and grassland to replace them with tree plantations. For example, a Norwegian timber company, Green Resources Ltd, plans to replace almost 7,000 hectares of natural Tanzanian grassland with monocultures of pine and eucalyptus.
- Promoting the use of agrofuels, which researchers are now saying increase, not decrease greenhouse gas emissions
- Harming lakes and rivers, the lifeblood of many African nations, and possibly driving them to extinction. Waterways like the Niger River have decreased by 10 percent in just 10 years. In Ethiopia, the construction of a large dam and the irrigation of adjacent sugar plantations will result in Kenya's Lake Turkana, the world's largest desert lake, to drop by two meters in the first year, increasing salinity levels, adversely impacting fish stocks, and condemning the lake to a not-so-slow death.

These reports, as well as briefs on other aspects of land grabs, are available at www.OaklandInstitute.org.

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