



Why Spider-Man won't pay back \$300,000 he won at poker
Page 49



World

The secret sale of a country

Investors are buying up huge tracts of fertile land in Southern Sudan, **Tristan McConnell** reports from Juba



A week before Southern Sudan's independence, investors have already bought up nearly a tenth of the new nation in a series of huge land deals that researchers say cheat the nascent nation of its birthright.

As much as 9 per cent of Southern Sudan's total area has been signed over for various investment schemes, according to research by Norwegian People's Aid (NPA), a charity.

Foreign companies, governments and individuals investing in agriculture, biofuels and forestry have signed leases for at least 2.6 million hectares, an area larger than Wales, in the most fertile parts of the country. "The figures are shocking, the size of some of the deals astronomical; we were not expecting to find anything like this," David Deng, the report's author said. "It has not yet dawned on the people."

Driving the investments in Southern Sudan as elsewhere in Africa is a simple bet: that population growth will increase demand for food just as climate change reduces the amount of fertile land, making farmland an increasingly valuable commodity.

In the wake of the world financial crisis, pension funds and hedge funds looking for safe investments with good returns have led "a rush to land" according to agronomist Henk Hobbelink, co-founder of the food advocacy and research organisation Grain.

A recent World Bank study said that the food price spike of early 2008 led to a tenfold increase in large-scale farmland deals with at least 45 million hectares of land changing hands the following year, 70 per cent of it in sub-Saharan Africa.

"Everyone is talking about food security but if you peel away the layers it is just investors looking for high returns," said Anuradha Mittal, executive director of the Oakland Institute, a California-based think-tank that has researched land deals in Africa. Ms Mittal said that in some cases investors simply hand a tribal chief "a bottle of Johnnie Walker" in exchange for land.

Nowhere is this truer than in Southern Sudan, a fragile country-in-waiting that recently emerged from a catastrophic civil war and where institutions, laws and land rights are poorly enforced.

"People are taking advantage of this new, postwar nation," said Jan Ledang, NPA's country director. "It's not by chance that they are here just after the war. Investors approached at the local, local level, a chief, county commissioner or state governor and they quickly got land almost for nothing." Some investors have struck deals for as little as 4 pence a hectare.

Two of the biggest and most controversial deals involve US firms. According to documents seen by *The Times*, Texas-based Nile Trading and Devel-



Nearly 10 per cent of Southern Sudan's fertile countryside has been signed over for different investment schemes



opment paid just £17,000 for a 49-year lease of 600,000 hectares with an option to increase to 1 million hectares.

New York's Jarch Management has entered into a joint venture with a local company, Leac for Agriculture and Investment, run by the son of a notorious warlord turned deputy army commander, Paulino Matip, to develop up to

800,000 hectares in oil-rich Unity State. Activists are concerned that people will be forced off their land, that environmental destruction will go unchecked, and that fences will block access to water and grazing land.

Such issues are violently contested in Sudan. At the root of a recent conflict between northern and southern Sudan over the disputed territory of Abyei that forced 100,000 people to flee their homes was a row over access to grazing land. Yet reaction to the slew of land deals that have followed the 2005 peace deal has been muted.

"It is all done secretly. The people don't know what's going on," said Mr Ledang.

Southern Sudan's independence was paid for by 22 years of civil war and the deaths of more than 2 million people.

"After winning the war southern Sudanese need to avoid losing their land," he said. The scale of the land deals shocked the Government of Southern

Sudan. After reading the report one MP quipped: "At the rate we're losing land soon there will be nowhere left to bury the dead."

The Government has established a parliamentary committee and is considering imposing a moratorium, but there are other priorities. The separation of north and south is imminent yet there is still no agreement on how to share revenues from the south's 500,000 barrels of oil a day or the burden of Sudan's £24 billion foreign debt.

Ongoing border conflicts in Abyei and South Kordofan threaten to tip the country back into civil war. A battle over land ownership of the south's land is another fight this poverty-stricken country can scarcely afford.

"The land is going at an alarming rate," said Mr Ledang. "Most of the fertile land is already taken and there is a fast-growing population. This will create problems in the near future, no question," he said.

Company linked to warlords has 1m acres

Behind the story
Tristan McConnell

Philippe Heilberg, a former commodity trader who heads Jarch Management, an investment company, became one of Africa's biggest private landowners when he signed a deal to lease 1 million acres of fertile and potentially oil-rich land in Sudan in 2009. A follow-up deal reportedly doubled his holdings.

General Paulino Matip, a warlord from the Nuer tribe backed by the North in Sudan's 22-year civil war, accused by human rights groups of atrocities, granted the lease in Unity State.

General Matip's son, Gabriel, is Mr Heilberg's joint-venture partner though his company Leac for Agriculture and Investment.

In an interview last year Mr Heilberg was candid about the way he does business, describing dealing with warlords as "going to the guns".

"This is Africa," he told *Rolling Stone* magazine. "The whole place is like one big mafia. I'm like a mafia head." When contacted, Jarch Management told *The Times*: "Mr Heilberg no longer does interviews."

For villagers in the area, the sale of the land, which may force them to move, is a shock, say aid workers. "The community knew nothing, it was done secretly between Philippe Heilberg and Paulino Matip's family," said one.

Mr Heilberg has said in the past that he plans to grow food for sale to local and international markets and that 10 per cent of profits would go back to the community.

High-profile appointees to Jarch's management have included former US ambassadors and spies. Its Advisory Board is a who's who of Sudan's warlords, many of whom led insurgencies against the South.



Philippe Heilberg with fighters of General Matip, a Sudanese warlord