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## [DRC: handing lands for industrial oil palm plantations, REDD and foreign investors](#)

The Democratic Republic of Congo (DRC) has the largest continuous rainforest area in Africa, which is one of the largest in the world. However, its high biological diversity, including humid, dry, wetlands, bamboo, mangrove and many other forests, which coexist for centuries with indigenous and forest dependent people, is under serious threat with the expansion of oil palm plantations and foreign investors in general. Moreover, climate policies related to forests in the DRC, such as REDD, pose further threats to forests and local communities by encouraging industrial oil palm cultivation.

### **Industrial oil palm expansion in DRC**

Canadian company Feronia Inc owns some of Africa's largest oil palm plantations in the DRC. Set up by Canadian hedge fund (1) "TriNorth Capital Inc" and venture capitalist Ravi Sood in 2008, Feronia bought "*Plantations et Huileries du Congo*", a set of three separate plantations from the Anglo-Dutch multinational company, Unilever.

Despite initial high profits, with a value of more than US\$100 million in 2011, the company started to post losses and shareholders started to leave. As an article from Reuters points out, the company blamed this on a drop in oil palm prices, political risk in the DRC, and a 2012 land law designed to make Congolese people the majority holders of land concessions (2). But in 2013, Feronia attracted development agencies interest in its plantations, which cover 107,000 hectares. Government-backed 'development' funds from Britain, France and Spain bought 60 percent of Feronia for about US\$35 million, rescuing it from collapse.

One of the government-backed investors said the capital injection into Feronia shouldn't be viewed as a bailout but as a long-term investment in Africa. However, as the same Reuters article highlights, activists denounce that Feronia's purchase of the plantations, partly with public funds, has not led to any improved conditions for workers beyond maintaining their jobs. Most are poorly paid, often earning just over US\$1 a day. "Workers are living in crumbling homes, in severe disrepair. There is malnutrition in the communities near the plantations," said Jean Francois Mombia to Reuters, a campaigner with RIAO-RDC, an NGO working with labourers at Feronia's operations.

Scrutiny of Feronia shows one more example of many that follow a wave of foreign investment in African farmland, leading to land grabs and conflicts. Evidence shows that between 2006 and 2012, substantial forest loss occurred in and around Feronia's concession area. Besides, a visit to one of Feronia's oil palm plantations, located in the Boteka village, by the NGO Moabi DRC (3), identified the risks of deforestation in case of further expansion of these plantations, considering that the buffer area of the Boteka plantation overlaps with 23,674 hectares of primary forest, 4,267 hectares of secondary forest and 251 hectares of savannah. Therefore, with vast tracks of tropical forest straddling the equator, an abundance of freshwater, and a favorable climate, DRC could follow countries like Indonesia, which already has millions of hectares of forests converted into oil palm plantations, and become a major exporter of oil palm.

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## ***How promoting REDD is also promoting industrial oil palm expansion***

The Reducing Emissions from Deforestation and Forest Degradation (REDD) programme aims to privatize the capacity of trees, soils and vegetation to 'store' carbon dioxide. The aim is to turn the carbon into tradable credits so that the loss of carbon in one place could be 'compensated' with the carbon 'stored' somewhere else. This in practice has already put local and indigenous territories under threats from investors seeking to profit from this climate policy.

DRC was the first country in the Congo Basin to receive financing through the World Bank's Forest Carbon Partnership Facility (FCPF) and the UN REDD Programme in order to prepare the country to initiate REDD activities. The country was required to create a National REDD Strategy, a Readiness Preparation Proposal and some studies on the potential of REDD for the DRC.

The first study on the causes of deforestation in the DRC was released in 2007 by the US-based Woods Hole Research Centre. This highly controversial study, in addition to assessing the carbon sequestration 'potential' of DRC's forests, pointed to local communities as the primary drivers of deforestation while downplaying the impact of other actors such as industrial logging or monoculture plantations. This was severely criticized by indigenous peoples' organizations in the DRC, who demanded the recognition of their customary rights.

Moreover, as a step towards developing its National REDD Strategy, the DRC published a report on the country's REDD potential in 2009 with the support of US-consultancy firm McKinsey. The report involved guidelines in three sectoral sections: "sustainable extraction", including timber harvesting and monoculture plantations; "accelerated development of permanent agriculture", including the development of intensive agriculture, mainly of oil palm cultivation; and "interministerial coordination" (4).

If these guidelines were to be followed, the impact on indigenous peoples and small-scale farmers would be disastrous. The measures recommended include the conversion of close to seven million hectares of supposedly 'marginal' lands and four million hectares of 'degraded' forests into monoculture plantations to sequester carbon dioxide. Currently, there are no regulations preventing palm expansion into REDD project areas.

DRC's government has already started the handing of huge extensions of farmland to foreign investors through 'agricultural business parks'. The government aims to stop the country's reliance on subsistence farming, creating fears of local land grabs. The plans are to sell 25-year leases to the lands, or longer if new legislation is passed. Africom Commodities Pty. Ltd., a closely held South African company, is developing the first 80,000 hectares 'agribusiness park' near Kinshasa in partnership with the government. Africom already has planted 2,200 hectares of maize, and a total of 10,000 hectares will be planted by the end of January 2015. The government plans to develop 21 'agribusiness parks' saying that these would provide food, employment and a market for nearby small-scale farmers (5). However, converting DRC's forested lands into large mono-crop farms, which depend on the use of GM seeds and agrotoxics, clashes with local communities' ownership and traditional use of their lands. Organizations of peasant associations and communities like Copaco and Conapac are concerned, for example, that this and other similar initiatives may transform some of the peasants into mere employees, basically leading to massive displacements of peasants. They also worry of an acceleration in the process of land acquisition by the national elite, which has already begun (6).

Furthermore, at least four REDD projects overlap with indigenous territories in the DRC (7). REDD as

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well as other proposed land uses overlap with customary rights of local communities and could impede their access and use of the forest. Pygmy communities, in particular, are increasingly vulnerable to loggers, extractivist projects, and monoculture agriculture. Their customary rights are not recognized under DRC law and few of their customary rights have been mapped.

### **Plantations are not forests!**

The expansion of monoculture plantations, particularly oil palm plantations, in Africa and elsewhere, has been accompanied by a number of detrimental social and environmental impacts, such as the expropriation of ancestral lands of local and indigenous communities, the pollution of water sources and agricultural soils due to the use of agrotoxics, and many more. Now, with the climate policies aiming to capture the carbon dioxide 'stored' in the trees for its trade in the financial markets, more interests and powerful actors are interested to enter these already vulnerable areas. For them, trees in monocultures are just the same as forests because what matters is the amount of carbon 'stored' in the trees and thus the profit they can gain from them. Indigenous and forest dependant peoples however, who have been the guards of these forests for centuries, are resisting worldwide to protect their diverse territories.

(1) A "*hedge fund*" is an investment vehicle that pools capital from a number of investors and invests in securities and other financial instruments

(2) Reuters, November 2014, <http://www.trust.org/item/20141112163534-sptur>

(3) Moabi DRC, <http://rdc.moabi.org/will-drc-palm-oil-plantations-cause-forest-loss/en/#5/-2.833/22.830&layers=>

(4) WRM (2011) Conservation International REDD pilot project: a different kind of Disney production, <http://wrm.org.uy/books-and-briefings/democratic-republic-of-congo-conservation-international-redd-pilot-project-a-different-kind-of-disney-production/>

(5) <http://online.wsj.com/articles/congo-plans-to-lease-farmland-in-bid-to-bolster-food-productivity-1414506517>

(6) <http://www.southworld.net/drc-agro-industrial-parks-to-address-the-food-security-challenge/>

(7) Moabi DRC, [http://rdc.moabi.org/redd\\_risk/en/#5/-2.833/22.830&layers=moabi\\_redd\\_projects](http://rdc.moabi.org/redd_risk/en/#5/-2.833/22.830&layers=moabi_redd_projects)