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## [Congo Basin: The coming storm](#)

*How secrecy and collusion in industrial agriculture spell disaster for the Congo Basin's rainforests.*

*This article is based on a recent Earthsight publication: "The Coming Storm", March 2018. The publication with all the references can be found in [English](#) and [French](#).*

The Congo Basin holds one of the three last great tracts of rainforest in the world, providing a livelihood to more than 75 million people. Though much has been degraded by logging, most of Central Africa's forests remain standing. But a storm has gathered.

The NGO Earthsight monitored throughout 2017 the development of oil palm and rubber plantations in the Congo basin, with a particular focus on Republic of Congo and DR Congo. Findings show that while unfavourable global economic conditions have led many projects to be slowed or cancelled, industrial plantations continue to pose a huge threat to the region's forests and people. **There is little to prevent a rapid acceleration of the forest destruction once commodity prices rise.**

During the late 2000s, palm oil and rubber prices rose dramatically, leading to a rush of investment into the Congo Basin, with huge new plantations being announced every few weeks. By 2013, deals had been signed covering half a million hectares for oil palm alone, with 1.1 million more hectares of projects under negotiation. The single most advanced projects in Cameroon, Republic of Congo and Gabon were forecast to increase the deforestation rates in those countries by 14, 48 and 140 per cent respectively. Fortunately for the region's forests, palm oil and rubber prices crashed in late 2011 and remain well below their peak. Many projects have made little progress due to a lack of finance. Others were quietly cancelled. **The plantations that have made the most progress have been those with the biggest backers, including overseas governments.**

**The most rapid development has been in Gabon**, where Singaporean agro-commodity giant **Olam** is developing massive palm oil and rubber plantations. (1) Satellite images reveal that the company **has cleared some 35,000 hectares of forest** during the last six years. In February 2017, after a high-profile exposé of its continued destruction, Olam agreed to suspend further clearing for a year. The commitment has now been extended to January 2019.

The second largest destroyer is also government-backed. **Sudcam, a subsidiary of the giant Chinese state-owned oil and chemical conglomerate Sinochem, has cleared almost 10,000 hectares in Cameroon.** The project is directly adjacent to the Dja Faunal Reserve, a World Heritage Site. A 2012 UNESCO report cited the threat to the reserve posed by the rubber plantations. Local inhabitants allege that the plantation has dispossessed them of their lands, and that government authorities have reacted to their protests with threats and intimidation. Latest satellite images show that the rate of clearing in this area accelerated during 2017.

### **Logging companies diving into the plantations industry and vice versa**

The largest and most notorious logging firms in Republic of Congo, DR Congo and Central African

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Republic are connected in some way with plantation projects clearing forests. **Having a long history of flouting the law and getting away with it, logging companies are now taking that experience to the tree plantations sector.**

Plantation firms struggling to finance their operations are in many cases also turning to timber as a source of cash. This is especially true in the Republic of Congo, which is home to by far the largest area of forest under imminent threat from industrial plantation development.

### **Republic of Congo: plantation concessions for logging**

On paper, the government of the Republic of Congo is doing a lot to protect forests. It has ratified more than a dozen different environmental treaties and conventions. It signed in 2010 a deal with the EU that aims to ensure that all timber imported into Europe from Congo is legally sourced (FLEGT-VPA). It also signed the 'Marrakesh Agreement' in 2016, a promise to promote a palm oil sector that "secures the long term survival of ... tropical forests". However, in reality, through the government's actions and deliberate inactions, it is directly undermining and contradicting these treaties and agreements.

Between 2008 and 2012, well **over half a million hectares of new oil palm and rubber concessions were granted. Almost all of the land issued was forested.** The government has never published the contracts, maps or permits for any of them. All have been found by the Independent Observer of Forest Law Enforcement to be logging or clearing forest illegally. None of the companies involved has carried out the legally required Social and Environmental Impact Assessment, nor obtained the Free, Prior and Informed Consent (FPIC) from customary landholders.

One of these projects, run by **Atama Plantation SRL**, is the largest lease for a plantation ever issued in the region. In 2010, the company **got control of 470,000 hectares of forested land.** The company's owners were carefully concealed behind multiple layers of shell companies in secrecy jurisdictions. It later emerged that key players included Malaysian property magnate Robert Tan and Reuban Ratnasingam, the boss of one of Congo's largest and most notorious Malaysian-owned logging firms.

Already in late 2011, authorities uncovered evidence of multiple serious illegalities. Hundreds of trees had been cut without official reporting, records had been illegally altered, and the company had cleared forest for more than two kilometres outside the boundaries of its existing permit. The company was also operating without a legally required Environmental Impact Assessment.

The clearing of land for the oil palm concession progressed extremely slowly through 2014 and 2015, before coming to a complete halt late that year. **Atama then began a new strategy to make money: turning itself into a logging firm.** Although Atama had been cutting, selling and processing wood since it first began operating, it could just about claim that this was a side-effect of its clearance of forest for oil palm. Now, any semblance of doing anything else was abandoned. From May 2016 onward, satellite images show the rapid spread of intensive and destructive selective felling of trees across a wide area of previously dense forest within the company's concession.

In February 2017, the government finally demanded a halt to the illegal logging. By that time, 5,000 hectares had been heavily impacted. Shortly afterwards, an investigation by a local NGO found the company continuing to process large volumes of high value timber. (2) According to their investigation, **Atama had also suppressed protests through intimidation.** In September 2017, the Forestry Department announced it had discovered that some 14,000 cubic metres of logs cut within

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Atama's concession had been smuggled out of the country. Large volumes of additional logs owned by Atama were seized at the port of Pointe Noire, and the company's export license suspended. But its oil palm license remained intact.

In December 2017, Robert Tan's Malaysian stock-exchange-listed firm Wah Seong, which had formally purchased Atama in 2012, quietly sold its stake for 6 million US dollars: 19 million less than it paid for it. The announcement was rushed out just prior to Christmas, and only named an intermediate shell company described as an investment holding firm. It was not mentioned that its main asset is a contract to develop a vast oil palm plantation in the Republic of Congo. This mysterious company, whose given address is a nominee firm operating out of a small office in a Kuala Lumpur suburb (and operating as a front for more than 250 companies), is now the largest shareholder in the Atama project.

Around the same time that logging activity ramped up at Atama's concession in the middle of 2016, **logging and clearing also began at an oil palm and rubber concession issued to a related company, Lexus Agric, in southern Congo**. Reported to be a Malaysian-owned subsidiary or sister firm of Atama, Lexus was issued a license for a 50,000 hectares concession in 2013, half of which was to be planted with oil palm and half with rubber.

No concession contracts or permits have been published, but a map obtained from the authorities reveals that most of the license area was also forested. The latest findings of the official Independent Monitor show that Lexus Agric is also operating illegally, while satellite images reveal **additional logging extending far beyond the legal boundaries of its deforestation permit**. By January 2018, the company had cut more than 20km of logging roads into the surrounding forest.

Lexus's Director General is Jeremie Issamou, who until 2015 was also Atama's Assistant Director General. In June 2016, while both Atama and Lexus were busy logging illegally, Issamou posted a picture of a giant log on the back of a truck on his Facebook page. A comment says (in French) "Be careful. Don't brag too much about your secondary activity. Otherwise sanctions..." The person who made that comment was Simon Dieudonné Savou, the Director General of Agriculture in Republic of Congo.

## **DR Congo: clearing forests without permits**

Illegal clearance of forests is occurring in DR Congo under the guise of projects to re-develop abandoned plantations. The lack of transparency is especially concerning given what was found behind a veil of secrecy.

Since 2002, authorisations have been required for clearing any area of forest bigger than two hectares. Yet to-date not a single such permit has been issued by the Forestry department to an agricultural firm. A former senior official at the Ministry of Environment affirmed that companies were being allowed to clear forest without permits or impact assessments and without paying taxes.

One large company appears to confirm the situation: **The Groupe Blattner Elwyn (GBE), a powerful conglomerate controlled by a US expatriate**. Elwyn Blattner built much of his family's Congolese business empire during the reign of the kleptocratic Mobutu Sese Seko. GBE's holdings include a bank, an airline and **DR Congo's largest logging company: SIFORCO, which produces a quarter of all the timber harvested in the entire country**. The officially mandated Independent Observer of Forest Law Enforcement discovered that in 2013 one of SIFORCO's concessions had cut 50 per cent more trees than authorised, which was worth millions of dollars.

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GBE is also one of DR Congo's largest agribusiness firms. It **controls more than 42,000 hectares for producing palm oil, rubber and cocoa**. Among its holdings are the *Compagnie de Commerce et Plantation* (CCP), Lisafa and Ndeke plantations, which cover around 6,900 hectares. Earthsight, in partnership with the local NGO Group for Action to Save Man and the Environment (GASHE), uncovered evidence that CCP has **illegally converted an estimated 1,860 hectares of forest to oil palm plantations**. The company is also operating without the required Social Environmental Impact Assessment or Management Plan.

The NGOs also discovered that the company is **in conflict with local communities in all six-plantation areas**. Their findings also call into question the company's rights over much of the land it occupies.

Stories of **broken promises and shattered livelihoods** are repeated in village after village. The Chief of Nkoy-Moke village, for example, claimed that CCP had converted 1,200 hectares of forest on their customary land between 2009 and 2011. A resident of another village, Nkoy-monene, complained that "the scarcity of non-timber forest products is causing malnutrition in our villages." On its website, GBE claims to be supporting local communities by building and equipping schools, but many promised schools were never finished nor equipped. This should not come as too much of a surprise, since **GBE has a long history of failing to deliver on its obligations to communities in its logging concessions**.

Powerful agriculture ministries and other relevant authorities in these countries remain a total black box, and the international donors working with them have made little observable effort to crack it open. On the contrary, **the donor money continues to flow**.

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(1) For further information on Olam in Gabon, see "[Seeds of despair: Communities lose their land and water sources due to Olam's agribusiness in Gabon](#)", WRM Bulletin 231, June 2017 or "['Green' oil palm plantations are a scam: The case of Olam](#)", WRM Bulletin 230, April-May 2017

(2) For further information on Atama, see "Republic of Congo: ['Atama plantations is today a source of discontent for local communities and the entire nation'](#)", WRM Bulletin 233, September 2017