

### WRM Bulletin 252

World Rainforest Movement **September / October 2020** 

# Development Banks: Financing Dispossession and Exploitation



Demonstration against SOCFIN in Liberia, 2016.

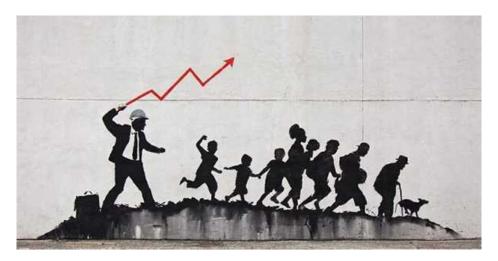
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The articles in this Bulletin are written by the following organizations and individuals: Activists from Brazil, Gabon, India, Mexico and Mozambique; GRAIN; The Oakland Institute, US; RIAO-RDC, Republic Democratic of Congo; the Latin American Network of Women Defenders of Social and Environmental Rights; and members of the WRM international secretariat.



## Development Banks: Financing Dispossession and Exploitation

# Our Viewpoint Evangelists of Development



This bulletin seeks to critically reflect on what has been badly named *development*, and to warn about the strategies that actors promoting it use to enter territories. It is well known that the *development* imposed by hundreds of agencies, organizations, banks and programs—now disguised with other words like "sustainable" or "carbon neutral"—is instrumental in enabling the voracious advance of plunder, and the consequent destruction of forests and livelihoods of millions of people. In recent years, these actors have also been increasingly working with financial capital, which they see as an ally in *development*, and which they reinforce with public resources.

We must not forget that the concept of *development* was announced after the Second World War, when former US president, Truman, took advantage of the European collapse and said that the United States should offer its *advances* and *progress* to aid in the *growth* of *underdeveloped* areas. Furthermore, he called on all governments to follow suit in the quest for *development*.

It was then that the world was divided into two: *developed* countries in the North, and *underdeveloped* (or *developing*) countries in the South. Given the historical process framing this division, these two "blocs" could well have been called: the colonizers (*of development*) and the colonies (*to develop*, or rather, to plunder).

In this *development* crusade, international and capitalist institutions—essentially led by the United States government and the G-8 bloc—imposed the *development* rules, primarily for the Global South. The World Bank (WB), International Monetary Fund (IMF), World Trade Organization (WTO), regional development banks and other evangelists were established as the absolute (almost imperial) actors of political and economic power, toting the *development* bible under their arm.

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Thus, Structural Adjustment Programs dictated by the IMF and the World Bank forced countries in the South to impose harsh policies, in order to open up to the "free market" in the name of *development*, *growth* and *progress*. Later, governments established (and continue to establish) Public-Private Partnerships as a requirement to receive loans from these institutions—despite the fact that these Partnerships completely benefit private capital at the expense of the public sector. Banks and *development* agencies are often important stakeholders in these Partnerships.

Meanwhile, countries in the North established their own agencies for development cooperation—such as the United States Agency for International Development (USAID), the German Agency for International Cooperation (GIZ), the German Development Bank (KfW) and the Japan International Cooperation Agency (JICA), etc.—in order to implement and monitor their own foreign policies and interests in the South in a calculated way.

Thus, many industrial plantation companies in the North owe the survival of their activities in underdeveloped countries in large part to donations from their own governments. Without grants, cheap financing and other subsidies, these extremely expensive plantations and pulp mills would never be productive. Some of these subsidies are transferred through multilateral agencies before being diverted to the corporate sector. In other cases, funds collected through taxes paid by citizens in the North are channelled to the coffers of these private companies through agencies for development cooperation (1).

The concept of *development*, created from a white Western viewpoint, denies or denigrates the many diversities, existences and visions of *being* in the territories. Non-white and non-Western territories (which include a plurality of peoples, practices, forests, spaces and rhythms of life, rivers, histories and knowledge) are constantly subordinated, violated and stigmatized with the label of *underdeveloped*. This reflects the fact that capitalist societies are increasingly immersed in a vision of growth that is racist, classist and patriarchal. This vision proclaims to be universal, and in so doing, makes non-white territories invisible or silences them (almost always through force), essentially seeking to magnify the capitalist economy of oppression.

In reaction to strong resistance in the South and to international pressure about the environmental and climate emergency, *development* actors began to support the concept of *green growth*. In 2011, the UN launched a call for green growth, and in 2012, the World Bank released a report entitled *Inclusive Green Growth—The Pathway to Sustainable Development*.

This change in rhetoric (but not in substance) is extremely useful to capitalism. It has allowed the *development* industry to continue and to expand its practices, businesses and accumulation—and therefore also expand the plunder, violence and dispossession.

Additionally, *development* banks and funds have grown massively in the last two decades and have become increasingly intertwined with global finance. The portfolio of European development finance institutions has quadrupled, from 10.9 billion euros in 2005 to 41.2 billion euros in 2018. These institutions increasingly act like any other investor, and they see the private financial sector as a *development* actor, reinforcing it with public resources. Thus, we increasingly see these actors participating in agribusiness and land-grabbing (2).



More recently, some of these banks and funds have created their own asset management companies. These are called *development funds*, or more accurately, investment and capital funds. To manage these funds, the World Bank created its own company, the Asset Management Company, which today manages US \$10 billion in 13 funds (3).

Over 70 years after Truman divided the world, the concept of *development* continues to be used for plunder. Its evangelists are the key drivers of privatization policies, which pave the way for corporations and financial actors to enter and destroy more and more territories and forests.

We hope this bulletin offers a reflection to support the construction and strengthening of alliances among movements and grassroots groups, and to reject this colonizing, racist and patriarchal *development*.

- (1) Ricardo Carrere y Larry Lohmann, 1996, Pulping the South https://wrm.org.uy/wp-content/uploads/2013/04/Pulping the South.pdf
- (2) Focus on the Global South, TNI, Fian International, 2020, Rogue Capitalism and the financialization of territories and nature

 $\underline{https://focusweb.org/wp-content/uploads/2020/09/Rogue-Capitalism-and-the-Financialization-of-Territories-and-Nature.pdf}$ 

(3) Idem (2)

### Development: Understandings from the Ground



Zapatista resistance mural. Chiapas, Mexico

The history of *development* is one of trickery and devastation. Time and again, development financial institutions, banks and agencies—led by governments and companies in the global North—proclaim the 'need' to *develop* so-called poor (mostly resource-strategic) countries, in order to justify the introduction of large-scale infrastructure, extractivist projects and markets. Those impositions, they argue, would transform the countries into *modern* and *developed* societies. Meanwhile, most governments in southern countries are keen to receive what they consider to be much-needed additional funds and projects.

WRM spoke with close allies from Brazil, Gabon, India, Mexico and Mozambique, who have experienced the arrival of *development* projects in their particular contexts. We sought to



hear from them and learn about their understandings of *development*. All names are kept anonymous for security reasons.

An activist from Santarém, in northern Brazil, asserts, "Throughout history, there has always been talk of *development*. But *development* here in the region is synonymous with capitalism, oppression." For him, the opening of the BR-163 road, built with loans from the Inter-American Development Bank, is aimed primarily to allow soy and other commodities to be transported in a cheaper and faster way to the export port in Santarém, mostly with China and Europe as destinations. He said that "all of this happened with a large propaganda claiming that the region would *develop*, that the population would have more access to health, education and infrastructure—including in the rural areas—with a better quality of life, job creation, income and so on." But none of this materialized. Meanwhile, the planned railway Ferrogrão (or Grainrail), which would run parallel to the BR-163, is heavily backed by commodity firms such as Cargill, Bunge and Amaggi; and it has financial backing from the Brazilian National Bank of Economic and Social Development (BNDES). The Kayapó Mekrãgnoti Indigenous People blockaded the BR-163 in August 2020 to resist the railway plans. (1)

Likewise, an activist from India told WRM that "The so-called Asian Highway, which is financed by the Asian Development Bank, is created by them and to serve themselves – survival of the rest will be defined by what is known as the 'trickle down' effect. It is about making roads that can bring the world's resources to consumers' doorsteps. It is increasingly about roads that local people cannot cross or use, but that move commodities faster around the world. People living on the side of the road who still practice *Jhum* (shifting) cultivation, who produce food for their family or village is thrown wide open to global competition. But it is evident that in a globalized world there is no competition, – you are already not in a position to fight. 'Free' trade is not possible in an unequal world."

The term *development* has been a protagonist in the institutions driving and financing the transformation of vast territories and life spaces to the service of the market. This transformation involves countless community people being forced to enter the wage labour, in tandem with violent evictions, dispossessions, disruptions, assaults and injustices. This term –with all its associated connotations– creates a kind of consent, by making it seem like the goals and ideologies of powerful actors are the 'common sense' interests of whole societies. (2) As a result, those who oppose *development* are usually stigmatized with propaganda that claims they are either anti-*development*, disruptive of *progress*, backwards or going against the 'national interest.' The same activist from India continued: "Arguing against the highway is portrayed as anti-development or anti-people. There seems to be a pre-defined 'development' for which there are pre-defined institutions and policies packets as well as trained politicians implementing that 'development'".

While positioned as a neutral term, the notion of *development* carries a manifold of (neo)colonial-loaded dimensions and abuses of extremely unequal power relations.

The experience of women in Gabon living in and around Olam's industrial oil palm plantations is a telling case. The African Development Bank (AfDB) financed Olam in 2017 for its plantations in Gabon, claiming that the funding is aligned with their initiatives, 'Feed Africa' and 'Improving quality of life for Africans.' (3) Yet, one woman from the village of Ferra told WRM that "since Olam came to the village, we can no longer fish properly because the lakes are polluted; some lakes and ponds are closed; we can no longer hunt because we





have been prohibited from entering the forests." Another woman from the same village said, "we are getting poorer, we are suffering, we are going through difficult times. Why do I say this?: The lakes are closed; the backwaters in which we used to fish are closed; now they are forbidding us from accessing the forests, and preventing us from planting as we did before. We are forced to use the same land several times, which unfortunately does not produce good crops. The best lands are for them and the bad ones are for us. We are hunted like animals; we became their slaves. They are the ones who rule over our forests and our village." (4)

Countless large-scale dams, highways, trains, airports, industrial monoculture plantations, oil and gas extraction sites and pipelines, mines, mega-urbanization projects, etc. have been undertaken in the global South with the promise of *development*, growth, jobs and progress. Yet, the reality of those 'receiving' *development* has, for the most part, worsened.

An activist living in the province of Zambézia, Mozambique, who is affected by Portucel's industrial tree plantations, told us—in regards to the promises the company made to the communities—that "none of that has happened. It promised to do many things, build schools, access roads, water pumps and hospitals, and nothing was built there. It also promised jobs. It said 'you will work because we are going to make factories in Mozambique, in the province of Manica or Zambézia, and you are going to work.' But all that is no longer said. There are only the plantations they have installed so far. People have stopped working. This is not development."

Likewise, a Mexican activist opposing the so-called 'Maya Train', which is backed up by the UN with the argument of "bringing development to the peninsula" and which will cross a vast territory where more than 3.5 million Indigenous Peoples live, demanded that promoters clarify whose development are they talking about. She said, "They are telling us that we are fools who know nothing; that we are ignorant; that we don't know how to organize; that we don't know how to collaborate in the development of our communities and our people; and that we don't know how to work for the economic growth of our people. This is an insult to us. What development are these promoters talking about? What growth? Growth for them, for their companies, for businessmen, for those who have money? Because that is not development for the people! It is development for them. For us-the peoples and communities of the [Yucatan] peninsula—this will only bring negative impacts, such as division, more poverty, crimes, robberies, murder, prostitution, drug addiction. It will strip us of our language, our ways of speaking and dressing, and our forms of governance. They have come to destroy that. They bring destruction to the peninsula. We have our ways of livingbelief systems we have had for many years, from our ancestors. We have our own life. That is what they have come to destroy. They are destroying the peninsula by destroying the life of indigenous and non-indigenous communities."

The use—and imposition—of this misleading language, created by those with political and economic power, is extremely instrumental in pursuing the interests of governments and companies from the global North. It is also instrumental in covering up the implicit oppression, patriarchy and racism that lie behind such imposition.

The activist from Mexico continued: "They say that they are going to "integrate those who are not integrated." They say, "you, peasant; you, indigenous person; you are going to be a partner because the Maya Train is going to pass through your territory, through your lands; and so you will be a partner." That is a vile lie. It is a strategy to strip us of our lands, and to





turn us into cheap labor to serve tourists. That is what they want from us. And what is really at stake is the destruction of the territory. Because that is what these businesspeople come to do, along with the Federal Government. They say they are reorganizing the peninsula. What are they going to reorganize? It is done! We have been taking care of the peninsula for centuries; our women ancestors took care of the jungle, and we continue to care for it. They are not coming to reorganize anything; on the contrary, they are coming to mess up what is already in place. So there is no *development*; there is no *growth*; there is no *reorganization*. That is all already done, because we have done it." And she adds, "We naturally experience racism for simply having a different skin color or language; for the way we talk or dress; for the way we express ourselves; for the way we govern ourselves and our communities; for our traditions and culture. They discriminate against us because we are "Indians," who don't know anything. One way or another they disparage us. So in bringing the blessed development, they will also bring other kinds of people from other countries, because according to the government and the companies, they do know how to work. This is the racism we have experienced for many years, but now it will increase even more. They will tell us: "You are only good for serving tourists," for working, for cleaning bathrooms, for mopping, for cooking, for selling our empanadas. That is how they will treat us. Because we are the people from below, from the communities, who do not know how to speak. That is how we experience racism, and it is going to increase more than it already is. We will be cheap manual labor through forced labor; we will be the slaves of businessmen, of companies, of this very government."

An article from a 2014 WRM bulletin reflecting on the debates around 'alternatives' (5) clarified the real impacts of these *development* interventions: "In 1990, visiting European journalists asked Thai villagers who were trying to stop the Pak Mun dam what their alternative to the dam was. The villagers patiently replied that the "alternatives" were already there. We have our fisheries, they said. We have our community forests. We have our fields. We have our temples, our schools, our markets. These are what the dam would hurt or destroy. Sure we have problems, they continued. But we need to deal with them in our own way, and the dam would take away what we need in order to do that." In this way, the alternative to *development*—which is usually presented as the only option for 'helping' communities in the South—is <u>no</u> development. Maybe this reflection can help to open up space for the many diverse realities and 'alternatives' to emerge, which still exist in many places—although they are largely being destroyed or weakened by *development* itself.

For the women in Gabon living in and around Olam's oil palm plantations, alternatives to this imposed *development* must be *theirs* and not come from outside their villages. For them, "Our development is to have our own land and be able to live as we did before—from growing food, fishing and other rural activities." And they continued, "[this would allow us] to develop our own projects to ensure our well-being in the village. This is what we want: to be allowed to go to our crops, to our forests so that we can be free in our village—a freedom we have lost since the arrival of Olam. It is essential that our land be returned to us.". Fundamentally, they conclude, "we want freedom."

- \* Many thanks to those who contributed and took the time to speak with WRM to make this article possible.
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- (3) AfDB, Loam for Olam Africa Investment, Program, 2017,
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- (4) More information on the impacts of Olam's operations in Gabon here. <a href="https://wrm.org.uy/books-and-briefings/communities-facing-zero-deforestation-pledges-the-case-of-olam-in-gabon/">https://wrm.org.uy/books-and-briefings/communities-facing-zero-deforestation-pledges-the-case-of-olam-in-gabon/</a>
- (5) WRM Bulletin 209, An alternative to alternatives, 2014, <a href="https://wrm.org.uy/articles-from-the-wrm-bulletin/section1/an-alternative-to-alternatives/">https://wrm.org.uy/articles-from-the-wrm-bulletin/section1/an-alternative-to-alternatives/</a>

### The Enduring Legacy of a Little-Known World Bank Project to Secure African Plantations for European Billionaires



WBG Archives "World Bank expands aid to Africa. George Woods, president of the World Bank, with Alfred Matter, Abdel El Emary, and John Garba"

In October 2020, a group of 79 Kenyans filed a lawsuit in a UK court against one of the world's largest plantation companies, Camelia Plc. They say the company is responsible for the killings, rapes and other abuses that its security guards have carried out against local villagers over the years at its 20,000 hectare plantation, which produces avocados for European supermarkets.

Such abuses are unfortunately all too routine on Africa's industrial plantations. It has been this way since Europeans introduced monoculture plantations to Africa in the early 20<sup>th</sup> century, using forced labour and violence to steal people's lands. Camelia's plantations share this legacy, and the abuses suffered by the Kenyan villagers today are not so different from those suffered by the generations before them.

Abuses and injustices are fundamental to the plantation model. The question that should be asked is why any of these colonial plantations still exist in Africa today. Why haven't Africa's post-colonial governments dismantled this model of exploitation and extraction, returned the lands to their people and emboldened a resurgence of Africa's diverse, local food and farming systems?



One important piece of this puzzle can be found in the archives of the World Bank.

Last year, an alliance of African organisations, together with GRAIN and WRM, produced a database on industrial oil palm plantations in Africa. Through this research, we found that many of the oil palm plantations, as well as rubber plantations, currently operating in West and Central Africa, were initiated or restored through coordinated World Bank projects implemented in the region in the 1970s and 1980s. The ostensible goal of these projects was to develop state-owned plantations that could drive "national development". The World Bank not only provided participating governments with large loans, but it also supplied the consultants who crafted the national plantation projects and oversaw the management of the plantations.

In case after case that we looked at, we found that the consultants hired by the World Bank for these projects were from a company called SOCFINCO, a subsidiary of the Luxembourg holding company Société Financière des Caoutchoucs (SOCFIN). SOCFIN was a leading plantation company during the colonial period, with operations stretching from the Congo to Southeast Asia. When the colonial powers were sent packing in the 1960s, SOCFIN lost several of its plantations, and it was then that it set up its consultancy branch, SOCFINCO.

According to documents we obtained in the World Bank's archives, SOCFINCO was hired by the Bank to oversee the development and implementation of oil palm and rubber plantation projects in several African countries, including Cameroon, Côte d'Ivoire, Gabon, Guinée, Nigeria, and São Tomé and Príncipe. SOCFINCO oversaw the development of blueprints for national oil palm and rubber plantation programmes, helped identify the lands for conversions to industrial plantations, and was paid to manage the plantations and, in some cases, organise the sales of the rubber and palm oil by the state plantation companies established through the programme.

SOCFIN received lucrative management fees through these projects, but, more importantly, the projects positioned the company to both take control of the trade in agri-commodity exports from Africa and to eventually even take over the plantations. It was a huge coup for SOCFIN. As the World Bank projects were operated through parastatal companies (i.e. companies owned or controlled wholly or partly by the government), local communities could be dispossessed from their lands for plantations under the justification of "national development", something that would be much more difficult for a foreign company like SOCFIN to do. Indeed, a condition for World Bank loans was that the governments secure lands for the projects, something made easier by the fact that most of the projects were being implemented by military regimes.

The World Bank projects also allowed SOCFIN to avoid the costs of building the plantations and the associated facilities itself. Under the projects, the African governments paid the bill, via loans from the World Bank and other development banks.

It was not long before the parastatal companies set up by the World Bank were mired in debt. Of course, the Bank blamed the governments for mismanagement, and called for the privatisation of the plantations as a solution-- even if they were being run by the high-priced managers of SOCFINCO and other foreign consultants.

In the privatisation process that then followed, SOCFIN and SIAT, a Belgian company





founded by a SOCFINCO consultant, took over many of the prized plantations. Today, these two companies control a quarter of all the large oil palm plantations in Africa and are significant players in the rubber sector as well.

Nigeria is a good example of how this scheme worked. Between 1974 and the end of the 1980s, SOCFINCO crafted master plans for at least 7 World Bank-backed oil palm projects in 5 different states of Nigeria. Each project involved the creation of a parastatal company that would both take over the state's existing plantations and develop new plantations and palm oil mills as well as large-scale outgrower schemes. Overseeing all of SOCFINCO's work in Nigeria was Pierre Vandebeeck, who would later found the company SIAT.

All of the World Bank projects in Nigeria generated enduring land conflicts with local communities, such as with the Oghareki community in Delta State or the villagers of Egbeda in Rivers State. After dispossessing numerous communities from their lands and incurring huge losses for the Nigerian government, the parastatal companies were then privatised, with the more valuable of the plantation assets eventually ending up in the hands of SOCFIN or Vandebeeck's company SIAT.

SIAT took over the plantations in Bendel state through its subsidiary Presco and then, in 2011, it acquired the Rivers State palm oil company, Risonpalm, through its company SIAT Nigeria Limited. Vandebeek was SOCFINCO's plantation manager for Risonpalm under the World Bank between 1978-1983.

SOCFIN, for its part, took over the oil palm plantations in the Okomu area that were also developed under a World Bank project. It was SOCFINCO that first identified this area for plantation development as part of the appraisal study it was hired to undertake in 1974. The Okomu Oil Palm Company Plc. (OOPC) was subsequently established as a parastatal company in 1976 and 15,580 hectares of land within the Okomu Forest Reserve of Edo State was de-reserved and taken from the local communities to make way for oil palm plantations. The company hired SOCFINCO as the managing agent to oversee its activities from 1976-1990. Reports vary, but at some point between 1986 and 1990, OOPC was then divested to SOCFIN's subsidiary Indufina Luxembourg.

This sordid history explains why so many of SOCFIN and SIAT's subsidiaries in Africa still carry national sounding names, like SOCAPALM in Cameroon or the Ghana Oil Palm Development Company. It also explains why these companies are so well designed to extract profits into the hands of their owners and the crucial role of the World Bank for facilitating this corporate profit-seeking process in the name of "national development". The two French and Belgian families that control SOCFIN pocketed an estimated 30 million euros from SOCFIN in 2019 alone!

GRAIN, www.grain.org



# Why Governments Should Reject Land Commodification Efforts Orchestrated by the World Bank and the United States



Oakland Institute

The COVID-19 virus has for some time eclipsed the escalating climate and environmental crisis facing the world. Alarming rates of deforestation, desertification, environmental degradation, and pollution continue to threaten the biodiversity of our planet as well as the health and livelihoods of billions.

Yet, instead of taking meaningful action, governments, corporations, and international institutions are actually "doubling-down," wanting to exploit more land through a euphemism-based narrative of putting it to "productive use" in the name of economic "progress" and "development." All over the world, governments are pressed to invite international investors to exploit more land and resources for logging, ranching, plantations for oil palm, timber and other crops, as well as mining, oil and gas.

However, an obstacle to this expansion has been the land tenure regimes prevailing in many countries and the rights they provide to the people living on the coveted lands. As much as 65 percent of the world's land area is still stewarded by communities under customary systems. (1) Indigenous people and local communities have been proven to be effective stewards of their land, managed under a variety of communal and collective tenure systems. Traditional Indigenous territories cover 22 percent of the world's land surface, which contain a remarkable 80 percent of the global biodiversity. (2) Many formerly colonized countries have adopted dual systems of land tenure that recognize customary land laws while also establishing that all land is owned by the state. (3) This situation is seen as a constraint for investors and businesses. As put by the World Bank, "undocumented [land] rights pose challenges and risks to investors," (4) and in the case of Africa, the continent is "held back by land ownership confusion." (5)

### **Driving Dispossession**

A recent report by the Oakland Institute entitled *Driving Dispossession: The Global Push to "Unlock the Economic Potential of Land* (6), details the various ways by which governments - willingly or under the pressure of **financial institutions** and so-called **donor countries**-attempt to privatize land and make it available for exploitation. These include land reforms,



changes in laws and regulations, use of new technology for land registration, as well as the removal of safeguards in place to protect Indigenous People and the environment.

Importantly, the report shows that **US interests play a prominent role** in these efforts through a variety of channels. **The Millennium Challenge Corporation** (MCC), a US government entity with the stated mission to "reduce poverty through growth," has a documented history of pushing countries to transfer land from family farmers to investors for industrial agriculture. In Sri Lanka, the MCC compact intends to map and record up to 67 percent of the country to "promote land transactions that could stimulate investment and increase its use as an economic asset."

Like the MCC, and in contradiction with its own research, which has long recognized the value of customary systems, the US development agency (**USAID**) also plays a major role in financing and leading private titling projects worldwide. US corporations are increasingly involved as well, bringing in a technology called "blockchain" as the magic bullet to secure land tenure. Blockchain is a digital ledger that keeps track of transactions with "blocks" of information that store data such as the date, time, amount, and participants of a transaction in a chronological "chain." It is a distributed ledger, which means whenever a transaction occurs, it must be verified by a network of thousands or possibly millions of computers around the world before the transaction can be recorded as a block on the chain. This makes it virtually impossible to alter transactions retroactively. (7)

Proponents of using the blockchain technology for land administration argue that it has the potential to improve the security and transparency of land registries by storing all information on property boundaries and owners in an immutable, online source. However, the application of the technology requires countries to move towards systems of private land ownership, which will require registration and digitalization.

The blockchain-based land titling program in Zambia led by a subsidiary of the US online retailer **Overstock.com** demonstrates how blockchain is actually used to privatize land and access natural resources. Patrick Byrne, the former CEO of Overstock.com made his motivations clear when he said that the goal of the project was to unlock trillions of dollars in global mineral reserves that are inaccessible due to unclear land governance systems. In 2018, Overstock.com signed an agreement with the World Bank to collaborate on similar projects in dozens of other countries but so far the Bank has refused to make this agreement public.

The US has also inordinate financial and political power over international institutions such as the **World Bank** and the **International Monetary Fund** (IMF), both of which promote policies and regulations to privatize the commons for the benefit of the private sector. In Ukraine for instance, the IMF conditioned desperately needed financial support upon the creation of a land market. After years of international pressure, and in the midst of the Covid-19 pandemic, the country adopted a law creating a land market in March 2020 despite the opposition of over 70 percent of the population.

When it comes to seizing and privatizing land in the Global South, the World Bank is a key instrument of the corporate agenda championed by the US, which is the primary donor of the institution.



Funded by the **Bill & Melinda Gates Foundation**, **the US and the UK**, the World Bank's **Enabling the Business of Agriculture (EBA)** program is supposed to support the New Alliance for Food Security and Nutrition, an initiative launched by the **G8** to promote private sector-led agricultural development in Africa.

In 2019, a Oakland Institute report, The Highest Bidder Takes It All: The World Bank's Scheme to Privatize the Commons, denounced the unprecedented, aggressive attack on land rights driven by the project, which promoted large-scale industrial agriculture at the expense of farmers, pastoralists, and Indigenous Peoples. Through the EBA, the Bank recommended that governments formalize private property rights, ease the sale and lease of land for commercial use, systematize the sale of public land by auction to the highest bidder, and improve procedures for expropriation in order to put land it its "best use." It ignored the fact that billions of people live and work on these lands, which are essential for their livelihoods while representing ancestral assets with deep social and cultural significance. Our findings generated outrage around the world and in a major development, the Bank eventually dropped the new land indicator in the 2019 EBA report. Instead, it recognized the importance of customary land rights and announced that safeguards to protect these rights should be "a development priority." (8) The scrap of such indicator is a victory for billions of family farmers, pastoralists, and Indigenous Peoples around the world who rely on their land for their livelihoods, as well as for the 280-plus civil society organizations who have joined the Our Land Our Business campaign to push back against the World Bank.

However, beyond the rhetoric changes, as seen earlier, the Bank's prescriptions on land privatization are still being applied at country level in different forms and the institution continues to finance programs that promote industrial agriculture and undermine customary land rights. In the Democratic Republic of Congo (DRC), the World Bank has for instance financed and guided the disastrous government's plan to establish 22 agro-industrial parks across the country, leading to land grabbing and some US\$100 million of public funds wasted on implemented the first pilot park. (9)

The support to agro-industrial parks is consistent with the development model promoted by the World Bank around the world that encourages growth poles, development corridors and special economic zones as instruments to attract foreign investment. Instead of protecting community rights to land, governments are thus encouraged to operate on the deeply flawed assumption that "development" can only be achieved through granting corporate interests unfettered access to their resources as encouraged by the World Bank and so-called donor countries. The privatization of state and communally held land, done under the guise of "unlocking" land's potential, caters to the needs of corporate interests at the expense of millions of livelihoods. Encouraging the creation of 'land markets,' the Bank can't ignore that within a market system where land is nothing more than a commodity, corporations can price people out, resulting in eviction and dispossession, corporate concentration of land ownership, and environmental degradation.

This development narrative continues to be revived despite the role it has played in driving the current climate and environmental crisis and the millions of livelihoods it has destroyed through displacement and dispossession. The failure of the neoliberal economic model has never been clearer.

This ongoing commodification of land must be confronted with strong action to halt and reverse the privatization of the commons worldwide. Proven alternatives exist, and have

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been implemented successfully all over the world. Indigenous lands and waters represent 80 percent of the world's biodiversity, and there is a growing understanding that local communities and Indigenous are effective stewards of these areas. They stand as the final line of defense against land grabbing and the destructive practices of governments and corporations that convert family farms, grasslands, and forests into monocropped industrial plantations, large ranches, and stripped earth mines.

The myth that secure tenure can only stem from private titles must be demolished. Rather than erasing local governance and negating Indigenous autonomy, governments must instead build systems that incorporate a diversity of ownership and governance systems, and focus on establishing a path that serves the people instead of one that takes the land away from them for the profit of corporations.

### Frederic Mousseau Policy Director, The Oakland Institute

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### Indonesia: REDD+, European Development Funding and the 'Low-Carbon Economy'



A nickel mine in Southeast Sulawesi, Indonesia. Ph: China Dialogue

### This article is also available in Bahasa Indonesia.

REDD+-type projects seem to be of less concern nowadays for grassroots activists in Indonesia compared to 10 years ago. This might be because trading carbon credits from REDD+ projects - one of the main critiques - has not materialized, at least not yet. REDD+ nowadays is mostly 'results-based' (1); and is some result not better than none at all? For activists, REDD+ projects might also sound better than those related to the mining or palm oil industries.

### Development, destruction and REDD+

The fact that development agencies, funds and initiatives pursue *development* seems obvious. But for activists it might be less obvious what development stands for. *Development* inevitably is intertwined with destruction in at least two ways. Firstly, the destruction that accompanies extractive activities, which are justified as the 'price' of *progress*. These provide the materials needed to manufacture products for a modern urbanized *developed* lifestyle. Secondly, *development*'s destruction is linked to the impact on, for example, collective and traditional practices and values, and on traditional systems of ancestral wisdom and knowledge. In essence, *development* means transforming people into consumers of the frequently inaccessible market products of the *developed* world.

These two forms of destruction explain why **REDD+ also fits so well into the** *development* **logic** –whether it is a carbon trade or a 'results-based' mechanism. REDD+ projects have invaded the life spaces of communities and destroyed diverse forms of living with the forest, as well as connected knowledge systems and rituals. By turning the carbon stored in trees into exchangeable units, REDD+ projects restrict communities from accessing their life spaces in order to supposedly 'protect' said units. REDD+ projects try to transform modes of living into so-called 'sustainable livelihoods', promising that community members can become entrepreneurs and access new markets. REDD+ has thus been instrumental in the incursion of *development* into one of the last isolated regions in the world, the tropical forests. (2)



This is because REDD+ is not about tackling the underlying causes of deforestation, such as investment models, debt, macroeconomic policies, global commodity flows and trade relations within a neoliberal globalized economy. Rather, it is a good 'partner' of development. It allows forests to continue being destroyed whenever it is more profitable to extract minerals, metals, timber or establish oil palm plantations, compared to investing in carbon credits. (3) As a result, REDD+, including the development agencies as promoters of REDD+, have rather put their focus on forest-dependent communities as if they were the 'drivers of deforestation'.

The **combination of** *development* and *conservation* is not new in Indonesia. Already in the 1990s, development agencies enthusiastically supported "Integrated Conservation and Development Projects" (ICDPs) in Indonesia. A World Bank report even noted that the possibility to offer "economic development for the rural poor" was among the features making ICDPs "irresistible to (...) development agencies". (4)

After ICDPs proved to be one more failed attempt to conserve forests, development funding in Indonesia jumped enthusiastically onto REDD+ and became its main funding source. (5) REDD+ promised not only to ensure the conservation of forests but also to transform forest conservation into the conservation of carbon units. This possibility benefits corporations and economies in the *developed* world as these units of 'stored carbon' serve as offsets to perpetuate the extraction and use of fossil fuels, which are the bedrock of the *developed* world's financial wealth. It also showcases how *development* is fundamentally about the self-interest of the so-called *developed* world.

However, after almost 15 years, deforestation in all main tropical forest areas is on the rise. What then was the result from all the money related to 'results-based' REDD+ projects, for example in Indonesia? A recent general examination of 15 years of REDD+ considers it a typical example of "policy persistence", that is to say, "the continued economic and political support to a policy in the face of overwhelming evidence that it is failing to achieve its stated objectives." The study concludes that REDD+ has turned into a mechanism with a perspective of "development as usual" and "embedded within the development industry". (6) One result of REDD+ in Indonesia, it could be argued, is the creation of yet another bureaucracy inside the State structure.

Besides, the thousands of pages of the Indonesian REDD+ documentation mention little or nothing about the underlying causes of deforestation. While mentioning "poor spatial planning", "inadequate law enforcement", "land tenure" issues and "ineffective forest management", (7) other much more fundamental causes are simply ignored, including the structural collusion between the State and the private sector. For example, an investigative documentary (8), showed how President Widodo and his family, his Vice-President and other close collaborators are involved in the coal mining business. Moreover, 262 out of 575 parliamentarians in Indonesia (45%) are employee, owner, shareholder or CEO of some of the country's biggest extractive industries and trading companies. The major problem then is not that politicians are lobbied by or take bribes from big business, but that businesses have effectively taken over the apparatus of government.

One symptom of this corporate take-over is the administration of the REDD+ funding within the Indonesia government. This is not the responsibility of the Ministry of Environment and Forests, as one would expect, but instead, of a company, PT SMI, created within the Ministry



of Finance. PT SMI was created by the World Bank, the Asian Development Bank and the Indonesian government in 2009 to be "a catalyst in supporting the acceleration of infrastructure development in Indonesia" (9). Particularly after 2017, SMI's main portfolio around 'green economy' policies became energy and low-carbon energy projects (10). These projects heavily impact forests and forest communities. For example, a new Law on Geothermal energy (11) allows SMI to develop about 60% of Indonesia's geothermal prospects inside so-called 'protected forests'.

Another symptom of the corporate takeover is the increasing militarization of forests, and the intimidation and repression of activists that oppose forest destruction in order to ensure the smooth progress of business over the life spaces of communities on land and sea. Meanwhile, the Indonesian government is making legal changes, some of which benefit the mining sector, while others, the new so-called Omnibus Law in particular, benefit the corporate sector in general. The Omnibus Law has led to major protests, given its weakening of workers rights and environmental regulations. (12)

Also missing in the analysis is the conservation approach, as another important root cause of deforestation. For example, when REDD+ conservation projects lead to eviction of people from their land –to supposedly protect 'carbon-rich' forests, – and who then have to find somewhere else to live. On top of this, areas for 'nature conservation' are usually State-owned, which means that the State can at any time lease such areas for industrial activities. Indonesia has a vast record of allowing mining in protected areas. (13) Besides, 'sustainable logging', another component of REDD+, also shows how REDD+ can be a driver of deforestation, as will be explained in the next section.

### What the REDD+ development funding omits

**Norway is Indonesia's main REDD+ funder**. When Norway launched its REDD+ strategy in 2007, the Minister of Petroleum and Energy, Aslaug Haga, was present. (14) Norway's impressive US\$1 billion pledge – of which recently US\$ 55 million has been paid out - to the Indonesian government for 'results-based' REDD+ was made via the Oil Fund. This is a pension fund based on the profits of **Equinor**, Norway's state oil company, which has accumulated assets of more than US\$1 trillion (15). It makes the US\$1 billion promised to Indonesia a lot less impressive.

What Norway's REDD+ documentation omits is that Equinor continues to extract oil. The company opened its Indonesian office in Jakarta in 2007, the same year that REDD+ took off internationally at the UN climate talks in Bali. Equinor's focus in Indonesia is on offshore exploration. It has drilled seven wells, three of which have since entered into operation. Currently its activities are focused on the Aru Basin in West Papua which it plans to expand. (16) According to Equinor, 2019 was a year of "record high production", US\$ 13.5 billion in profits, and the company has plans to explore new extraction fields in the coming years (17).

While Indonesia is front page news at times because of its terrible forest fires, no similar commotion is created about the daily impacts of Equinor's massive oil and gas extraction, or the resulting emissions. Now the company intends to support REDD+ by fostering voluntary markets and trying to put together what they call a 'robust' carbon market – an easy way to avoid taking any responsibility for its own emissions. (18)



In August 2020, an Indonesian 'results-based' REDD+ development project of US\$103.8 million was approved by **the Green Climate Fund (GCF)**. As in the case of Norway, the GCF contribution is also 'results-based'. But the 'results' are derived from a game involving the "skilful manufacture of calculations that will result in an outcome that is favourable to the respective country". This is what more than 80 organisations communicated to GCF Board members, adding that such funding is shameful in times of increasing deforestation in Indonesia. (19) As well as resulting in more money for its own REDD+ bureaucracy, the Indonesian government claims that it will also invest the GCF money in "community livelihoods" and "sustainability".

The focus on "providing sustainable livelihoods" to forest-dependent communities, as GCF's deputy director, Juan Chang, stated, not only expands neo-colonial interventions over forest territories, but also takes the focus away from the real culprits of deforestation. Chang also said that REDD+ should be "a transition toward resilient and low-emissions development" (20). But what has 'low-emissions development' to do with REDD+?

### Low-carbon economy in Europe: More deforestation in Indonesia

From the beginning, a main concern of **Germany, another major donor to REDD+** in Indonesia that focused on three districts in Kalimantan, has been "to promote an understanding of the role that forests play in a *green economy*" (21), said term being just another way of referring to a *low carbon* economy or *low emissions development*.

In its attempt "to promote" such an understanding of *low emissions development*, the German government claims with its REDD+ funding this is about "integrating local people into sustainable forest management" (SFM), and that "private forestry enterprises receive support for certification". Legal logging through SFM is an often overlooked but important component of the REDD+ concept, and is seen as one way to combine conservation with *development*. It is also a key component in the bright new concept that REDD+ has recently become part of: **Nature-Based Solutions (NBS)**. At the last UN climate conference in Madrid in 2019, during a seminar on NBS, Peter Ellis from **The Nature Conservancy** claimed that logging could be part of such 'solutions', while the improvement of 'reduced impact logging' can be achieved without undercutting timber production. (22)

While the analysts of REDD+ programs admit that logging is an important driver of deforestation, they also claim that in order to keep forests standing, the point is not to stop logging but rather make it 'legal', 'sustainable' and 'community-based'. However, there is growing evidence of SFM's destructive impacts on forests and the involvement of organised crime in 'sustainable' and FSC certified legal logging schemes (23). Instead of boycotting tropical timber, FSC has created and tries to increase recent market demand for 'sustainable' timber.

By far the biggest demand for 'sustainable' tropical timber comes from Europe. The international technical tropical timber association (ATIBT) argues that "there is significant scope for increasing the market share of verified sustainable tropical timber", which translates into increased logging. Germany, the country that hosts the FSC international secretariat, purchases 32.5% of 'sustainable' tropical timber (24). In 2008, Indonesia was the third biggest exporter of 'sustainable' timber to the EU. (25)



The **European Union**, for its part, intends to lead global efforts towards a low-carbon economy. During her 2020 "State of the European Union" address, and in reference to the economic impacts of the Covid-19 pandemic, EU President von der Leyen announced that the 2030 target for [carbon] emissions reduction would be increased from 40% to at least 55%. She also announced the creation of "1 million electric charging points" and that Europe would become "the first climate neutral continent". The transition to a 'green economy' is apparently an integral part of how the EU plans to foster economic recovery post-pandemic. (26)

Nevertheless, Europe's ambitions will require more minerals, metals and rare metals to produce the batteries, electric cars, charging points, wind turbines, solar panels, geo-thermal energy, and so on. While China has most of the known world reserves of rare metals, Indonesia is among those countries with the most valuable deposits; consequently, a run on minerals and metals in the latter country is expected in the coming years. Indonesia is also known to have the biggest geothermal energy potential in the world. These new markets, worth billions of dollars in 'green energy' resources, will lead to increasing and huge pressure on Indonesia's forests, waterscapes, arable land and forest-dependant and peasant communities. (27)

The biggest REDD+ funder worldwide, Norway, is the country that proportionally has the most electric cars in the world: one out of two new cars purchased in Norway is electric. Thus while Equinor continues oil extraction elsewhere, in Norway all new cars sold by 2025 must have "zero emissions". (28)

Besides approving REDD+ money for Indonesia, the Green Climate Fund also approved a 10-year project in 2018 to the Indonesian government - through PT SMI -, to scale up geothermal energy. (29) The German government, alongside its UK counterpart, has given technical assistance to the Indonesian government to elaborate its "*low-carbon development* route" of which geothermal energy is a fundamental pillar. (30) Through the country's **KfW development bank** – one of the main REDD+ funders worldwide -, Germany has invested US\$ 2.3 billion in geothermal energy in Indonesia (31). According to a KfW spokesperson, "potential business opportunities also exist for German companies". (32)

In Indonesia, geothermal mining has encroached on people's life spaces and invaded protected areas. According to a villager facing a project of geothermal energy: "If our land, water sources, air and livelihoods are being destroyed by geothermal exploration and exploitation, how can this energy be called 'clean'? 'Clean' for whom?" (33)

### Final remarks

Nowadays, especially European development agencies, initiatives and funds are pushing for an agenda towards what they call a 'clean', 'green', 'low-carbon' *development*, without giving up on where their financial wealth is built on: the extraction and burning of fossil fuels. REDD+ is an essential, not less dangerous, part of that agenda, especially in the way it is being used by the governments of Norway and Germany, in tandem with the Indonesian government, as a smokescreen to portray themselves as saviours of the climate, the forests and their people.

Moreover, the Indonesian government is currently using REDD+ as one of their main arguments to counter the critiques on the Omnibus Law. In reply to a letter of 36 international



investors criticizing the Law, due to the expected increase in deforestation if it comes into effect, the Indonesian Minister of Environment, wrote that the fact that the GCF and Norway approved REDD+ 'results-based' payments "reflects its [Indonesia's] success in reducing deforestation and forest degradation, as assessed by an independent team appointed by the GCF and Norway". (34) 'Independent' for whom?

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### This article is also available in Bahasa Indonesia.

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- (2) By refusing contact with the outside world, the approximately one hundred groups of isolated indigenous peoples in the Amazon, are probably the last to resist becoming part of the *developed* world.
- (3) REDD-Monitor, Guest Post: Forests, carbon markets, and capitalism. How deforestation in Indonesia became a geo-political hornet's nest, 2020, <a href="https://redd-monitor.org/2020/08/21/guest-post-forests-carbon-markets-and-capitalism-how-deforestation-in-indonesia-became-a-geo-political-hornets-nest/">https://redd-monitor.org/2020/08/21/guest-post-forests-carbon-markets-and-capitalism-how-deforestation-in-indonesia-became-a-geo-political-hornets-nest/</a>
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- (5) REDD-Monitor, Why REDD's not dead, despite its "dismal track-record", 2020, <a href="https://redd-monitor.org/2020/05/21/why-redds-not-dead-despite-its-dismal-track-record/">https://redd-monitor.org/2020/05/21/why-redds-not-dead-despite-its-dismal-track-record/</a>
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- (7) CIFOR and ICEL, The context of REDD+ in Indonesia. Drivers, agents and institutions, 2012, <a href="https://www.cifor.org/publications/pdf\_files/WPapers/WP92Resosudarmo.pdf">https://www.cifor.org/publications/pdf\_files/WPapers/WP92Resosudarmo.pdf</a>
- (8) Sexy Killers, documentary. <a href="https://www.youtube.com/watch?v=qlB7vg4l-To">https://www.youtube.com/watch?v=qlB7vg4l-To</a>
- (9) The World Bank, PT SMI Supports Sustainable Development by Issuing the First Corporate Green Bond in Indonesia, 2018, <a href="https://www.worldbank.org/en/news/opinion/2018/07/09/pt-smi-supports-sustainable-development-by-issuing-the-first-green-bond-in-indonesia#:~:text=%E2%80%9CPT%20SMI%E2%80%9D)-,PT%20Sarana%20Multi%20Infrastruktur%20(Persero)%20(%22PT%20SMI%22,of%20infrastructure%20development%20in%20Indonesia</a>
- (10) For example, PT SMI signed an agreement with the Green Climate Fund that technically allows SMI to raise funds on behalf of the 'green infrastructure' investors, including 14 strategic partners in particular, and also development agencies: World Bank Group, UNDP, Swiss State secretariat for Economic Affairs, New Zealand Aid Programme, KfW (German Development Bank), GEF (Environmental Global Fund), Green Climate Fund, CTF (Clean Technology Fund), CPI (Climate Policy Initiative), CDIA (Cities Development Initiative for Asia), CICERO (World Bank Group), AIIB (Asian Infrastructure Investment Bank), AFD (Agence Française de Developpement), ADB (Asian Development Bank). See also about the World Bank's involvement in geothermal energy in Indonesia, here. <a href="https://www.thinkgeoenergy.com/world-bank-esmap-event-five-years-of-the-global-geothermal-development-plan/">https://www.thinkgeoenergy.com/world-bank-esmap-event-five-years-of-the-global-geothermal-development-plan/</a>
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- (12) WRM Bulletin 250, Indonesia: How the Pandemic Strengthens Immunity for Mining Corporate-Oligarchy and Paves the Way to a New Dictatorship, 2020 <a href="https://wrm.org.uy/articles-from-the-wrm-bulletin/section1/indonesia-how-the-pandemic-strengthens-immunity-for-mining-corporate-oligarchy-and-paves-the-way-to-a-new-dictatorship/">https://wrm.org.uy/articles-from-the-wrm-bulletin/section1/indonesia-how-the-pandemic-strengthens-immunity-for-mining-corporate-oligarchy-and-paves-the-way-to-a-new-dictatorship/</a>
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### European Development Bank Involvement into Congolese Palm Oil Company Perpetuates Racism of Colonial-Era Land Grab



Village of Bokala-wamba, within the Lokutu oil palm plantation concession area of the ex-Feronia company, in Tshopo Province, in DRC.

Throughout European colonization of the African continent, a brutal monoculture plantation system was used to take over local people's oil palm groves and destroy large areas of forests to set up industrial plantations. One of the biggest beneficiaries of this brutality in the Congo Basin was the British businessman Lord Leverhulme, who was awarded a massive one-million-hectare land concession by the Belgian colonial administration in 1911. To extract palm oil fruits from the land in the Congo for his soap factories in the UK, Leverhulme's company relied on forced labour and violent repression. The company he set up in the Congo exists to this day, under the name Plantations et Huileries du Congo (PHC). Until 2009, PHC was owned by the multinational food corporation Unilever. In his book, the Belgian historian David van Reybrouck notes that for a company which "began as a maker of soap on an industrial scale to become the multinational Unilever, it owes that in part to Congo". (1)

Since 2011, PHC has received around US\$ 200 million in funding from European development banks, either directly or through the Canadian company Feronia Inc., which bought the PHC operations in 2009 from Unilever. Unilever's name still points to the British co-founders of the multinational: Lord Leverhulme's British soap company Lever Brothers. Currently, PHC holds concession contracts covering 107, 000 hectares of land in three provinces in the Democratic Republic of Congo (DRC), which was part of this massive colonial land grab.

In June 2020 Feronia Inc. declared bankruptcy. The restructuring of the company and the renegotiation of the Feronia-PHC debt obligations that followed, presented a unique opportunity for the European development banks to start to make amends for this colonial injustice. They were not interested. Seemingly, no effort was made to discuss with the communities and the DRC government - as both 20 per cent owner of PHC and issuer of the concession contracts - how the restructuring process could be used to return the land and decisions over its use back to the communities.

Communities living within the concessions claimed by PHC have long sought to regain control over their lands and have called for negotiations with the company, development banks and government authorities to determine the conditions under which the company may



be allowed to continue to operate. They have issued multiple letters, memos and declarations that have been addressed to or have been sent to government authorities, company representatives and the development banks financing Feronia and PHC.

In November 2018, the community support organisation RIAO-RDC (Réseau d'Information et d'Appui aux ONG en République Démogratique du Congo) filed a complaint on behalf of communities living at two of the PHC plantation sites with the Independent Complaint Mechanism (ICM) of the German, Dutch and French development banks which are all funding Feronia-PHC. (2) On 7 January 2019, the complaint was declared admissible. The complaint cites a number of reasons for why the concession contracts are invalid. These include that communities never gave consent to the conversion of their ancestral forests to industrial oil palm plantations and that the concession contracts contain errors that make them null and void. An annex to the December 2015 credit agreement between PHC and the development banks even lists several concession contracts as "not yet valid".

Instead of honouring the community demands, and combining the restructuring negotiations that followed Feronia's bankruptcy with the pending ICM mediation, the banks handed the concession rights of the PHC plantations and mills over to an obscure private equity company called KKM, based in Mauritius. The British development bank, CDC Group, is said to have accepted losses of more than US\$ 50 million in the process. CDC Group held 41 per cent of Feronia's shares when the company declared bankruptcy in June 2020. The Dutch, German and Belgian development banks (3) hold a portion of the PHC concession titles as securities for the US\$ 49 million loan they gave to PHC in 2015, and which the company has yet to repay. They are said to be willing to write off 50 per cent of their outstanding US\$ 49 million loan immediately. They may cancel another 30 per cent if the new owner implements an action plan to renovate workers' houses, and build schools, health posts and water bore holes – obligations which were already part of an action plan the same banks negotiated with the company when they approved the loan in 2015 – and that Feronia-PHC has failed to fulfil for years.

Thus, in a context where the European development banks were well aware of the community demands for restitution of their lands (4); of the continued exploitative labour conditions on the company's oil palm plantations despite injection of millions of dollars over years (5); of the (deadly) violent tensions and arbitrary arrests of villagers at the plantation sites (6), and when they held close to half of the rights to the PHC mills and concession contracts and owned most of the debt of Feronia-PHC, the so-called development banks still did not seek to engage communities and the DRC government in exploring how to start putting an end to this injustice dating back to a colonial-era land grab. They preferred to hand the refurbished industrial plantations and mills over to another private company based in Mauritius.

This neoliberal dogmatism, where ideology narrows down the horizon of development banks' understanding of 'private sector' so much that the option of investing in community-controlled enterprises does not seem to exist. It's this dogmatism that keeps the communities in and around the PHC plantations in poverty, forced to toil as day labourers on their ancestral land and exposed to regular harassment and violence from the company's security guards. Did the banks even explore how to 'unlock' the benefits of a 'development path' based on community-driven management and restoration of these industrial monoculture oil palm plantations and autonomy based on control over their ancestral land? How much potential such alternative paths hold for the communities is already evident in the experience of



several communities at the PHC plantation site Lokutu. In early 2020, communities took over some 300 hectares of plantation that had been abandoned after Feronia's bankruptcy and started their own palm oil processing. They have regained an autonomy and income levels never seen while they toiled as day labourers under slave-like conditions on the PHC plantations. "We are happy to finally have access to lands that we have be kept out of for so long," says Mr. EBAMBOLA, the crisis plant manager. "With access to these lands, we are able to resume our palm oil production, which was violently interrupted with colonisation. Since the beginning of the week, I alone have sold 15 drums of oil, which gives me 300 thousand Congolese Francs (US\$150) in profit. That's seven times what you could earn working extremely hard for the company for a whole month." (7)

The decision by the European development banks to ignore community requests for respect to their customary rights to the land also lays bare the kind of racism that Larry Lohmann describes in a 2016 article for the 223 WRM bulletin (8). Lohmann explains that "Feronia's precarious business could not be sustained if it did not occupy forest lands that were stolen from communities along the Congo River under Belgian colonial occupation between 1908 and 1960. Given the persistent legacy of malnutrition and dependence on poverty wages that continues to affect local people, isn't it racist for CDC to claim that it is only trying to "improve a situation" that it has "inherited", has no responsibility for, and can do nothing about?"

Abuses and injustices are an inseparable part of this industrial plantation model. On the PHC plantations, this included community reports of a Belgian manager of the Boteka plantation site who is said to have reinstated public whippings of villagers who stood accused of stealing palm nuts from the Feronia-PHC plantations. Villagers have been terrified of reporting the incidents, the impunity enjoyed by the suspect murderer of Joël Imbangola Lunea, a RIAO-RDC member who was killed in 2019 by a Feronia-PHC security guard, having returned to their village and terrorizing witnesses still fresh in their minds. (9)

Clearly, the bankruptcy of Feronia Inc. was a situation where the development banks could have done a lot to owe up to their countries' colonial legacy in the Congo. They chose not to. Instead, they uphold the brutal plantation concession model and claim the exploitation inherent in this model will bring 'development'. It is as if the well-documented horrors of this colonial plantation system do not exist. As long as development banks keep funding this colonial model of development, they continue to be accomplices in the perpetration of violence and racism in the global South that this development model stands for.

As a woman member of RIAO-DRC said in 2018 in an interview with WRM, "Women are getting ready to reclaim their land, to cultivate as their grandmothers did before the company arrived and took away their land. They want to grow food again, they want to be able to fish again in the streams and rivers near their villages. They want to go back to producing palm oil themselves, like their grandmothers did. And not just palm oil. Oil palms provide many other products that women used to prepare. Producing palm oil is an ancient tradition for women in this part of the world. They want to be able to make a living where they live, not be forced to leave their villages to buy things outside and resell them in their villages because that is the only meagre income they can generate. They want to work in their villages, cultivate their fields and palm groves, collect their traditional food in the forest." (10)

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#### World Rainforest Movement



A collection of news articles, reports and community statements against the ongoing colonialera land grab by Plantations et Huileries du Congo is available at https://www.farmlandgrab.org/cat/show/511

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### The African Development Bank and the Tree Plantations Industry



"Plantations are not forests", members of communities from Zambezia province, in Mozambique.

In June 2019, the report "Towards Large-Scale Commercial Investment in African Forestry," (1) made a call to development-funding agencies, mainly from Europe, and the World Bank, to provide aid money to a new Fund for financing 100,000 hectares of (new) industrial tree plantations, to support the potential development of 500,000 hectares, in Eastern and Southern Africa. This money, according to the report, would be crucial for private investors to generate profits from the plantations. The new Fund would be headquartered in the tax haven of Mauritius.

The African Development Bank (AfDB) and WWF Kenya produced this report with funding from the World Bank's Climate Investment Funds. The purpose of the report is to assist the AfDB "in evaluating and designing alternative private funding models for commercial forestry in Africa with a view to ultimately establishing, or aiding the establishment of, a specialized investment vehicle for commercial forestry plantations." The report declares that the development agencies from Finland, Sweden, Norway, Denmark, Iceland, the United Kingdom and The Netherlands are interested.

Essentially, the report is a praise to industrial monoculture plantations. It repeats, without providing any evidence, most of the deceiving arguments that plantations companies use in their propagandas to cover up the impacts of this devastating industry. The report's focus is on outlining the possible financial instruments that would attract companies to this region and make their investments most profitable.

The report identifies "readily available projects with the potential to establish almost 500,000 ha of *new forest* (sic) on about 1 million ha of landscape, not including areas that existing companies and developers are already planning to use for own expansion. It also excludes early stage or speculative projects." (*italics added*) In particular, the report identifies "viable plantation land" in ten countries: Angola, Republic of Congo, Ghana, Mozambique, Malawi, South Sudan, Tanzania, Uganda, Zambia and Zimbabwe.



The report further affirms that "Africa may be positioned to have the most profitable afforestation potential worldwide." And, then, it goes into explaining the possible investment schemes that can make profit-oriented business and afforestation objectives (from climate or voluntary targets) to be aligned and, thus, generate more profits for shareholders.

None of the pages in the report mention, however, not even indirectly, the overwhelming amount of information that evidences the many negative impacts that industrial plantations cause to communities and their environments. The report's authors chose to ignore plantations companies' destruction of forests and savannahs; erosion of soils; contamination and dry-up of water sources; overall violence inflicted on communities which include restriction of movement, criminalization when resistance emerges, abuse, harassment and sexual violence in particular to women and girls; destruction of livelihoods and food sovereignty; destruction of cultural, spiritual and social fabrics within and among neighbouring communities; few precarious and hazardous jobs; unfulfilled "social" projects or promises made to communities; destruction of ways of living; rise in HIV/AIDS; and the list goes on.

In front of this, on September 21, 2020, the International Day of Struggle against Monoculture Plantations, 121 organisations from 47 countries and 730 members from different rural communities in Mozambique that are facing industrial tree plantations, disseminated an open letter to demand the immediate abandonment of any and every afforestation programme based on large-scale monoculture plantations. (2)

The report, nonetheless, brags about having used a "sector-wide consultation exercise." For the authors, *the sector* includes "industry participants ranging from investors, industrial players, and Non-Governmental Organizations (NGOs) through to forestry fund managers (...) To further enrich and triangulate inputs to the study, the team also participated in three forestry industry events and consulted with a broad range of personal contacts in the sector." The report also mentions consultations made to Development Finance Institutions and agencies as well as oil and other industrial companies. It is clear however how communities living in or around the almost 500,000 hectares of land identified to be transformed into industrial monocultures, are not considered part of *the sector*. Nor were considered the many communities and groups that have been resisting for decades the plantations in the countries the report use as examples: Tanzania, Mozambique, Ghana and Brazil. (3)

The report further sustains that the NGO Conservation International confirmed "that it sees potential in associating large global businesses with the forestry sector." It further mentions WWF and The Nature Conservancy – namely, the same category of NGOs mainly concerned on promoting programs and policies that are aligned with corporate interests as an easy way to keep their funding, projects and investments.

The purely financial focus of this report, with an eye on how to make most profits, should not come as a surprise though. It was prepared by a company called Acacia Sustainable Business Advisors (4), which was set up by Martin Poulsen, a development banker active in rising private Equity Funds particularly in Africa. Equity Funds try to offer big returns by spreading investments across companies from different sectors. (5) One co-author of the report was Mads Asprem, the ex-director of Green Resources, a Norwegian industrial tree plantation and carbon offsets company. Green Resources' tree plantations in Mozambique, Tanzania, and Uganda have resulted in land grabs, evictions, loss of livelihoods and increased hunger for local communities. (6)



The report also shows the possible responses that investors could have to potential "barriers". One "structural barrier" identified is called "stakeholder relations," a very vague concept that seems to be related to possible conflicts with communities living in or around the plantation projects. The term "conflicts" however is not mentioned once in the whole report. The recommended response to this "barrier" is to "Use AfDB or other MDB [Multilateral Development Bank] "honest broker" profile to convene stakeholders." So it seems that the strategy is to use *development* banks to make communities believe that the project has the intention of improving (*developing*) people's lives. Another "structural barrier" identified in the report is "land tenure challenges," to which the recommended response is to "Follow FSC and other best practices." This, of course, is recommended despite the vast amount of information that shows how, in practice, FSC certifies as "sustainable" industrial tree plantations that destroy peoples' livelihoods.

### When the climate and development agendas blend for profit

It is relevant to underline how the report makes use of the Sustainable Development Goals (SDG) and the need for climate change mitigation and adaptation in the African region to promote the further expansion of industrial plantations. It goes as far as to conclude that "Channelling financial resources to such efforts [afforestation in the framework of the SDGs] is within the mandate of international development organizations and special climate funds."

The report also states that "preliminary interviews yielded information that some oil companies are already forming alliances with sustainable forestry investment companies." This despite the fact that oil and gas companies are a fundamental driver of climate change, which would undermine any possible positive outcome for the climate. Besides, these 'alliances' also give these companies an easy way out of any responsibility for their business operations. This is clearly exemplified with the announcement of oil giant companies, such as Italian ENI and Anglo-Dutch Shell, to invest in mega tree plantation projects to supposedly "compensate" their mega levels of pollution they provoke. These two companies are responsible for environmental disasters and crimes as a result of their fossil fuel activities in many places across the globe. (7)

The African Development Bank is complicit in this strategy. While the Bank finances this report encouraging the expansion of industrial plantations in Africa as a climate solution, it finances in Mozambique a new gas extraction mega-project in the Cabo Delgado province, undertaken by a consortium of companies including ENI.

This report is one more proof of how investments from profit-seeking corporations are put in front of the social well being of people in the name of *development* and now also of addressing *climate change*. There is no "unused" or "degraded" land available at the scale proposed, which means countless people in Africa will be directly and indirectly affected if this expansion plan materialise.

Another relevant omission of the report is how it bluntly assumes that the current scarcity of investment in large-scale tree plantations in this African region is due to the few investment opportunities available. However, the communities and groups on the ground organizing almost on a daily basis to oppose the seizing of their lands and lives by these plantations companies, have clear that their resistance has been successful to halt the expansion of these plantations in many places. And as the open letter launched on September 21<sup>st</sup> said,





communities around the world "will certainly resist this new and insane expansion plan proposed in the AfDB and WWF-Kenya."

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### "It has Always been the same": Cooperation that does not Cooperate



Mural in the city of Pisco, Peru.

The experience that motivated writing this article took place in the city of Pisco, Peru, where a devastating earthquake left almost half a million people seriously affected. But this province has experienced many violent interventions throughout its history, from the plantations imposed during the Spanish conquest, which demanded slave labor, to the mega-port that currently exports minerals and gas—most of which is extracted in the context of community conflict and dispossession, in the mountains and forests of Peru.

One day, while I was visiting a group of women who have organized in an Afro-Peruvian community, an army truck arrived. Inside it was the wife of the commander assigned to the area. From the truck, she threw donated clothes to people waiting for her to pass by.

The women managed to get some clothes and shoes out of this donation. Doña Felicia, the president of the community, had "fished out" some size S pantyhose and small heels. During the meeting break, she stretched them out, looked at them, and with a crack of a smile, commented: "I thought they might give us some boots and clothes in our size. It's not that I'm ungrateful, but these pantyhose don't fit me, and the heels won't work here in the field." Ultimately, she left the clothes in a corner and we continued with our meeting. That scene made me reflect on many aspects of external *aid*; on the true interests of *development cooperation*, and on whether, ultimately, it is nothing more than a bid for neocolonialism in disputed territories.

### A bit of history

Development cooperation emerged as a new arena after the Second World War. Development aid was institutionalized in the 1950s and 1960s, and self-styled developed countries began to include it as a stable component of their foreign policy. Gradually, the concept of development aid evolved to become development cooperation. By the late 1960s, the economic crisis (which has been with us ever since) could be glimpsed, and declarations about justice and the need for cooperation were part of the governing principles set forth in world economic relations.



There was an attempt at that time to radicalize the concept of people's right to *development*. However, *development cooperation* continued to favor monetarist and free-market policies, which increased inequality between the North and the South.

Paradoxically, the amount of funds channeled to Non-Governmental Development Organizations (NGDOs) has been increasing significantly since the 1970s. Initially, this was done to channel direct aid to territories where NGDOs had coverage, and where they escaped government control in their countries (in many cases, with dictatorial governments). Later, from the 1980s to 2000, NGDOs helped finance projects that governments were unable to finance, due to neoliberal policies imposed by the World Bank and International Monetary Fund. Currently, financing for Latin America and the Caribbean is focused on disputed territories; that is, in territories where there are proposals to initiate or expand industrial operations and/or their associated infrastructure.

### Donors and stakeholders

Despite proclaiming an ideology of respect and non-intervention in territories, *development cooperation agencies* have formulated their own objectives—determining, in fact, what is done with their money in our countries. Starting in the 1960s, some *cooperation* programs also began to incorporate strategies and projects with a "focus on gender," with the alleged purpose of eliminating discrimination against women; and since the mid-1990s, there has been talk of eliminating gender inequality.

But despite the fact that incorporating a "focus on gender" was in response to feminist and women's movements around the world, for the most part, this "focus" has actually ended up legitimizing industrial operations and interventions in community territories. Frequently, this "focus" is added to project documents so that the *cooperation* agency gains legitimacy and acceptance. In many cases, it takes advantage of the extremely vulnerable situations in which women find themselves, so that they will accept financing or *aid* that does not actually align with their struggles, beliefs or real needs.

So, where does the money for *development cooperation* come from?

First of all, there are the cooperation NGODs, with a wide variety of contributors, including the following: churches, lay solidarity groups, political parties, unions, companies, etc. These contributors channel resources from various sources: government aid, intergovernmental aid, public collections, and their own funds.

Cooperation agencies in Northern countries are a second modality. These agencies primarily manage government funds, which follow strategic objectives defined by each Congress or Parliament according to their priorities and foreign policy. These objectives are aligned with the United Nations' Agenda, which has articulated 17 Sustainable Development Goals to meet by 2030. Incidentally, these goals are also aligned with free-market interests, "green" capitalism and the foreign policies of countries in the North.

However, another important source of funding for the *agencies* are funds from the business sector (banking, contractor companies, public-private partnerships, for-profit foundations or corporations). Countries in the North are increasingly trying to get companies to invest—according to these countries' policies and interests—in territories primarily in the South. In



this way, *cooperation* actually acts as a straitjacket to strengthen the *status quo* of globalized liberalism.

So, why doesn't *development cooperation* actually aid in matters that truly concern communities?

### When interests are not aligned

Let's think about this: Doña Felicia wanted good rubber boots and thick socks for the field; that is, clothing that would be useful for her reality. The *aid* received did not respond to a real need.

Likewise, extractive activities are generally proclaimed to promote *development* for communities, but they systematically ignore the real needs and tireless struggles of people saying NO to impositions and predatory extractive activities. Communities have other needs and priorities, which are very alien to *donor* countries' and their corporate financiers' foreign policies.

In the same way, *cooperation* programs and projects aimed specifically at women almost never take into account women's real needs and interests, much less women's processes, reflections and struggles in the places where they supposedly provide *aid*. One could say that many *cooperation* programs with a "gender focus" even end up co-opting women's political agendas, by prioritizing discussions, interests and practices that are imposed from the outside.

Interests clearly do not line up. While *Cooperation Agencies* (with government and business funding) are quite interested in facilitating the ongoing intervention of large-scale projects in territories and river basins, communities risk their lives to defend these same territories. It is necessary to clarify that the funding comes with conditions. Governments grant companies impunity and flexibility on environmental and labor regulations in the places where they operate, causing more conflict and dispossession for communities.

### Doña Felicia knows what to do

After the meeting in the community in Pisco, I reflected with Doña Felicia about what had happened. We gradually reached the conclusion that it has always been the same. Many foreigners believe that they have the solution to communities' problems, and they impose their external measures and interfere in communities' lives and customs, under the pretext of wanting to improve them.

"These people never know what our needs are," she told me, disappointed. "It has always been the same," she continued. "Authorities and people from cities think that because we are poor, we don't know what we need. At any rate, we always start over with what we have," she told me, lost in thought.

She also added: "Listen friend, we [women] here in the community have organized as a result of the earthquake; we are rebuilding our homes little by little; we are overcoming the pain of our loss, and we know that we must go on. That is fate. Our community is very united; you will see how we will soon celebrate life again...because, you know, it is enough to have



pure water, our farms, our healthy children. We have enough if we have our arms and legs to work. We do not need anything more."

Indeed, Doña Felicia is right: We [the women] and the communities do not need development agencies to tell us what our priorities are, what we should defend and what not, what is right and what is wrong, or what the limit is between economic growth and our true development.

Development cooperation is often a wolf in sheep's clothing, eager to enter territories in order to devour them. And in this context, it is urgent that we protect those who are defending life and their territories, because they are stigmatized, criminalized, harassed, threatened or killed with total impunity on a daily basis. As the ancestors of *Abya Yala* prophetically declared, this is "The Empire of Greed."

Nancy Fuentes León

Latin American Network of Women Defenders of Social and Environmental Rights

### RECOMMENDED

### **Unraveling Concepts tied to Development**

Development discourse is intertwined with an array of concepts. It is impossible to talk about development without thinking about other ideas, such as growth or poverty. However development, being a discourse that cross-cuts the vast majority of economic and interventionist policies in territories—which many articles in this bulletin reflect upon,—is also intertwined with other concepts such as racism, rights and alternatives. That is why we bring previous bulletins to your attention, so that they can help unravel some of these concepts. We hope they are useful!

- \* Bulletin 209, December 2014, Some reflections on the "alternatives" debate https://wrm.org.uv/bulletins/issue-209/
- \* Bulletin 223, April 2016, **Racism** in forests: A process of oppression that serves capital https://wrm.org.uy/bulletins/issue-223/
- \* Bulletin 234, November 2017, Traps, dilemmas and contradictions surrounding discourse on **rights** in forests

https://wrm.org.uy/bulletins/issue-234/

- \* Bulletin 236, March 2018, **Women**, tree plantations and violence: Building resistance https://wrm.org.uy/bulletins/issue-236/
- \* Bulletin 247, December 2019, **Concepts** that kill forests <a href="https://wrm.org.uy/bulletins/issue-247/">https://wrm.org.uy/bulletins/issue-247/</a>

Likewise, there are many resources that deepen the critique of this concept of *development*, which has become a cross-cutting issue. We recommend the websites of The Corner House organization (in English)

http://www.thecornerhouse.org.uk/, Focus on the Global South (in English) https://focusweb.org/, and GRAIN (mostly in Spanish, English and French) https://www.grain.org/

### "They should not be called public development banks"

A sign-on statement denounces public development banks for financing companies and private projects that heavily impact communities, their food sovereignty and territories. From



9-12 November 2020, 450 finance institutions gathered for the first international meeting of public development banks, dubbed the "Finance in Common" summit, hosted by the French government. These institutions collectively spend \$2 trillion a year on so-called development projects - roads, power plants, agribusiness plantations and more - claiming that these corporate projects drive growth and jobs. Much of this spending is financed by people's labour and taxes, which is why the banks called themselves *public*. But as the petition states, "public development banks are disconnected from any sense of what "public" means and any argument about what "development" should look like". Read and disseminate the statement in English, French or Spanish here:

https://docs.google.com/forms/d/e/1FAIpQLSeYNLk3pA9cWdx1jue1fJCAL0g4zkGqfBU5j5M Bd5 xqA3MIA/viewform

### **Stolen Land Reclaimed in Argentina**

The organization, Independent Producers of Piray, in Argentina, organized to stop the Alto Paraná company and the monoculture of pine trees. The Alto Paraná company was acquired in 1996 by multinational pulp company, Arauco. The peasant women and men resisted and achieved something rarely seen: expropriation of lands from the multinational company. The organization also produces food for food sovereignty. Read the article in Tierra Viva, the novel news service agency focused on the peasant and indigenous sectors in Argentina. (in Spanish)

https://agenciatierraviva.com.ar/despiertan-tierras-dormidas/?fbclid=lwAR28yazsDcfG8CXQhtjF5goCxhkc 4IUT3J 9IbHlgnNQ498vdEjCdg9t8

### "Transform the System"

The last bulletin related to the global pandemic from the organization Focus on the Global South encompasses seven articles that pose the question on how and if strategic economic transformations might emerge in this context. Read it in English here.

https://mailchi.mp/95c403447f50/covid-bulletin-06-transform-the-system?e=0e5483a4a5

### The Suspension of UPM's Works is Requested until the Environmental Requirements of their Authorization are Met

Members of MOVUS (Movement for a Sustainable Uruguay) denounced before the courts that UPM pulp company failed to comply the environmental conditions under which the installation of its new pulp mill in the department of Durazno, Uruguay, was authorized. They request the suspension of the works in progress until these requirements are fully met.

Pressed to meet the deadlines agreed in the contract, when UPM had not yet confirmed its investment decision, the previous government authorized the pulp mill on the condition that the company later completed key elements of the project. However, UPM began construction of the plant without meeting these requirements, some of which define the viability or not of the project. Read more here.

http://www.guayubira.org.uy/2020/11/suspension-of-upm-work-is-requested-the-companydid-not-comply-all-environmental-requirements/

### The Development Dictionary

This 1992 book, edited by Wolfgang Sachs, compiles more than 15 key concepts that served as a basis for, and a way to expand, destructive discourse about "development." Each of the concepts analyzed in the book synthesizes a set of assumptions that reinforce the Western world view, wherein certain aspects and subjects of reality are highlighted and others are excluded. This is a necessary reflection that is still current today. Read it here.

#### World Rainforest Movement



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