



Exploitation and empty promises: Wilmar's Nigerian land grab

Summary for policy makers¹

Wilmar International¹ is one of the world's largest palm oil plantation owners, traders, and processing companies. Wilmar is a member of the Roundtable on Sustainable Palm Oil, and was among the first global palm oil traders to adopt a comprehensive No Deforestation, No Peat, No Exploitation policy² to eliminate all forest destruction and human rights abuse from its supply chain. But Friends of the Earth's report, **Exploitation and empty promises: Wilmar's Nigerian landgrab** reveals that Wilmar's recent acquisition of 30,000 hectares of land in Cross River State, Nigeria has left local people destitute, and threatens protected forest areas that are home to some of Africa's greatest biodiversity.

Wilmar's operations in Cross River State have:

- failed to meet the company's obligations to gain the Free, Prior and Informed Consent of communities directly affected by its operations;
- taken advantage of local power dynamics to bypass best practices in community consultation;
- failed to produce adequate Environmental and Social Impact

Assessments and to make them available to all stakeholders;

- failed to live up to promises of infrastructure development and benefit sharing, despite these promises being a primary incentive for local stakeholders;
- destroyed areas of High Conservation Value, including food-producing areas and water sources essential to local communities;
- purchased a concession that encroaches on Cross River National Park and other forest reserves, leading to deforestation within these reserves and threatening endemic and endangered species.

Download the full report at:

High-resolution:

https://www.dropbox.com/s/urxw7wzf4mnqkv3/FOE_ExploitationAndEmpty_HIRES_rev.pdf?dl=0

Low-resolution:

http://webiva-downton.s3.amazonaws.com/877/22/9/6057/FOE_ExploitationAndEmpty_LOWRES_rev.pdf

1. All citations can be found online at http://webiva-downton.s3.amazonaws.com/877/c6/1/6062/FOE_Nigeria_Report_Summary_Endnotes.pdf



Farmers protesting Wilmar's destruction of their lands, near Ibogo Village, Cross River State, May 2015.

“Our forest has been gone. There has been a severe reduction of animals in the forest.”

– Chief Niufam Etim Itagbor, Mbarakom Vill

Large-scale plantation development and insecure land tenure

The industrial-scale expansion of palm oil in Nigeria unfolds in a context of post-colonial land tenure rules, where most land in rural areas is managed according to customary land tenure regimes, but much of the land is owned *de facto* or held in trust by the government. Some 97 percent of Nigeria’s land mass is undocumented,³ and the vast majority of land users have no individual or collective title to the lands they cultivate. This situation creates widespread vulnerability and legal uncertainty, where rights-holders have little or no access to legal remedy, little power to negotiate just or adequate compensation for lost lands and livelihoods, and little ability to capture the economic benefits of development.

Nigeria is one of ten African countries that have signed on to the New Alliance for Food Security and Nutrition, the G8 countries’ strategy to mobilize large scale foreign investment in Africa’s agricultural sector.⁴ As a New Alliance partner, Wilmar⁵ may be “guaranteed land acquisition”, may benefit from “low average wages”, and may be given tax holidays⁶ in a process designed to “make it easier to do business in Nigeria.”⁷ But the New Alliance may do more harm than good to small-scale food producers,⁸ by increasing the risk of land grabs while undermining land rights and land tenure.⁹ Numerous civil society groups have recently called for the New Alliance to be radically reformed or ended altogether “before the damage becomes irreversible.”¹⁰

Biodiversity

The rain forests of Cross River State are among the world’s great biodiversity hotspots, and are considered one of Africa’s most important biotic reserves,¹¹ providing habitat for such endemic species as the Preuss red colobus, drill, buffalo, chimpanzee,¹² as well as the Cross River Gorilla, recognized as “the most threatened ape in Africa.”¹³ Cross River State’s rich biodiversity has necessitated the creation of numerous protected areas, including the Ekinta Forest Reserve and Cross River National Park.

Wilmar’s Obasanjo farms concession overlaps both Cross River National Park and the Ekinta Forest Reserve. A mapping analysis conducted by Friends of the Earth in May 2015,¹⁴ shows a rapid acceleration in deforestation across all of Wilmar’s Nigerian concessions including the concession that overlaps Cross River National Park and the Ekinta Forest Reserve.



“Before Wilmar came, there was natural forest, like animals and bush mango. Now it’s gone.” - Fidelis Okor Elope, Mbarakom village, May 2015

Faulty consultations

Estimates of the number of people who will likely be displaced and/or affected by Wilmar’s expansion plans vary. Nigerian NGOs Rainforest Resources Development Centre (RRDC) and Environmental Rights Action (ERA) estimate that Wilmar’s Nigerian operations may negatively impact the livelihoods of 20,000 people, with about 10,000 people potentially facing eviction from their lands.¹⁵ Another study finds that the new plantations entail “widespread displacement of smallholder production systems,” and estimates that Wilmar’s plantations will impact farmland currently or previously managed by as many as 7800 households.¹⁶

Robust public consultation is critical to ensuring the rights of affected people and preventing social conflict. The UN Declaration on the Rights of Indigenous Peoples,¹⁷ the Principles and Criteria of the Roundtable on Sustainable palm Oil, and Wilmar’s own policy, require robust and comprehensive consultative processes with affected communities, in particular the implementation of Free, Prior and Informed Consent (FPIC). Yet, in establishing these large palm oil concessions in Cross River State, both the Nigerian government and Wilmar appear to have bypassed internationally-recognized best practices in community consultation and Free, Prior, Informed Consent.¹⁸



Cleared land and oil palm plants, Mbarakom village, May 2015.

Empty promises of economic benefits

Wilmar claims to have created 5,000 jobs in Nigeria,¹⁹ and promises 12,000 direct and 33,000 indirect jobs over the life of the plantations,²⁰ while issuing public relations statements that put the number of future jobs as high as 250,000.²¹ The company has also promised schools, water systems, roads, and other benefits. These claims formed the basis of the negotiations with both the Cross River State and the local chiefs; yet no formal MOUs have been signed, and project documents lack concrete agreements regarding economic benefits.

Currently, employment by the company is mostly non-permanent, unskilled, and lacking basic remunerations and incentives such as health insurance, accommodations, pension schemes, education for children and adequate salaries. Workers are given no employment letters, no specification of work responsibilities

“Wilmar destroyed all our farmland. The community is over 7000 people, and the land was over 300 hectares, and 200 of this has been taken now. We lost our forest too. Now we need to buy meat, or iced fish, and this is very expensive.” -- Elder Aning Oja, Ibogo Village



“Wilmar said there were many things they would do for us: Community assistance program, accessible roads, build primary and secondary schools, health center, potable water, electricity, employment. But as a consequence of the project, our forest has been seriously degraded... people who were farming lost their land and have yet to be compensated... we do not have electricity, and the road still needs to be constructed.” -- Chief Steven Omari, Idoma Village

“When Wilmar finishes, we have no future left. They should leave our land so we can go back to farm.” -- William Ogobe, Ibogo Village, May 2015

and entitlements,²² and no job security. Earnings for women especially are far less than they would receive from productive activities on their own farmlands.

Conclusion: Wilmar's expansion should stop

Wilmar's new plantations in Nigeria follow the same business model that has caused vast forest destruction and human rights abuse in Southeast Asia. For countries like Indonesia and Malaysia, the embrace of large scale palm plantations has actually contributed little to GDP;²³ failed to provide stable and secure local employment; and subjected the economies to the whims of global commodity price volatilities. In Southeast Asia, aggressive government support for large scale plantations, similar to that planned for Nigeria, has extracted wealth from the country into the pockets of foreign business owners, leaving as little as possible in tax revenue; and has left communities landless, hungry, indebted, and in conflict.

One farmer recently displaced by Wilmar's Nigerian operations said, "By taking our farms, Wilmar is declaring us dead."

Wilmar's expansion plans will likely lead to further evictions and appropriation of farmlands of migrant and small-holder farmers. The expansion plans also pose serious risks to Wilmar's brand reputation and the credibility of its commitment to "No exploitation."

Therefore, Friends of the Earth-Nigeria and Friends of the Earth-US recommend that:

- Wilmar should halt its expansion plans effective immediately;
- The Nigerian government should encourage and incentivize small-holder agricultural production and undertake a process of reforming its land tenure systems to prevent the dispossession of rural communities, in line with the FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security;
- Wilmar should be held accountable for human rights violations related to eviction and livelihood destruction. As it is exceedingly difficult to bring transnational corporations to justice in Nigeria and other developing countries, we recommend the establishment of a World Environment Court (WEC) to handle cases of human rights violations arising from the operations of Transnational Corporations. This is in furtherance of the United Nations Human Rights Commission resolution adopted in Geneva, June 2014.

Financiers with outstanding loans to Wilmar, or who hold shares in Wilmar, should:

- use their influence to bring an end to the problems named in this report, by demanding that Wilmar comply with its stated policy and with global best practices in FPIC, ILO labor standards and international economic, social and cultural rights covenants, and make clear that they will terminate

financial relationships with the company if Wilmar fails to take the actions outlined below;

- understand that neither self regulation by industry nor by multi-stakeholder bodies like the RSPO are sufficient to prevent the kinds of abuses outlined in this report; that the palm oil sector is rife with high environmental, social and governance risks that cannot be sufficiently addressed by voluntary codes of conduct; and that they should therefore approach palm oil, if at all, as a high-risk investment requiring strict business selection criteria and enhanced due diligence;

Wilmar International and its subsidiaries in Nigeria should:

- immediately cease its expansion plans and halt its operations in Cross River State until all of the provisions of its No Deforestation, No Peat, No Exploitation policy have been met, until violations of Nigerian law are addressed and rectified to the satisfaction of local affected communities, and until the following demands are met;
- declare a policy of permanent inaction or withdrawal from reserve areas within the former Obasanjo farms;
- publish all concession maps, Socio-Environmental Impact Assessments, employment policies, HCV and HCS assessments and minutes of community consultations;
- thoroughly review and overhaul its protocols for seeking the Free, Prior and Informed Consent in line with global best practices; secure independent third party oversight of its practice of FPIC; and reinstate a process of open consultation with all affected people;
- establish a local grievance committee to ensure restitution and compensation of people who have been displaced or suffered livelihood impacts.

In the words of Friends of the Earth Nigeria and Rainforest Resources Development Centre, "If Wilmar fails to improve its operations, the company had better pack and go."



"By taking our farms, Wilmar is declaring us dead." -- Elder Aning Oja, Ibogo Village, Cross River State, Nigeria