

RIAO-RDC, GRAIN, FIAN Germany, urgewald, WRM, CCFD-Terre Solidaire, CNCD-11.11.11, FIAN Belgium, SOS Faim, Oxfam Solidarité/teit, Entraide et Fraternité, AEFJN (Belgium), The Corner House (UK), Global Legal Action Network | 7 November 2018

## **DRC communities file complaint with German development bank to resolve century-old land conflict with palm oil company**

(7 November 2018) – Nine communities from the DR Congo took a historic step this week by filing a [complaint](#) with the complaints mechanism\* of the German development bank (Deutsche Investitions- und Entwicklungsgesellschaft – DEG). The communities of the DR Congo want a resolution to a land conflict that dates back to the Belgian colonial period with a palm oil company that is currently being financed by a consortium of European development banks led by DEG.



In 1911, the Belgian colonial administration unilaterally awarded Lord Leverhulme of Britain a massive one-million-hectare land concession covering the territories of these communities and many others. Leverhulme, with the support of the Belgian army, used forced labour and violent repression to extract palm oil from the forests for his Sunlight soap factories in the UK and eventually erected several oil palm plantations within the concession area that would come to be owned and operated by the multinational food giant Unilever. In 2009, Unilever sold its DRC oil palm plantation subsidiary, *Plantations et Huileries du Congo (PHC)*, along with a set of contested concession contracts totalling over 100,000 hectares, to a Canadian company with no previous experience with plantations-- Feronia Inc.

The nine communities filed their complaint with the DEG's complaints mechanism on Monday, November 5, 2018. They say that the illegal theft of their traditional lands and forests has deprived them of the means to feed and house their families and earn their livelihoods. Some of the people from the communities work on the plantations, but the vast majority of jobs are as day labourers where wages are below the costs of living. Poverty and malnutrition within the communities are rampant and severe, and the communities say that conditions have worsened since Feronia took over the plantations from Unilever.

Over the years, the communities within the concessions claimed by PHC have sought to regain control over their lands and have called for negotiations with the company and government authorities to determine the conditions under which the company may be allowed to continue to operate. These communities 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 full knowledge of this on-going legacy land issue, the DEG and other development banks from the UK, France, Belgium, the Netherlands, Spain and the US have, since 2013, provided Feronia Inc and its subsidiary PHC with upwards of US\$180 million in financial assistance. The development funds of the UK, Spain, France and the US directly or indirectly hold shares of Feronia Inc while PHC has received US\$ 49 million in loans from a consortium of lenders led by DEG that includes the development banks of Belgium and the Netherlands. Considering their significant involvement and the direct link between denied access to land and hunger and poverty in the communities, development banks have a responsibility for ongoing abuses of human rights and the failure to resolve the conflicts that the two companies are embroiled in.

The nine communities have filed this complaint with the DEG's complaints mechanism in the hopes that the consortium of lenders led by DEG, will finally force the company into a dispute resolution and mediation process with the communities that resolves the land conflict by defining the area of land on which PHC can operate and the conditions under which it may do so. All development banks have justified their investment in Feronia or PHC with their mandate to support development in Africa, which, in this case, cannot be achieved without a resolution of the land conflict.

The nine communities are being represented by the Congolese NGO RIAO-RDC, and are supported by an alliance of international organisations and NGOs from countries with development banks involved in financing Feronia. These organisations are listed at the bottom of this communiqué.

RIAO-RDC and its international partners want to see a fair and urgent resolution of this land conflict. This is a test case to see if the complaints mechanisms established by the development banks can indeed address the concerns raised by communities affected by the agribusiness operations of companies financed by the DEG and other development banks. It will also set a precedent when it comes to legacy

land issues. The DEG and the UK's CDC, which is more heavily invested in Feronia than any other development bank, recently established a policy to guide how their clients should deal with such legacy land issues. We will be watching closely to see if this policy is more than just words.



Please see the accompanying background document for more information: <https://farmlandgrab.org/28543>

*\* The complaints mechanism is a joint initiative of the DEG and the Dutch*

*development bank FMO. Since July 2018, the French Development Finance Institution Proparco has also joined the Mechanism. All have provided funding to Feronia Inc's DRC plantation operations.*

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