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DRC: Bernabé Kikaya Bin Karubi and the Canadian group Feronia respond to NGO accusations

Two reports published in 2015, then at the beginning of November 2016, contested the practices of Feronia, active in the exploitation of oil palm trees and its proximity to the Bernabé Kikaya Bin Karubi. The Canadian group and the diplomatic advisor to President Joseph Kabila strongly denounce these accusations.



Archive image: a family grinds oil palm nuts in Walikale in eastern DRC on September 18, 2010. It is also in oil palms that Feronia has been active since the purchase of PHC's assets in 2009 . © Schalk van Zuydam/AP/SIPA

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The report published Wednesday, November 2 – after a first publication in June 2015 – on the proximity between the diplomatic advisor of President Joseph Kabila and the Canadian group Feronia which had bought Plantations et Huileries du Congo (PHC) from Unilever in 2009, provoked reactions. “As far as I am concerned, he suggests that someone close to the President is using development funds for personal purposes. This is treating me badly,” reacts Bernabé Kikaya Bin Karubi, in reference to the financial opacity which was highlighted in the report while 118 million dollars were granted to Feronia between 2013 and 2015 by several international development financing institutions . “Without their intervention, some 9,000

several documents sent to *Jeune Afrique*.

👉 *Well-meaning but clearly misinformed organizations.*

In one of them, its executive director, Frank Braeken, former boss of Unilever Africa, said he was “surprised to read these recent accusations against us, coming from well-meaning but clearly ill-informed organizations. To advocate for land restitution, or to ask our investors to reconsider their commitment, is to put at risk the jobs of thousands of workers, as well as the entire social infrastructure put in place by the company to date.”

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In their report, a group of around ten NGOs, including Grain, known for its numerous positions on land issues, “asked questions about how Feronia used millions of dollars in aid to of Africa” and called for “official investigations”. According to their calculations, some “40 million dollars ” could have passed between the subsidiaries of the Feronia group “for the provision of unspecified services”.

“We sent 21 pages of responses detailing the reasons for our legal structure, the limits of Mr. Kikaya Bin Karubi's commitment and the positive impacts that our company has in the areas where it operates

The Canadian group entered into relations with Bernabé Kikaya Bin Karubi through Ravi Sood, executive director of Feronia. “We were in contact between 2006 and 2009 and attempted several investments, in the creation of a stock exchange or in mines, without any taking off. I had no official function then,” says the man who is now the diplomatic advisor to President Joseph Kabila and former ambassador of the DRC to the United Kingdom between 2008 and 2014. Later, once appointed ambassador to London, Bernabé Kikaya Bin Karubi says he was approached by a certain James Siegs, as a representative of Unilever. The latter informed him of the Anglo-Dutch consumer products giant's intention to separate from Plantations et Huileries du Congo (PHC) that the Belgian state had granted to what was then called the Lever Brothers in 1911.

A role of “facilitator” during the buyout

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receives 20% of the shares of Feronia JCA, the Congolese subsidiary set up after the purchase by the Canadian group Feronia in 2009 of Unilever's assets in the 100,000 hectares of PHC. , of which he also became an administrator. And this, according to him, until the entry into force of the legislation of the Organization for the Harmonization of Business Law in Africa (Ohada) in the DRC from September 2012. "The Ohada Treaty prohibits the holding of shares by public officials", explains Bernabé Kikaya Bin Karubi, who indicates, in 2014, having returned his shares "without having touched a single franc". On this same point, Feronia indicates having benefited, in exchange for the issue of shares in favor of Bernabé Kikaya Bin Karubi, from the transfer of a farm to the company's assets, with a value of 600,000 dollars.

These shares "today represent 0.26% of the company's capital", it is noted in the documents sent to *JA* .

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Another point of contention concerns the total remuneration that Bernabé Kikaya Bin Karubi received. They amounted to 3 million dollars between 2009 and 2014, according to the NGO report. This figure is vigorously contested by Bernabé Kikaya Bin Karubi and Feronia. Bernabé Kikaya Bin Karubi indicates that he received \$10,000 per month from the company for five years for the rental of

tees. for his seat as director, a total of \$43,000. A final amount which is confirmed by the company (\$43,333).

Finally, as for the establishment of a Feronia subsidiary in the Cayman Islands, mentioned in the NGO report, Bernabé Kikaya Bin Karubi confirms its existence. “It was opened to accommodate part of the company's profits maturing in 10 or 15 years,” he says.

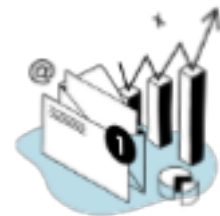
Feronia controls three sites, all near the Congo River: Yaligimba and Boteka, in the Équateur province, and Lokutu, in the Oriental, only part of which is currently being exploited.

The company's revenues, as made public by the Canadian group listed on the Toronto Venture Exchange, stood at \$10.9 million in 2015 in line with the 2014 financial year (\$10.8 million), in strong losses of -\$24.9 million .

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