

DRC: Communities file complaint with German development bank to resolve land dispute with palm oil producer PHC

Note: For a comment by German development bank DEG please see [here](#) (in German).

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- Date order
- ▲
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Article

12 November 2018

German bank caught in DRC colonial land dispute

Author: AFP

A German state-owned bank has found itself at the centre of a battle in the Democratic Republic of Congo over agricultural land dating back to the Belgian colonial period...Representatives from nine communities in the DRC last week called on DEG -- a branch of public development bank KfW -- to activate a dispute resolution mechanism over land farmed for palm oil. They say that palm oil producer PHC, owned by Canada's Feronia, has "illegally stolen" ancestral lands and forests for three plantations and factories, depriving them of "the means to feed and shelter their families," according to a statement by several non-governmental organisations (NGOs). DEG helped finance PHC's operations in the African country, some of which are on land bought from Anglo-Dutch giant Unilever in 2009 -- including "a portfolio of contested plots with a

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total surface area of more than 100,000 hectares," the statement said. The land was part of "a gigantic tract of a million hectares unilaterally granted to British Lord Leverhulme" by Belgian colonial authorities in 1911. A spokesman for the German bank told... "it is to be welcomed" that the plaintiffs have turned to the dispute mechanism it set up with Dutch development bank FMO. "An international group of independent experts will now rule on whether the request can be heard," he added. A cross-section of experts on environmental, social, legal and financial questions will offer an opinion within 25 working days. Feronia's PHC subsidiary employs around 9,000 people in the DRC, but the local plaintiffs say the workers' conditions have worsened since the Canadian firm has been in charge. Cologne-based DEG finances investments by private companies in developing countries. It plans to issue around 1.7 billion euros (\$1.9 billion) in new loans worldwide this year.

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Article

7 November 2018

[DRC communities file complaint with German development bank to resolve century-old land conflict with palm oil company](#)

Author: RIAO-RDC, GRAIN and others (farmlandgrab.org)

Nine communities from the DR Congo took a historic step...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...used forced labour and violent repression to extract palm oil

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from the forests...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...Feronia Inc. The nine communities...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...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...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.

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Item

5 November 2018

DEG Independent complaints Mechanism Office, c/o DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH

Author: RIAO-RDC, GRAIN and others (farmlandgrab.org)

Please see the full complaint here.

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