

Locals Seek Justice Against Oil Palm Companies

By **William Q. Harmon** - October 21, 2019



Liberians protesting against the operations of GVL in the Netherlands

-File complaints against GVL, PT Astra Agro Lestari to Dutch financiers

-Affected Liberian, Indonesian communities call on Dutch financiers to help address malpractices

Representatives from communities embroiled in land disputes with oil palm plantations have visited the Netherlands to call on the Dutch banks facilitating these companies' operations to take action.

The two groups of indigenous people affected by oil palm companies in Liberia and Indonesia recently visited that European country to convey their grievances to ABN AMRO and Rabobank, both in the Netherlands, the financiers behind those companies.

The companies in question are PT Astra Agro Lestari in Indonesia and Golden Veroleum Liberia, both of which are owned by conglomerates based in secrecy jurisdictions and which have financial links to the Dutch bank, ABN AMRO. ABN AMRO finances various parts of the palm oil conglomerate Golden Agri-Resources, which is the sole investor in GVL through constructions in tax paradises and effectively owns and controls the company.

The communities are supported by Civil Society Organizations (CSOs) Milieudefensie, Sustainable Development Institute (SDI) and WALHI. In February 2019, the bank announced that communities could come and report on rights violations by its clients who should provide remedy.

According to a dispatch, the banks say their relationship with the companies is only indirect and, as such, they say there is little they can do to influence them.

The visit of the affected individuals to the Netherlands was arranged by Friends of the Earth, and had gone to push for the European Union to adopt more stringent regulations that would disincentivize banks and other institutions from investing in environmentally and socially unsustainable businesses.

The community representatives from Liberia, Terry Doegmah Panyonnoh and Harriet Sayee Saylee, were confronted with misconduct by Liberia's largest oil palm company, Golden Veroleum Liberia (GVL).

In 2015, a riot on GVL plantation in Butaw, Sinoe County, resulted in the arrest and torture of several locals of the area by state security. The incident also led to the damage of the company's property worth several hundred thousand United States dollars.

Panyonnoh and 16 other young members of his community were jailed for a year protesting against GVL for being involved in land grabbing in Sinoe and Grand Kru counties.

"GVL came with big promises for development, but today we lost our land and we ended up in poverty," Panyonnoh explained. "Farming is difficult. Almost no jobs. The forest we used to find medicine, fish and clean water is destroyed. People are intimidated and harassed with the support from GVL."

GVL is owned by Verdant Fund, based in the Cayman Islands, another secrecy jurisdiction. The sole investor in the fund is Singapore-listed Golden Agri-Resources Limited (GAR), the world's second-biggest palm oil producer, whose subsidiaries have received loans from both ABN AMRO and Rabobank in recent years.

Like Liberia, Indonesian communities are also faced with similar fate with palm oil companies. Payonnoh isn't the only one who feels aggrieved by the disruptions brought on by the palm oil company. Making the trip with the two Liberian delegates to the Netherlands, Hems, a local oil palm farmer from Indonesia, also lodged complaints to ABN AMRO and Rabobank over their financial ties to PT Astra Agro Lestari.

Hems has been jailed three times since 2006 and filed pleas with 13 government institutions in Indonesia during that period — all in an effort to fight off the oil palm company he alleges is stealing his land.

A farmer from Indonesia's Central Sulawesi province, Hems has also traveled to the capital, Jakarta, three times to call on the government to protect him and his family. Each time, his pleas have gone unanswered.

His last arrest was in December 2018, a day after his wife gave birth to their third child, when he was detained for allegedly stealing palm fruit from his own land — land that PT Mamuang, a subsidiary of plantation giant PT Astra Agro Lestari (AALI), claims as its own.

Palm oil fruits from Mr. Hems of Central Sulawesi, Indonesia, were seized by PT Mamuang, a subsidiary of Astra Agro Lestari (AAL), with whom Hems has a land rights conflict.

Hems, a farmer from Central Sulawesi, Indonesia, accompanied by activists from the Indonesian Forum for the Environment (WALHI), in front of ABN AMRO headquarters in Amsterdam. (Image by Hans Nicholas Jong/Mongabay)

"This land is everything my family has to live from, so I will continue to fight for it and get it back," Hems says. "My neighbors are facing similar struggles. Land should be for the people and information on palm oil company concessions should be made public so I can win my case. ABN AMRO should stop facilitating investment in AAL and its parent company Astra International."

Milieudefensie, WALHI, SDI and other civil society organizations have been giving banks like ABN Amro notice about the environmental and social harms in the industrial palm oil sector for twenty

years. The bank continues to finance these companies, fully aware of the adverse impacts on people and the environment.

After years of challenging and bringing complaints to the companies in Liberia and Indonesia, these land rights defenders say “enough is enough.”

“Today, Terry, Harriet and Hemsie are here to confront the bank in the Netherlands and hear what they will really do to get their clients to improve”, says Evert Hassink from Milieudefensie.

ABN Amro called on victims of their clients this February to come and report about the abuses. Even though it appears quite absurd that they have to come all the way to the Netherlands to make their point.

No Binding Rules for Banks & Investors

At the moment, there are no rules that prevent banks and investors from making substantial profits with destruction of the rainforest, human rights violations, climate-polluting oil extraction, or child labor. That is why clear European rules must be put in place so that these harmful investments stop.

Three months ago, Milieudefensie started a petition addressed to the Dutch Finance Minister. He has also been called upon to raise the issue with the new European Commission.

Share this:



William Q. Harmon