

## Papua New Guinea: The impacts of British-promoted oil palm monocultures

CDC Capital Partners is a major actor in Papua New Guinea's oil palm plantations. A former UK foreign aid programme, it later became a public private company and invests in PNG through Pacific Rim Plantations Ltd., holding 76% of its shares.

Pacific Rim Plantations Ltd. owns and manages about 23,000 hectares of oil palm plantations in three locations: Northern Province (Popondetta), Milne Bay Province (Alotau) on PNG's north coast and at Kavieng on New Ireland island. It operates in joint venture with the PNG government, which has a 20% stake.

CDC plans in the longer term to double its palm oil capacity, and has been buying areas of customary land. Though according to its Environmental Plan, the areas to be cleared were "scrub" and "secondary bush", recent photographs indicate that CDC's operations drive the deforestation of lowland tropical moist forest in PNG. One of the main areas affected provides the habitat for the world's largest butterfly, the Queen Alexandra Birdwing Butterfly (*Ornithoptera alexandrae*), pride of local people and classified as rare and endangered by IUCN and listed on CITES Appendix 1.

A local environmental group, Conservation Melanesia (CM) exposed that problems with land clearing for CDC, ranging from open clearing of vegetation right up to the edges of streams and rivers, to planting in the middle of rivers. All oil palm estates plant through minor river courses, which tend to dry out during the dry season. These watercourses, however, play an important role in the ecosystem --until the surrounding natural vegetation is cleared and planted with oil palm. Besides, CDC's palm oil plant in Oro had open and direct discharge of effluent into the surrounding environment by discharging waste directly into a local river and its tributaries. A multitude of people living along this river, extending through the interior of the province right down to coastal villages, have complained about water pollution, dead fish and destruction from flooding not experienced before the processing plant was built. Little action has been taken from CDC to address those concerns.

These concerns are not new. Already in 1994, FoE-EWNI and WWF UK both criticised CDC for destroying rainforests in the Milne Bay Estates and also for making local communities dependent on a single export based cash crop, vulnerable to wild price fluctuations. They warned that the on-site factory would encourage local people to clear their own land for oil palms, and it appears that this is exactly what has happened.

CDC argues that it is socially responsible and that it has launched building programmes and investing in communities to improve living conditions. However, there are reports which say that CDC is pushing local landowner mini-estate development because based on wage labour savings, this system is more beneficial to the company than if it further develop its nucleus estate. The company provides seeds and 4-5 year credits to landowners if they develop oil palm on their estates.

NGOs' objections relate to questionable informed consent processes and land leaseback arrangements, absence of oil palm labour unions, low oil palm wages and lack of objective information provided to landowners. Additionally, transactions with local people are biased. Papua New Guineans have traditionally had a common approach towards land ownership and they are not well aware of the commitments implied in the sophisticated commercial contracts they sign.

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