

OIL PALM
From Cosmetics to Biodiesel
COLONIZATION LIVES ON

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WRM



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CONTENTS

INTRODUCTION

Oil Palm: The Expansion of Another Destructive Monoculture
By Ricardo Carrere

GENERAL ARTICLES

Oil palm and soybean: Two paradigmatic deforestation cash crops
Monocultures: The symbol of an outdated model
Oil-palm plantations: No sustainability possible with Paraquat
The most destructive crop on earth is no solution to the energy crisis

AFRICA

Uganda

BIDCO oil palm plantations at the cost of pristine rainforests in Bugala
Oil palm plantations that brought high winds and low wages

AMERICA

Colombia

The hard life of oil palm plantation workers
Anti-trade union policy in oil palm plantations
Oil palm plantation project threatens biodiversity in the Chocó
Forestry as a business
Expansion of the oil palm in a framework of Human Rights violation
Oil palm plantations on usurped communal lands

Ecuador

Oil palm and forestry companies in the Chocó bio-region

Mexico

Who benefits from oil palm in Chiapas?

Peru

The Amazon forest threatened by oil palm plantation projects

ASIA

Cambodia

Rubber and palm oil plantations impact on local communities

Indonesia

Good news from Indonesia on oil palm!!!
Oil palm plantations at the heart of biodiversity destruction
WWF report links oil palm plantations to widespread deforestation
Palming the forest
Investing in disaster: the IFC and palm oil plantations
IMF and deforestation
The unhealthy smell of money in forest fires

A call to cancel plans to develop 3 million hectares of oil palm plantations
From oil palm plantations, with repression...
Oil palm plantations encroaching on communities' traditional land

Malaysia

The plight of women workers in oil palm plantations
Women Plantation Workers Poisoned and Silenced
Sabah indigenous communities' struggle against logging and oil palm
plantations
Women plantations workers' conditions in oil palm plantations

OCEANIA

Papua New Guinea

The impacts of British-promoted oil palm monocultures
Forests saved against logging and oil palm plantation
Oil palm "joint venture" for the benefit of rich companies
Customary Landowners' declaration on logging, mining and oil palm
plantations
Local NGOs challenge World Bank loan for oil palm scheme

INTRODUCTION

Oil Palm: The Expansion of Another Destructive Monoculture

By Ricardo Carrere¹

Over the past few decades, oil palm plantations have rapidly spread across the South. They are causing increasingly serious problems for local peoples and their environment, including social conflict and human rights violations. In spite of this, a number of actors – national and international – continue actively to promote this crop, against a background of growing opposition at the local level.

Basic Facts

The African oil palm (*Elaeis guineensis*) is native to West Africa, where it is used in a wide variety of ways by the local population. It is a source of foodstuffs and medicines, its sap is used to make palm wine, and its fibers are also used for various purposes. However, the large-scale monoculture oil palm plantations being promoted today are geared towards two main objectives. Their primary purpose until now has been the extraction of palm oil (from the flesh of the oil palm fruit) and palm kernel oil (from its kernel or seed) for the production of edible and industrial oils. More recently, a second major objective has emerged: the production of biodiesel from crude palm oil.

Oil palm plantations start to produce fruit after four to five years – composed of specially selected and cloned varieties – and reach the highest rate of productivity when the trees are 20 to 25 years old. The fruit bunches, each weighing between 15 and 25 kgs, are made up of between 1000 and 4000 oval-shaped fruits, measuring some three to five centimeters long.

Once harvested, the fleshy part of the fruit is converted into oil through a series of processes, while the palm kernel oil is extracted from the nut itself. The processing of the crude oil gives rise to three different products: 1) Food products (cooking oil, margarine, sweets); 2) manufactured goods (cosmetics, soaps, detergents, candles, lubricants) and 3) fuel (biodiesel).

Oil Palm Plantations around the World

Oil palm plantations are established primarily in tropical regions, where they covered a total of 6.5 million hectares in 1997 and produced 17.5 million tons of palm oil and 2.1 million tons of palm kernel oil. By 2005, the area occupied by oil palm plantations had grown to 12 million hectares and palm oil production had reached 30 million tons. In other words, in less than 10 years, both the area occupied by plantations and oil production had almost doubled.

In Asia, the two largest producers of palm oil are Malaysia, with a total of four million hectares of plantations in 2005, and Indonesia, with 5.3 million hectares in 2005.² The two countries combined account for 85% of the palm oil produced worldwide.

Nevertheless, other countries are joining them in the large-scale production of palm oil, most notably Papua New Guinea and Thailand. When the WRM published the book “The Bitter Fruit of Oil Palm” in 2001, there were 200,000 hectares of oil palm plantations in Thailand.

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² Source: GAPKI quoted in Dow Jones 30/Jul/03, in: <http://dte.gn.apc.org/63OP1.HTM>

By 2005, that figure had grown to 280,000 hectares.³ For its part, in 2005 Papua New Guinea had a total of 88,000 hectares of oil palm plantations⁴ and was the world's third-largest exporter of palm oil. There are also ambitious plans to promote the cultivation of this crop in the Philippines, Vietnam, Cambodia and India, which has been a net importer of palm oil until now.

In Africa, it is difficult to obtain precise figures on the area occupied by industrial plantations, since the oil palm is native to many West African countries. In Nigeria, for example, palm oil is produced on a total area of three million hectares of land, of which some 370,000 hectares⁵ are industrial plantations. In Ghana, the area planted with oil palm grew from 125,000 hectares to 304,000 hectares in 2002,⁶ while there are 160,000 hectares of plantations in Côte d'Ivoire.⁷ There are also significant areas of oil palm plantations in Congo, Guinea (310,000 hectares), the Democratic Republic of Congo (formerly Zaire) (220,000 hectares), Cameroon (80,000 hectares), and Sierra Leone (29,000 hectares) along with smaller areas in Benin, Burundi, the Central African Republic, Equatorial Guinea, Gabon, Gambia, Guinea Bissau, Liberia, Senegal, Tanzania, Togo and Uganda.

In Latin America, the land area devoted to oil palm plantations in Ecuador grew from 153,623 hectares in 2000 to 207,285 hectares in 2005,⁸ while the area planted in Colombia almost doubled from 145,027 hectares in 1998 to 275,317 hectares in 2005.⁹ The industrial cultivation of this crop continues to expand in numerous countries like Honduras, which had 33,000 hectares of oil palm plantations in 1998¹⁰ and 71,000 hectares in 2004,¹¹ Costa Rica, with 29,000 hectares in 1998 and 41,000 hectares in 2003;¹² and Venezuela, with 3,410 hectares in 1988 and 50,000 hectares in 2003.¹³ These countries are joined by Brazil, which had 34,000 hectares of plantations in 1998 and 51,000 hectares in 2003,¹⁴ and others like Peru (21,200 hectares in 2005¹⁵), Guatemala, the Dominican Republic, Nicaragua and Mexico (with over 40,000 hectares in 2003¹⁶). Meanwhile, while countries like Panama, Suriname and Guyana currently have relatively small areas of land devoted to oil palm plantations, there are now various projects underway to expand the cultivation of this crop.

Social and Environmental Impacts

As the areas under plantations increase, so do the negative impacts on the environment and on local societies. This is because, as is the case with monoculture plantations of pine and eucalyptus, the problem is not the tree itself but the plantation model under which it is grown.

Yet the promoters of this model insist on presenting palm plantations as a solution to unemployment problems and even try to demonstrate environmental benefits. The Colombian oil palm producers' federation puts it thus: "oil palm plantations are forests which

³ Source: *Oil World Monthly*, april 2006; *Oil Annual 2005*.

⁴ Source: *Oil World Monthly*, april 2006; *Oil Annual 2005*.

⁵ Source: *Oil World Monthly*, april 2006; *Oil Annual 2005*.

⁶ See: <http://www.fao.org/docrep/008/a0013e/a0013e06.htm>

⁷ Source: *Oil World Monthly*, april 2006; *Oil Annual 2005*.

⁸ See: <http://www.sica.gov.ec/cadenas/aceites/cuadros/sup.prod.rend.htm>

⁹ See: http://www.fedepalma.org/eco_mercado_nal.shtm

¹⁰ Source: *Oil World Annual 99 / 2.000 / 01 / 02 / 03*, in: <http://www.ancupa.com/>

¹¹ See: [http://www.minminas.gov.co/minminas/sectores.nsf/2a84e89f4d73f130052567be0052c75a/8d566806de23cd580525705f00432e6d/\\$FILE/Perspectivas%20bioetanol_Cepal.pdf#search=%22estad%C3%ADsticas%2C%20%C3%A1rea%20plantada%20de%20palma%20aceitera%20en%20el%20mundo%22](http://www.minminas.gov.co/minminas/sectores.nsf/2a84e89f4d73f130052567be0052c75a/8d566806de23cd580525705f00432e6d/$FILE/Perspectivas%20bioetanol_Cepal.pdf#search=%22estad%C3%ADsticas%2C%20%C3%A1rea%20plantada%20de%20palma%20aceitera%20en%20el%20mundo%22)

¹² Source: *Oil World Annual 99 / 2.000 / 01 / 02 / 03*, in: <http://www.ancupa.com/>

¹³ See: http://www2.bvs.org.ve/scielo.php?script=sci_arttext&pid=S0002-192X2003000400006&lng=en&nrm=iso&tlng=es

¹⁴ Source: *Oil World Annual 99 / 2.000 / 01 / 02 / 03*, in: <http://www.ancupa.com/>

¹⁵ See: http://www.proamazonia.gob.pe/eventos/expo_palma.ppt

¹⁶ See: <http://www.equilibrium.com.pe/Palmasset03.pdf#search=%22costa%20rica%20palma%20aceitera%20area%20plantada%22>

protect our ecosystems". At the same time, a director of the International Finance Corporation (the branch of the World Bank which grants loans to the private sector), stated that the establishment of IFC-financed oil palm plantations in Ivory Coast "would lead to more employment and higher living standards [and] promote exports that will earn foreign currency, while supporting agricultural production with maximum sensitivity to the environment" (*Africa News Online*). A Malaysian minister went so far as to declare that palm plantations are in fact "better than the developed nations' pine trees in terms of absorbing carbon gases" (Lohmann 1999). A promoter of oil palm in Peru (Sáenz Vértiz 2005¹⁷) states that the 21,200 planted hectares of palm in that country generate 4,200 direct and 21,000 indirect employments!

However, as will be shown in more detail in this book, the cultivation of this palm is bringing with it a series of negative impacts affecting people and the environment wherever it is established.

One of the principal impacts is the appropriation of large areas of land which have hitherto been in the hands of indigenous or peasant populations and have provided for their livelihoods. This dispossession commonly generates resistance from local people, which is in turn confronted by repression by state forces as well as that of the oil palm companies themselves. The violation of land rights is thus typically followed by other human rights violations, including even the right to life.

Against the background of a world increasingly concerned about the loss of tropical rainforests, it is worth noting that almost all these industrial monoculture oil palm plantations are established in forest areas. Large oil palm plantation companies, which found it convenient to "clear" forest areas for plantations by setting them on fire, were responsible for the gigantic forest fires in Indonesia which shocked the world in 1997. Behind nearly every industrial oil palm plantation lies some such process of deforestation, even if it is usually not so extreme.

The tropical forests which are eliminated to make way for these plantations are the habitat for an enormously diverse range of species. Studies in Malaysia and Indonesia have shown that between 80 per cent and 100 per cent of the species of fauna inhabiting tropical rainforests cannot survive in oil palm monocultures (Wakker 2000). Those few species that do manage to adapt often become "pests" since, having lost their normal food supply, they begin to make a meal of the young palm plants, causing serious harm to the plantations. This in turn necessitates the application of pest "control" methods which include chemical pesticides, causing further damage to biodiversity as well as to fresh water supplies and the health of local populations.

In addition, these monoculture plantations provoke erosive processes, because their establishment involves the clearing of land formerly covered by forests, which leaves the soil totally exposed to heavy tropical rains. These erosive processes affect local rivers and streams as a result of contamination and sedimentation, with negative impacts on both the aquatic species that live in them and the local populations who depend on them as a source of water and food.

At the same time, processing plants have serious effects on water quality because of the large amounts of waste that they discharge: for every ton of palm oil, some 2.5 tons of effluents are

¹⁷ See: http://www.proamazonia.gob.pe/eventos/expo_palma.ppt

produced. This frequently leads to the contamination of rivers and streams because legal requirements for waste treatment are ignored.

Despite all this, proponents insist on presenting oil palm plantations as the solution to all the social ills of the region in which they wish to establish them, declaring that they will generate employment, wealth, infrastructure, educational opportunities etc., in an effort to gain the support of local people.

Reasons for Plantation Expansion

Despite their negative impacts, oil palm cultivation continues to expand across more and more countries. The reason for this expansion is, in the first place, that oil palm can be very lucrative for both foreign and domestic investors. Profits are assured by cheap labour, low-priced land, a lack of effective environmental controls, easy availability of finance and other support, and a short growth cycle. In addition, the market is expanding, particularly in the North. Palm oil is the world's best-selling vegetable oil, representing 56 per cent of the total global trade in edible oils. It is much more important than soya, which represents 23 per cent of the world market (FAS Online 2005).

In addition, the fact that oil palm is a crop usually aimed at export markets makes it attractive to governments overwhelmed by external debt and seeking new sources of foreign exchange. External agencies (such as the World Bank, the International Monetary Fund and the United Nations Development Programme) also support oil palm, as do international banks which finance and profit from it. According to one study (Wakker 2000), the main Dutch banks (ABN-AMRO Bank, ING Bank, Rabobank and MeesPierson) all maintain close financial links with large oil palm enterprises in Indonesia.

Other, less visible proponents include the overseas conglomerates which benefit from the international palm oil trade. There is nothing new in their method and it has been so repeatedly used, that by now it should be obvious: massive promotion of a crop in order to reduce world prices and stimulate consumption, thus entrenching a commodity in society in a way which ensures profits from marketing and reprocessing. A recent report on palm oil markets from ARAB (a Malaysian-based research and consulting institution) notes that "palm oil prices are generally lower than that of soybean oil" – which "is the dominant oil and serves as the price leader for trade in vegetable oils".

The report also explains why palm oil is cheap: "the existence of the discount for oil palm arises from the large increases in the supply of palm oil in the last two decades and the need for the trader to offer a discount in order to compete with soybean oil in existing and new markets." The reason for the increase in the supply of palm oil is quite simple: oil palm "is now being planted on a widespread basis in the tropics."

The peoples of the South have suffered from such strategies before, as in the cases of coffee, cocoa, bananas, sugar cane and many other crops. As the prices of such commodities drop, many producers are ruined... At the same time, trade in the industrialized nations benefits and consumption increases.

A more recent reason: the biodiesel business

The traditional uses for palm oil have recently been joined by its use as a biofuel in the form of biodiesel. This has served to even further spur the expansion of oil palm plantations, although now under an "environmentally friendly" guise.

It is true that the burning of fossil fuels is one of the main causes of climate change, and so their replacement with other energy sources would appear to be part of the solution to the problem. Among these new sources, one of the most heavily promoted is palm oil, which is already being used to produce biodiesel.

Nevertheless, this is in fact one of the worst options possible. On the one hand, because of the current levels of fuel consumption by the industrialized countries, the promotion of biofuels (from sources ranging from oil palm to sugar cane to eucalyptus trees) will signify the replacement of crops for food production by crops intended for energy production. In the case of oil palm plantations, this will involve millions of hectares of land in tropical countries, since these trees can only be grown in tropical areas. These regions are already facing food shortages, which means that this “solution” for the countries of the North will imply even more hunger in the countries of the South.

On the other hand, expanding oil palm plantations does not even make sense from a climate-change perspective. The tropical regions suited to the establishment of plantations are typically home to rainforest ecosystems, which constitute enormous carbon reservoirs. The occupation of these areas by oil palm growers entails the destruction of natural forests (usually by burning them down), which results in the emission of huge amounts of greenhouse gases that further aggravate climate change.

In reality, the pseudo-environmental discourse used to promote biofuels is an attempt to hide the real problem: the rising price of fossil fuels and the search for cheaper alternatives. Colombian President Alvaro Uribe – who is not particularly known for his environmental concerns – clearly explained why he looks on “the cultivation of oil palm with great enthusiasm” when he said: “In a country with a decline in petroleum, biodiesel becomes a necessary alternative.” The same reasoning is applicable in many regions, particularly Europe, which wants to break its dependence on imported petroleum and consumes a great deal more of it than Colombia does.

In this regard, oil palm is one of the favorite candidates as an alternative fuel source, given its high per-hectare yield and low production costs. For these reasons, there are hopes that it can successfully compete with petroleum. But the truth of the matter is that these “low” costs are in fact extremely high at the local level, given that they are based on the expulsion of the rural population, the exploitation of workers, the repression of local communities, corrupt practices in land acquisition, and environmental destruction.

Attempting to improve the image of the palm oil industry

The situation we have described above is commonplace in the countries that produce palm oil and has been denounced at the national and international level for many years. These denunciations have sparked concern among the large corporations and investors involved in the sector, because they have raised questions among consumers that could eventually lead to the loss of markets.

As a result, big business has spearheaded a process known as the Roundtable on Sustainable Palm Oil (RSPO), which recently approved a series of Principles and Criteria to ensure the supposedly “sustainable” production of this crop.

The RSPO was created in 2003 and involves seven sectors: 1) oil palm growers, 2) palm oil processors and/or traders, 3) consumer goods manufacturers, 4) retailers, 5) banks and investors, 6) environmental/nature conservation NGO, and 7) social/developmental NGO.

Its ordinary and affiliate members include some very well-known names that are typically associated with negative social and environmental impacts: Cargill, Unilever, Cognis, the International Finance Corporation, British Petroleum, Syngenta and Bayer.

The RSPO has generated rifts among NGO, because while some view it as an opportunity to achieve social and environmental improvements in the sector, others believe that participation in this process merely serves to endorse an essentially destructive industry.

The need to step up the struggle

Regardless of the good intentions of the NGO representatives – and even those from other sectors – who are participating in the RSPO process, the question remains whether industrial monoculture oil palm plantations can be socially and environmentally sustainable.

It is obvious that the majority of the members and affiliate members of the RSPO do not question the expansion of oil palm monocultures. On the contrary, they are actively seeking to boost both production and consumption. While it is true that many aspects of the production process can be improved, it is equally true that the model as a whole – even with these improvements – continues to be unsustainable.

Basically, the industrial production of palm oil is intrinsically tied to large-scale monocultures which require the use of large quantities of externally supplied inputs such as fertilizers, herbicides and pesticides, with the consequent impacts on the health of workers and local residents and the pollution of the environment.

At the same time, palm oil production requires large areas of land in areas originally covered by tropical rainforests, whose replacement with monoculture oil palm plantations leads to serious social and environmental impacts.

The scenario most likely to result from the RSPO process is that in the future there will be two production sectors supplying different markets. On the one hand, there will be a group of certified companies who will attempt to a greater or lesser extent to fulfill the principles and criteria adopted by the RSPO, while on the other hand, there will be a second group of uncertified companies. The first will cater to markets like the European market, where consumers demand compliance with certain social and environmental standards, while the second will supply all the other markets.

As in the case of large-scale monoculture pine and eucalyptus plantations – for which certification principles and criteria have also been established – the final result will be that the cultivation of oil palm will continue to expand and the accumulated impacts of both “sustainable” and other plantations will continue to have serious impacts on people and their environment.

Regardless of the intentions of the different sectors involved in the production, processing and marketing of palm oil, it is important to stress that the process they have initiated did not emerge out of the blue, but was in fact the result of the many local resistance struggles and national and international campaigns waged to denounce the current situation.

Therefore, rather than supporting or opposing the RSPO process, what is most important now is to step up these struggles and campaigns to curb the further advance of this essentially destructive industry. The key challenge today is not that of improving large-scale monoculture oil palm plantations, but rather halting their expansion, which makes it essential to change the conditions that make them possible today.

The numerous cases documented in this book demonstrate that large-scale monoculture oil palm plantations, far from serving to improve the living conditions of local populations, actually result in even greater social injustice and environmental destruction.

GENERAL ARTICLES

- Oil palm and soybean: Two paradigmatic deforestation cash crops

Deforestation of tropical forests took place at a rate of 10/16 million hectare per annum during the last two decades, and is showing no signs of slowing down. 16% of the whole Amazon forest has already disappeared and every day, another 7,000 hectares of forest is lost – a surface of 10 kilometers by 7 kilometers. The causes are complex and often interrelated, but among them is the role of large-scale commercial agriculture.

In recent years, some of the fastest expanding crops in the tropics have been oil palm and soybean primarily planted as export driven large scale monocultures. Globally, the oil palm area increased by 43% (10.7 million hectares) and the soy area by 26% (77.1 million hectares) during 1990-2002. Government policies have facilitated this expansion which has occurred primarily in Indonesia and Malaysia (for oil palm), and in Argentina, USA and Brazil (for soy). In Brazil, in 1940 there were only 704 hectares of soy fields, by 2003 there were 18 million hectares.

The most direct impact of this process has been the deforestation of approximately 2 million hectares of tropical forest in the case of Indonesia by 1999, and the loss of vast areas of forests in the Centre-West region of Brazil to make way for oil palm or soy plantations. Pesticides and herbicides inherent to these monocultures kill off the last vestiges of biodiversity able to co-exist with the plantations, and significantly diminish the chances of habitat restoration. In Indonesia and Brazil, oil palm and soy companies have been linked to devastating forest fires, that in 1997-98 alone destroyed over 11.7 million hectares of forest and other vegetation in Indonesia, and 3.3 million hectares of forest and other vegetation within the northern Amazonian state of Roraima, Brazil.

Soybean is a crop very suitable for capital intensive, large scale cultivation. The main products derived from soybeans are soy meal (the world's main oil meal for animal feed) and soy oil (the world's most consumed vegetable oil). Only a small part of the global harvest is processed as whole bean for human consumption, mostly in Asia. The growing demand for cattle feed in Europe has driven the production of soybean, but recently also by a growing market in China for the production of oil.

Brazil is the second biggest producer (50 million tons or 26% of world production in 2003) world wide, after the US (38%). Argentina, Paraguay and Bolivia have market shares of 18%, 2% and 1% respectively. Other big producers are China and India (8% and 2% respectively).

Soybean is traditionally grown in temperate and subtropical regions worldwide, but now is expanding into tropical regions. The Amazonian region is being directly impacted as new high-yielding tropical soy varieties have been specifically developed for expansion in this region. According to data from Brazil's National Institute for Space Research, the annual rate of forest loss in the Amazon increased by 40% in the year 2002, resulting mainly from pressure to replace forest with soy agriculture and cattle ranching.

Argentina shifted to the production of genetically modified soybeans, and it is assumed that until 2003 the expansion of the soy area has been at the expense of other agricultural crops, while now 75% of the soy area growth is assumed to take place in the

humid parts of the Chaco region, and the remaining 25% in the Atlantic forest in Misiones Province.

In Bolivia, soy will expand by converting Chiquitano (dry) forests, while in Paraguay it will do so in the Atlantic forest. In Paraguay, although formally illegal or severely restricted, genetically modified soybeans are increasingly planted, a process which has also happened in Southern Brazil.

Soybean trading and crushing in the four South American soybean production countries is dominated by a limited number of large, international commodity trading companies, being Archer Daniels Midland (ADM), Bunge, and Cargill (the three are based in the United States and control 80% of the European soybean crushing industry), and Louis Dreyfus, France. Although these trading companies usually don't invest in soybean growing as such, their influence on the expansion of the sector is very large. Soybean farmers are often very dependent on these trading companies for seed, credit, and other inputs.

The financial stakeholders of the four main soy trading and crushing companies mentioned above are ABN AMRO Bank (The Netherlands), Bank of America (United States), BNP Paribas (France), Citigroup (United States), Commerzbank (Germany), Crédit Agricole (France), Crédit Lyonnais (France), Crédit Suisse (Switzerland), Deutsche Bank (Germany), HSBC Bank (United Kingdom), ING Bank (The Netherlands), IntesaBci (Italy), J.P. Morgan Chase & Co (United States), Rabobank (The Netherlands), Société Générale (France).

Oil palm is native to Central Africa, where its cultivation as a staple crop is central to the livelihoods of millions of small scale farmers. But elsewhere in the world it has become big business, grown mainly on large-scale plantations. Palm oil is a vegetable oil derived from oil palm. It is the world's second most consumed edible oil (after soy), and has a huge range of uses – from shampoo to chips to frozen foods to cosmetics.

Commercial oil palm plantations have spread throughout the tropics, being most significant in South East Asia, particularly Malaysia, Indonesia, and Papua New Guinea, where it is a major driver of the destruction of tropical forests. Industry figures show that nearly half (48 per cent) of South East Asian oil palm plantations are created on some kind of primary or secondary forest land. The use of fire to clear that land was also a major cause of the forest fires that ravaged Indonesian forests and cast a devastating smog over the entire region in 1997.

Oil palm planting has also led to enormous human suffering and the destruction of forest lands that communities rely on. In Indonesia, oil palm plantations are associated with the displacement of forest peoples from their land. A serious imbalance of power exists between these communities – who have no formal right to their traditional land – and the companies that are granted leave by the Government to convert the forest to plantations.

According to the FAO, forest cover in Indonesia and Malaysia declined by 12 per cent in the 1990s. In the past much of this loss has been blamed on so-called slash-and-burn practices by local communities and on the activities of logging companies exploiting the forest for timber or pulpwood. The role of palm oil plantations has gone relatively unacknowledged also because industry sources argue that there is very little “direct”

forest destruction involved in their operations since oil palm plantations are usually located in areas that have been logged previously.

Indeed, much of the forestland cleared to make way for oil palm plantations has been previously logged and may be viewed by outsiders as “degraded” and therefore valueless. This, however, ignores that those “degraded” forests often still provide a habitat for an array of species, which is destroyed when the forest is substituted by oil palm. Research has shown that an oil palm plantation can support only 0 - 20% of the species of mammals, reptiles and birds found in primary rainforest. Those species that are able to survive cannot find sources of food in the new environment of the plantation and frequently come into conflict with humans in and around the plantations. Workers and villagers encounter elephants, orangutans, tigers, porcupine and wild boar for some time after forest clearing. The results are often serious and sometimes fatal.

The global significance of forest destruction in terms of biodiversity and climate change should not be underestimated, but it is the local communities who most immediately feel the impact of its destruction. They depend on these forests, often managed under the community's traditional law, for their subsistence and cash income, as well as for cultural and religious practises. Deforestation completely overhauls their entire way of life.

Economies of scale demand that an oil palm plantation is at least 4,000 hectares in size in order to be able to feasibly operate a crude palm oil mill that processes the fresh fruit bunches from the plantation estates. In Southeast Asia an average individual plantation company manages a plantation area of 10,000 - 25,000 hectares. These companies are mostly part of larger agribusiness holdings, with plantation estates ranging from 100,000 to 600,000 hectares in several provinces and countries.

Apart from Malaysia, Indonesia and PNG, oil palm projects are developed in many other countries including the Philippines, Vietnam, Cambodia, Thailand, Burma, India, Solomon Islands, Kenya, Tanzania, Congo, Cameroon, Nigeria, Liberia, Guinea, Ghana, Cote d'Ivoire, Guyana, Brazil, Colombia, Ecuador, Nicaragua, Costa Rica and Mexico.

Present concerns on the social and environmental impacts of soybean and oil palm plantations are being heightened by the fact that further growth of both crops in those and other countries is predicted. (WRM Bulletin n° 85, August 2004).

- Monocultures: The symbol of an outdated model

If there is one thing that the other possible world we are appealing for must contain, it is biological diversity. Life shouts this out at us at each step we take. The message is there for all to see. The greater the diversity of an ecosystem, the greater its wealth, the greater its beauty. The precious tropical forests, deep receptacles of innumerable animal and plant species, of colours, shades and sounds, the cradle of springs and streams, the matrix of human populations. They are valuable to human beings, both aesthetically and functionally, supplying food, shelter, building materials, ornaments, tools. The idea is not that they must not be used, but that they must be used prudently, supportively and respectfully, “sustainably” to say it in a modern way.

Only present modernity that has broken all links with the natural world can have forgotten the lesson. Accelerated technological development and the development of

communications have been the links that have enabled gigantic economic and financial groups to take nature by assault and try to take over the world, this time in an overwhelming way.

The rationale of these companies of achieving increasingly greater profits, makes them recreate the world to reach their goal in a more efficient way. Thus we find the paradigm of scale – large scale – and within it, monocultures ferociously shown in agriculture, separating it dramatically from nature.

Monoculture tree plantations are one of its expressions. The interests that impose them want to disguise them as forests, but they are as far from being forests as they are from being prairies. So much so that they destroy both ecosystems.

Millions of hectares all over the world – in some cases previously occupied by forests and in others by prairies – are planted with unending, uniform lines of eucalyptus trees destined to be reduced to pulp, to produce millions of tons of paper feeding wasteful consumption, mainly in packaging and advertising. The highest rates of consumption are, of course, in the countries of the North.

Lately attempts have been made to give to commercial monoculture eucalyptus plantations another purpose: that of “carbon sinks” or carbon garbage dumps. The Kyoto Protocol of the United Nations Convention on Climate Change has provided a mechanism that is supposed to compensate for carbon dioxide releases, responsible for the greenhouse effect and its serious consequences on climatic change. This implies planting trees to trap carbon while they grow. As eucalyptus trees grow fast, it is assumed that they are ideal – of course as long as they do not catch fire, or rot, or are covered by floods, because this would return to the atmosphere all the carbon they have trapped. Greenhouse gas emitters plant trees and thus, by planting and planting, they can continue releasing and releasing carbon. This has given rise to another big business, the carbon market. What about the climate? Very bad, thank you. What about the soil, the flora and the fauna and the ecosystems, the various forms of livelihood? Very bad, thank you.

Plantations of oil palm are spreading more and more in the countries of the South due to their profitability resulting from combining cheap labour, low-cost land, abundant support from the World Bank, the IMF and UNDP, the short period between planting and starting to harvest, and a market on the rise in the countries of the North. Colonization, social inequity, the dismantling of States, are all fertile fields to do big business with the plantations. The rich nature of the South is violated time and time again.

And, like the icing on the cake, the latest novelty in tree plantations is that of transgenic trees. Strengthening the genetic selection process for commercial ends, centred on certain genetic features of trees, such as rapid growth, height, diameter, the quality of the timber, and straight trunks with few branches, genetic engineering now produces genetically modified trees (transgenic trees) to adapt them even more to the needs of the forestry industry. This at the cost of the serious danger the process involves. If the rate of tree growth is stepped up, water will be depleted faster and destruction of biodiversity will be accelerated, giving way to biological deserts full of transgenic trees resistant to insects, with no flowers, fruit or seeds. The soil will be destroyed at an even faster rate because of the increased extraction of biomass, intensive mechanization and a greater use of agrochemicals.

All these different types of plantations have in common the problems they cause: they encroach on ancestral territorial rights and on the use of the natural assets of indigenous and peasant communities, they cause soil erosion, alter the water cycle, eliminate other ecosystems and other forms of production and reduce biodiversity.

In sum, monocultures – of trees, plants or of the mind – symbolize an outdated model that must be substituted by biological and cultural diversity to make that other world we aspire to, possible. (By: Raquel Núñez, WRM Bulletin nº 91, February 2005).

- Oil-palm plantations: No sustainability possible with Paraquat

Initiated by WWF in cooperation with business partners – a group of producers, buyers, retailers and financial institutions – in 2003, the initiative called Roundtable for Sustainable Palm Oil (RSPO) has held its third meeting in Singapore this month where 8 Principles and 39 Criteria were adopted.

The IUF and the Berne Declaration had called for fundamental changes to the proposed "Principles and Criteria for Sustainable Palm Oil Production" – which were finally adopted without any change –, for permitting the use of highly toxic pesticides that are extremely harmful to human health and the environment. In their current form, the criteria ensure the interests of the pesticide industry – co-sponsors of the initiative – rather than the health of oil palm plantation workers.

The Principles, while requiring producers to look for alternatives to pesticides designated as class-1-toxins, ultimately do not ban the use of these substances. They also permit the continued use of Paraquat, a full-range herbicide widely used on palm oil plantations and known to poison thousands of plantation workers and small farmers every year. Paraquat is responsible for a substantial number of the tens of thousands of annual pesticide-related deaths. Once absorbed through the skin or lungs or orally ingested, its effects are irreversible. Several countries have already banned the substance, with the latest ban set to take effect in Malaysia in 2007.

The International Union of Food and Agricultural Workers (IUF) and agricultural workers' unions across the world have been calling for a Paraquat ban for years. "There is no room for Paraquat in a socially and environmentally sustainable agriculture", declared IUF General Secretary Ron Oswald.

There is a trend in certification of sustainable production in the agricultural sector to rule out the use of the most highly toxic pesticides including Paraquat.

As the IUF and the Berna Declaration expressed: "Yet the criteria for sustainable palm oil do not reflect these concerns about Paraquat in any way. No other label is as weak on pesticide criteria as the new Palm Oil Principles and Criteria. One reason for this might be RSPO's link to the agro-chemical industry. After all, the official dinner at the RSPO-meeting in Singapore is sponsored by none other than the Syngenta Corporation, the world's leading manufacturer of Paraquat."

Several considerations are being discussed around whether palm oil can actually be sustainably produced. Certainly not with Paraquat. (WRM Bulletin nº 100, November 2005).

- The most destructive crop on earth is no solution to the energy crisis

Over the past two years I have made an uncomfortable discovery. Like most environmentalists, I have been as blind to the constraints affecting our energy supply as my opponents have been to climate change. I now realise that I have entertained a belief in magic.

In 2003, the biologist Jeffrey Dukes calculated that the fossil fuels we burn in one year were made from organic matter "containing 44×10^{18} grams of carbon, which is more than 400 times the net primary productivity of the planet's current biota". In plain English, this means that every year we use four centuries' worth of plants and animals.

The idea that we can simply replace this fossil legacy – and the extraordinary power densities it gives us – with ambient energy is the stuff of science fiction. There is simply no substitute for cutting back. But substitutes are being sought everywhere. They are being promoted today at the climate talks in Montreal, by states – such as ours – that seek to avoid the hard decisions climate change demands. And at least one substitute is worse than the fossil-fuel burning it replaces.

The last time I drew attention to the hazards of making diesel fuel from vegetable oils, I received as much abuse as I have ever been sent for my stance on the Iraq war. The biodiesel missionaries, I discovered, are as vociferous in their denial as the executives of Exxon. I am now prepared to admit that my previous column was wrong. But they're not going to like it. I was wrong because I underestimated the fuel's destructive impact. Before I go any further, I should make it clear that turning used chip fat into motor fuel is a good thing. The people slithering around all day in vats of filth are performing a service to society. But there is enough waste cooking oil in the UK to meet a 380th of our demand for road transport fuel. Beyond that, the trouble begins.

When I wrote about it last year, I thought that the biggest problem caused by biodiesel was that it set up a competition for land use. Arable land that would otherwise have been used to grow food would instead be used to grow fuel. But now I find that something even worse is happening. The biodiesel industry has accidentally invented the world's most carbon-intensive fuel.

In promoting biodiesel – as the EU, the British and US governments and thousands of environmental campaigners do – you might imagine that you are creating a market for

old chip fat, or rapeseed oil, or oil from algae grown in desert ponds. In reality you are creating a market for the most destructive crop on earth.

Last week, the chairman of Malaysia's federal land development authority announced that he was about to build a new biodiesel plant. His was the ninth such decision in four months. Four new refineries are being built in Peninsula Malaysia, one in Sarawak and two in Rotterdam. Two foreign consortiums – one German, one American – are setting up rival plants in Singapore. All of them will be making biodiesel from the same source: oil from palm trees.

"The demand for biodiesel," the Malaysian Star reports, "will come from the European Community ... This fresh demand ... would, at the very least, take up most of Malaysia's crude palm oil inventories." Why? Because it is cheaper than biodiesel made from any other crop.

In September, Friends of the Earth published a report about the impact of palm oil production. "Between 1985 and 2000," it found, "the development of oil-palm plantations was responsible for an estimated 87 per cent of deforestation in Malaysia". In Sumatra and Borneo, some 4 million hectares of forest have been converted to palm farms. Now a further 6 million hectares are scheduled for clearance in Malaysia, and 16.5 million in Indonesia.

Almost all the remaining forest is at risk. Even the famous Tanjung Puting national park in Kalimantan is being ripped apart by oil planters. The orangutan is likely to become extinct in the wild. Sumatran rhinos, tigers, gibbons, tapirs, proboscis monkeys and thousands of other species could go the same way. Thousands of indigenous people have been evicted from their lands, and some 500 Indonesians have been tortured when they tried to resist. The forest fires which every so often smother the region in smog are mostly started by the palm growers. The entire region is being turned into a gigantic vegetable oil field.

Before oil palms, which are small and scrubby, are planted, vast forest trees, containing a much greater store of carbon, must be felled and burnt. Having used up the drier lands, the plantations are moving into the swamp forests, which grow on peat. When they've cut the trees, the planters drain the ground. As the peat dries it oxidises, releasing even more carbon dioxide than the trees. In terms of its impact on both the local and global environments, palm biodiesel is more destructive than crude oil from Nigeria.

The British government understands this. In a report published last month, when it announced that it would obey the EU and ensure that 5.75% of our transport fuel came from plants by 2010, it admitted "the main environmental risks are likely to be those concerning any large expansion in biofuel feedstock production, and particularly in Brazil (for sugar cane) and south-east Asia (for palm oil plantations)."

It suggested that the best means of dealing with the problem was to prevent environmentally destructive fuels from being imported. The government asked its consultants whether a ban would infringe world trade rules. The answer was yes: "Mandatory environmental criteria ... would greatly increase the risk of international legal challenge to the policy as a whole." So it dropped the idea of banning imports, and called for "some form of voluntary scheme" instead. Knowing that the creation of this market will lead to a massive surge in imports of palm oil, knowing that there is nothing

meaningful it can do to prevent them, and knowing that they will accelerate rather than ameliorate climate change, the government has decided to go ahead anyway.

At other times it happily defies the EU. But what the EU wants and what the government wants are the same. "It is essential that we balance the increasing demand for travel," the government's report says, "with our goals for protecting the environment." Until recently, we had a policy of reducing the demand for travel. Now, though no announcement has been made, that policy has gone. Like the Tories in the early 1990s, the Labour administration seeks to accommodate demand, however high it rises. Figures obtained last week by the campaigning group Road Block show that for the widening of the M1 alone the government will pay £3.6bn - more than it is spending on its entire climate change programme. Instead of attempting to reduce demand, it is trying to alter supply. It is prepared to sacrifice the south-east Asian rainforests in order to be seen to be doing something, and to allow motorists to feel better about themselves.

All this illustrates the futility of the technofixes now being pursued in Montreal. Trying to meet a rising demand for fuel is madness, wherever the fuel might come from. The hard decisions have been avoided, and another portion of the biosphere is going up in smoke. (By: George Monbiot, WRM Bulletin n° 102, January 2006).

AFRICA

- Uganda: BIDCO oil palm plantations at the cost of pristine rainforests in Bugala

The growing trend of establishing plantations of oil palm has taken its toll primarily on tropical forests, where this palm finds enough soil, water and solar energy to fill its needs.

The typical procedure is to log a certain area of forest and then establish the plantation aimed at the production of oil and kernel oil. But it also happens that plantation companies may "clear" the entire forest by setting it on fire – as has been the case with the notorious fires in Indonesia.

Palm oil is indigenous to West Africa, and semi-wild plants have been traditionally harvested in small scale and inter-cropped with food crops by local populations. The present push for oil palm is presented in the usual globalised package: export-driven large scale monocultures that excludes any other scheme. Quite far from diverse nature.

However, in his attempt to get Ugandan people enthusiastic about the business, their President Yoweri Museveni went to say that clearing of forests for the plantation did not pose environmental danger because the palm plantation would be a forest in its own. How could a "green desert" (only one tree crop) be equated with the intertwined diversity of the forest ecosystem?

There is no possible reply on "how" but there are some on "why".

BIDCO Oil Refineries Ltd., the largest and fastest growing manufacturer of vegetable oils, fats, margarine, soaps and protein concentrates in East and Central Africa is investing in a multi-million dollar oil palm plantation on Bugala islands in Kalangala. The project is planned to cover 26,500 hectares and produce 140,000 tonnes of palm kernel oil. BIDCO counts with investment partners including Archer Daniels Midlands

of America, Wilmar Group of Malaysia and Josovina of Singapore. Within the Vegetable Oil Development Project (VODP) scheme, the International Fund for Agricultural Development (IFAD) and the World Bank have granted a \$10m loan to support the plantations and supporting infrastructure, while the Government will contribute \$12m in the form of land, electricity and roads, and BIDCO will invest \$120m.

Several interests coincide around the oil palm business. It is a foreign exchange source for an indebted country like Uganda; a lucrative business for conglomerates which benefit from the massive promotion that leads to reduction of world prices and stimulation of consumption; and a financial service to profit from for the World Bank. Local sources inform that increasingly local elite are also benefiting by providing political clout to secure favourable trade terms with the government and securing business deals such as lucrative outgrower concessions for themselves.

But the project encounters stiff opposition from Members of Parliament. Also some residents of the islands are deeply concerned about the oil palm project which is taking place on one of the only pristine natural large scale rainforests left in Uganda. A beautiful island called Bugala Island with one of the most unique eco-systems in the world. Over 5,500 hectares of rainforest are being destroyed, and the rare grey talking parrot is nesting in the capital city for the first time (180km away by road, 80km straight line) showing that something is wrong.

Large scale oil palm plantations (as well as in other monocultures) are typically related to violation of land rights and other human rights, since they take large areas of indigenous or peasant population's lands leading to conflicts.

The government is trying to convince the residents of the islands to lease their land to the plantation and "make money" but there are reports of many family conflicts developing because of the project. After losing their land, where will those people work? Presumably in the oil palm plantations, affected by the widespread use of agrochemicals in oil palm production, in temporary jobs, poorly paid, and in bad conditions as experience in other countries shows. What is certain is that the benefits won't go for the people but for large enterprises – increasingly foreign – which control production, industrialization and commercialization of palm oil.

No attempt is made to provide space for debate on the matter. This has led to distrust and dismay on the part of the islanders and indigenous land-owners. Maybe now is the time for them to put the pressure on the government to put forward their concerns. (WRM Bulletin n° 100, November 2005).

- Uganda: Oil palm plantations that brought high winds and low wages

The accelerated destruction of rainforest and indigenous woodland in Uganda, making way for palm oil and sugar production, follows an all too familiar pattern that has been seen in other parts of the world, especially South Asia.

Widely reported (in the local media) was the government release of five thousand hectares of protected woodlands from its statutory care to BIDCO, a palm-oil producing firm that originates in South Asia, in 2001. These forests, on the Ssesse Islands in Lake Victoria were then removed in short order.

Currently, there is a new storm brewing over a proposal to hand seven thousand hectares of virgin forest to the east of the capital to a sugar manufacturing outfit that already owns thousand of hectares of plantations nearby.

Uganda straddles the Equator in the heart of the Great lakes region, and holds a natural extension of the rich Amazon-like biodiversity of the Congo to her west. Her long periods of state-inspired political violence have given her a mixed legacy. On the one hand, there remains a pervasive sense among the elite and political class that the 1966-1986 period of war and insurgency as well as subsequent disturbances have left the country “backward” and faced with a responsibility to “catch up” with the rest of the world.

This has given rise to a particularly pernicious form of self-righteous economic planning-by-diktat, where anyone questioning the grand scheme for development is immediately dubbed “unpatriotic”; being secretly enamored of the previous brutal regimes; and/or just plain stupid.

In my own experience, I recall our President Museveni retorting “Are you a romanticist? Do you want to go back to Nature?” in response to my probing about the philosophical basis of his “development” plans for the country.

That was back in 2001, in a radio interview during the then presidential elections. Unfortunately, the quality of official public discourse around the issue of the environment has not evolved much further since then.

Dr Margaret Kigozi, head of the Uganda Investment Authority (the principal agency for attracting foreign capital), is on record as having dismissed opponents of the hydroelectric dam project being planned for our river Nile as being “obsessed with frogs and butterflies”.

More recently, the Government Minister for Investment asked angrily “aren’t Palms trees?” in response to my repeated questioning, in a bruising radio interview, of the wisdom of the decision to give BIDCO a free hand in hacking down large areas of ancient woodland to make way for their palm plantation.

On the other hand however, Uganda was actually “left behind” in the scramble by global capital to convert the natural assets of the poor Southern countries into “investment” fodder. The country remained relatively more green (a situation similar to the Congo and Southern Sudan, all of which is now under threat) than other parts of the South that were deemed at the time “stable” enough for rapacious foreign investment. This is an enduring irony of the situation we find ourselves in.

And so we are really only at the beginning of this process. There is plenty of eco-wealth to be ravaged and plundered by these international short-termists, and there is plenty of avarice, ignorance and self-righteousness at government level to make access to it incredibly easy.

A few brave souls in the Uganda forestry department opposed these developments from the start. They even found allies in unexpected quarters (such as DFID, the UK development arm), when they argued that the promised jobs were virtual “slavery” and therefore no fair exchange for the loss of these forests. They were ignored.

There is nothing new in this process of destruction. The workings of the globalised financiers are not new anymore. The only issue therefore, is what can be done before it is too late, or before the cost of potential restoration is too high?

The answer lies in the strengthening of activist's voices that are trying to first of all access and publicize all new information related to these scandals; to be able to work together on a forum that enables actions (such as court injunctions, demonstrations, media education campaigns and community education) that will politically raise the cost of such policy-making.

This will take organized people pooling their skills and information. Already, we are starting with a media expose on how the Ssesse Islands are being destroyed by high winds and low wages since the forests of the Bwendero Peninsula were cut down. BIDCO have reportedly requested another three thousand hectares of the remaining forest. They say they were promised a total of ten thousand hectares, and keep the Ugandan government jittery by threatening to pull out if this promise is not fulfilled. The threat to the forests is only growing larger.

It is important to learn that we are not alone in these efforts, and what we can learn from the efforts of others faced with the same challenge. (By: Kalundi Serumaga, WRM Bulletin n° 109, August 2006).

AMERICA

- Colombia: The hard life of oil palm plantation workers

For some time now we have been addressing the issue of oil palm plantations. But it was in our June 2001 special bulletin – entirely devoted to the subject – and in the book "The Bitter Fruit of Oil Palm: dispossession and deforestation", that we entered more specifically into the derivations that this large-scale monoculture has on the situation of the workers.

Thus, continuing along these lines, it is now the turn of the workers from the trade union of the Empresa de Plantaciones Unipalma de los Llanos S.A., to talk. This company has oil palm plantations in the regions of the Meta and Cundinamarca llanos, in Colombia.

Oil palm was introduced into the country in 1932, but its commercial development started at the end of the fifties, reaching 130,000 hectares in 1995, basically in the north, central and eastern zones. Presently, in the framework of the Colombia Plan, the intention is to substitute the so-called illegal plantations by oil palm plantations and there are plans to introduce it all over the country, reaching 300 thousand new hectares. However, for the local population the remedy may be worse than the disease and the case of Unipalma de los Llanos is an example in this respect.

In fact 12 years ago, the Unipalma de los Llanos trade union had 400 members but presently there are only 132, out of a total of 150 direct workers. This change is the result of a new modality promoted to displace direct workers. The company promotes associated worker cooperatives, a figure that can be used to sub-contract companies providing services and thus evade responsibilities and the payment of social security. There are some 300 indirect workers working for these sub-contracting companies.

The Cundinamarca plantation is an hour and a half away from the village. The company takes the workers there on Monday mornings and returns them on Friday afternoons, and during the week they stay at lodgings on the plantation.

Some of them tell how the work is done: "On Mondays you reach the plantation at 6.30 a.m. settle into the lodgings and the day starts at 7:00 a.m. until 5:00 p.m. with an hour for lunch. From Tuesday to Friday the day starts at 6:00 a.m. until 4:30 p.m. with an hour for lunch. The work is hard and risky. The palm tree has many thorns and the bunch weighing 50 kilos, at 12 metres up the palm, falls at a tremendous speed and is dangerous. To cut it an aluminium rod like an antenna is used, and it has a knife on the end called a "Malay". If you want to knock down the bunch you must first knock down the leaves on which it is resting. The leaves are enormous, they measure about six metres and, oh brother, how they weigh! This work is done by a harvester and there are many people who get hit by the leaves or by the bunch.

The thorns are a problem: "They are everywhere! You get pricked every day and it is a problem for those who are cutting. Often you are walking among the lots, you slip, fall on a leaf and prick yourself. Listen... that really hurts!"

The high level of application of agro-toxic products – the most usual one being the herbicide Roundup – causes much intoxication. However the trade union has managed to get them to make Colinesteraza examinations, showing the connection between the application of this poison and health problems. In these cases the company usually ends up by recommending the worker to be transferred to another sector, putting another worker in his place and thus generalising the problem.

All the workers agree that the company does not provide them with protective equipment and in the event that someone does request it, they have a numerous "reserve army" generated by the high rate of unemployment as an element of pressure.

Furthermore, the salaries they pay are very meagre as the low Malaysian production costs are used as a reference for the oil palm. This is its "comparative advantage."

One of the workers concluded: "There are companies that attempt to link the family to the work, it is like entering a slave system and total exploitation. I would tell the workers of other countries that the oil palm generates subjugation and not simple employment." (WRM Bulletin n° 52, November 2001).

- Colombia: Anti-trade union policy in oil palm plantations

The more that is planted, the more rights that are lost. In Colombia, there are approximately 170,000 hectares of oil palm plantations. Testimonies by a delegate of the palm sector workers' organisation, connected to the Bucarelia and Las Brisas Palm Oil companies, denounce the poor working conditions in the oil palm plantations in the department of Santander, in addition to pressure and incentives to weaken the trade unions in the sector. Oleaginosas Bucarelia has 4,700 hectares and the other company some 2,800, all located at Puerto Wilches, Santander.

According to the words of this worker: "The companies' strategy to weaken and eliminate the trade unions is based on voluntary retirement plans, paying compensation higher than the compensation granted by law. Many companions have left the companies and the trade

union too, but return to work in the sector under conditions imposed by the companies through cooperatives. The companies' policy aims at reducing conventional conquests reached over 20 or 30 years of struggles. Some of the company authorities have commented that the companies in which the workers are organised as unions are less competitive and furthermore, the workers are reluctant to accept the working conditions these companies want to impose – conditions attacking the workers health and dignity.

Finally, what they are suggesting is that trade union organisations should disappear. Another modality promoted by the companies is that the peasants become holders of palm plots, thus saving labour costs. In this way, these peasants must sell the raw material to the companies at the price they impose. People earn less and do not have any social security coverage.

By avoiding worker organization, the companies also avoid complaints over low salaries, and over one of the greatest problems facing the workers: the abominable working conditions. "For example, as the palm grows older it also grows taller and therefore the conditions for harvesting the bunches and pruning the trees make accidents likely to occur. The workers carrying out the harvest complain about pains in their spine and accidents are common when they are hit by the leaves that have many thorns on them. Moreover, the plantations are sprayed to control pests and diseases and the impacts on the environment and on health caused by these products are unknown."

All the above, and in particular the companies' policy to try to weaken the trade unions by means of workers employed through cooperatives and individual contracts, have led SINTRAINAGRO, the largest agricultural workers' union in the country, to establish the need to unify the unions in that sector, in order to preserve the conquests achieved so far and to seek the unionisation in those companies that do not yet have a trade union. Thanks to workers' organisation in Bucarelia and Las Brisas, some collective agreements have been signed and the workers in some of the cooperatives are now demanding better labour conditions.

It should be noted that in this article we are only referring to the social impacts of oil palm cultivation, but to these should be added the serious environmental impacts of the large-scale monoculture model, repeated in all the regions and countries where they are installed, and among them, the impacts on biodiversity, soil and water should be mentioned. (WRM Bulletin n° 65, December 2002).

- Colombia: Oil palm plantation project threatens biodiversity in the Chocó

The Chocó region (an area of 75,000 km² on the Colombian Pacific coast) is a strategic ecosystem due to its natural and cultural diversity and shows the greatest concentration of biodiversity in the world as regards the number of species per hectare. Of the original area of heterogeneous forests, only 44% are still standing, mainly because of colonisation, expansion of the agricultural frontier, cattle-raising and commercial logging.

The Lower Atrato, in the basin of the River Atrato, which is part of this biogeographical region, is in a state of alert. The People's Defence Office, in the document "Timber exploitation and Human Rights, Lower Atrato-Chocó" (Explotación Maderera y Derechos Humanos Bajo Atrato-Chocó), expresses the profound concern of the members of the community councils of the Lower Atrato (Cacarica, Jiguamiando and de

Curvarado, among others), over an oil palm plantation project, to be implemented in the Riosucio Municipality.

This project is to be undertaken by the Urapalma S.A. Company which is not a member of the concerted agreement on cleaner production, signed by the Fedepalma Federation, the Ministries of the Environment and Agriculture and various environmental companies.

The objective of the project is to plant 20 thousand hectares of oil palm trees (the Ekona and Ekona X lame varieties) in the Departments of Chocó and Antioquia. The first block will be 9 thousand hectares, 6,500 belonging to Urapalma and 2,500 belonging to Asopalma (this latter company promoted by the former, in which peasants from the region are associated, and have been assigned a 5 hectare plot each.

A subsequent stage foresees the installation of an oil extraction plant in the zone for the production of 35,500 tons of raw palm oil in five years. Presently, they are in the process of setting up associations of inhabitants in the zone in Paravandocito and Munguido to sow 380 hectares. This initiative has been supported by various different bodies, such as the Ministries of Agriculture and Development, the Agrarian Bank (which allocated a loan of up to 80% of the direct costs of the operation during the unproductive stage), FINAGRO, the Investment for Peace Fund (which provides resources to the Rural Capitalisation Incentive aimed at the cultivation of oil palm) and the Government of Antioquia.

There has been no consultation process with the ethnic communities, no formalities regarding environmental viability have been undertaken, no permits for water concession or forest use have been requested from the environmental authorities having jurisdiction in the Departments of Codechoco and Corpouraba, thus ignoring the environmental and ethnic regulations applying to this zone.

Para-military groups acting in the region have served the purposes of the project, for which collective community landholding of the territories in the zone is an obstacle. In this respect, the assault against the guerrilla not only obeys a military strategy, but also an economic one for the private sector. The Inter-church Justice and Peace Commission has denounced that it is evident that no state intervention is taking place to structurally face concealed armed action through para-military forces, while the community rights of Afro-descendants are ignored and the illegal sowing of oil palm continues to enjoy armed protection.

As in so many other places in tropical regions, natural and cultural diversity is running the risk of disappearing to be substituted by large-scale monoculture tree plantations that only serve company interests, aimed at production and marketing of palm oil. And just like so many other cases, resistance to companies appropriating land is growing increasingly strong. (WRM Bulletin nº 70, May 2003).

- Colombia: Forestry as a business

It seems important to learn why for the past few years the issue of forestry in Colombia has been at the hub of the main debates and the government agenda. This article endeavours to reply to this question and to show some political elements that allow us to affirm that the issue of forestry and its environmental services are just another business, not only at national level but also at a global level.

The present Government's National Forestry Development Plan (Plan Nacional de Desarrollo Forestal - PNDF), conceived for the next 25 years, seeks to establish 4 million hectares of monoculture tree plantations. This year the plan is to plant 17,000 hectares, mainly of oil palm. In spite of the fact that these are clearly monoculture plantations, they are presented as "reforestation". However, it is interesting to point out that the forestry development plan does not mention the real figures for deforestation, that are much higher than the data supplied by the government on this matter.

Among the reasons given to promote monoculture tree plantations is the fact that the country's geographical and environmental characteristics are extremely suitable for the development of productive plantations with a high production of timber, due to the short felling cycles (7-15-20 years) among other advantages.

The Government is promoting commercial tree plantations through the so-called "Productive Chains" which have been promoted since 1995, seeking to sign Competitiveness Agreements with the private sector, represented by producer organizations and entrepreneurs. In this context, the Government encourages various policies, plans and projects aiming at improving the competitive environment of the various links in the chains and the companies' own conditions of competitiveness.

With the development of these Chains, it is expected that "forestry development" cores will be identified and consolidated, making it possible to reactivate investment in new productive projects under conditions of competitiveness, promoting regional agreements and establishing strategic partnerships between the public and private sector and with the community in general. Thus the base of timber resources will be widened, consolidating the productive chain scheme and placing forestry products and services on national and international markets.

This seems to us to be a matter for extreme concern as the reorganization under way in Colombia, not only at institutional level but also at the territorial level, involves these Productive Chains. That is to say, national production is conditioned to the demands of external markets and therefore, of the transnational companies that are the buyers. In other words, Productive Chains are linked to international trade, which in turn dictates what each country should produce. This explains the reason for monoculture palm, palmetto, eucalyptus, pine, etc. plantations. The Chain thus becomes the way of producing, and it should be noted that small producers are left out of it, as the interest is on large-scale production.

This means, among other things, insecurity and loss of food sovereignty, as land use and production are not based on the needs of the population, but on the contrary, are aimed at ensuring the business of transnational companies promoting these Chains. From our point of view, there is no doubt that land use must in the first place benefit the population and not be considered as simply another business.

Hence the inadvisability of monoculture tree plantations, as their profitability is directly associated with the commercial and extensive nature of the plantations, without any concern for eviction from and expropriation of collective lands, traditionally inhabited by peasants and Indigenous and Afro-Colombian communities.

It should be noted that President Uribe himself has been one of the most enthusiastic supporters of the forestry sector, as a pillar of the new "development" in rural areas,

promoting tree plantations. Thus one of the National Development Plan's major programmes, known as "Forestry Warden Families" receives strong economic support from International Cooperation to carry out projects related with land planning and conservation and restoration of forest ecosystems, promotion of productive forestry chains and institutional development.

Although this may seem positive, what is hidden behind it is that by means of economic incentives, these families become incorporated into the large-scale extraction chains. These finally favour the multinational company owning the plantation while additionally, the national Government endorses and creates the right conditions for the application of this policy, channelling resources directly from International Cooperation to these Productive Chains and to the business.

Simultaneously, through this model of forest warden families, the establishment of a relationship of salaried workers with the local people is sought and it is expected that the communities will cease to relate with the forest as in the past, and more particularly the Indigenous and Afro-Colombian communities. Furthermore, the Government strategy aims at appropriating community territories that will end up in the hands of forestry companies.

All this is hidden behind nice-sounding words, such as "reforestation" "land planning" "conservation" and "restoration" when in fact what is really happening is the substitution of diverse ecosystems and communities by homogeneous plantations and societies, tied to the interests of the large companies. (By: Paula Alvarez Roa, WRM Bulletin n° 84, July 2004).

- Colombia: Expansion of the oil palm in a framework of Human Rights violation

The Colombia Plan has proved to be functional for oil palm economic groups. Military and para-military operations for the protection or promotion of the agro-industrial project have raided collective territories, built highways, felled forests and dug artificial canals. All this has been done in a setting of impunity and violation of Human Rights.

Since 2001, the Human Rights organization Justice and Peace has denounced the illegal planting of palm trees by the Urapalma S.A. company in at least 1,500 hectares in the Collective Territory of the Curvarado and its projection over the Jiguamiando. In spite of years of dialogue, legal action and verification commissions, nothing has been able to halt the destruction of the forest, nor the threats to the lives of its legitimate owners. In the report by the Inter-Ecclesiastic Justice and Peace Commission, the Community Council of the Jiguamiando and Families of Curvarado claim that during the last 15 days of April, the preparation of land to plant oil palm was intensified, with deforestation of native forests in the settlements of Caño Claro and La Cristalina in the Collective Territory of the Curvarado and by the Urada sector in the surroundings of the Jiguamiando in the lower Atrato and in the territories held by members of the communities with individual land deeds.

Although at the Audience of the Inter-American Human Rights Tribunal on 14 March the National Government engaged itself to take measures to halt the action of the palm-growing companies and to define mechanisms to solve the basic problem, what has been observed is accelerated progress in the preparation of new grounds, environmental destruction, the impossibility of Afro-descendent families returning to Curvarado and Jiguamiando and an increase in threats to the lives of the true owners who, faced with

the lack of Government action, the negligence of the investigating body and the monitoring organizations, have attempted to recover their farms for survival.

The seventeenth Brigade and the Police from the region have been responsible by their action or omission for such violations of Human Rights. On the one hand, personnel linked to the palm-growing companies have intimidated the inhabitants – the legitimate owners – with the warning that they will kill 5 of them and set fire to the arbours of their dwellings if they continue to work on the properties that have already been assigned to the plantation of the oil palm.

The Inter-Ecclesiastic Justice and Peace Commission also stated that, in view of the impunity of what is happening in the Curvarado and Jiguamiando, it is no longer possible to believe in official policies regarding the environment or in respect for the Rights Consecrated in Law 70 for Black communities, or to expect that the circuit of impunity will cease: “once again it is observed that Rights for the impoverished only exist as a formality, in hundreds of papers or in electronic files. It is observed that extermination, persecution, the destruction of a human group develops the most diverse techniques, ranging from corporal torture to psychological torture, from forced disappearance to the destruction of settlements, from selective murder and genocide to the devastation of all types of life, from forced displacement to total and absolute uprooting. A State of Fact has been imposed, Law Does Not Exist. The truth is no longer possible. Ambition has been imposed over solidarity. The hatred of power prevails over love for the impoverished. The State has been eroded.”

In an urgent request for solidarity, the Community Councils of Jiguamiano and nine Curvarado communities are asking inter alia, for the following:

“- The urgent presence of international volunteers in the 3 Humanitarian Zones and support to the permanent presence of Justice and Peace in our Humanitarian Zones of "Pueblo Nuevo," "Bella Flor Remacho" and "Nueva Esperanza;"

- The participation of environmental and Human Rights organizations during the week of world presence in the territories of the Jiguamiando and Curvarado communities from 1 to 10 August 2005;

- To confirm the activities of the palm-growing companies during that week, to demand the suspension of work in the community territories and to hold a ceremony to show indignation;

- To show up the expropriation of land that the communities have been victim to, by means of the national and international mass media that will be convened to attend a field day.”

As a demand to the State and the Government, the communities request:

“- To address letters to the President of the Republic, Alvaro Uribe Velez, the Vice-President, Francisco Santos, the Minister of the Interior, Sabas Pretel De La Vega, the Minister of Agriculture Andrés Felipe Arias; the Minister of the Environment, Sandra Suárez Pérez; and the Minister of Foreign Affairs, Carolina Barco, demanding:

- That they honour their word pledged before the Inter-American Tribunal on 14 March in San Jose, Costa Rica, that they will immediately curb and suspend plantation of oil-palms in the Collective Territories of Jiguamiando and Curvarado.

- That they fully adhere to the Resolution of the Inter-American Human Rights Tribunal of 15 March regarding humanitarian assistance, the conditions for the return of the communities, respect for the Humanitarian Zones, provision of communication systems, and permanent presence of the Ombudsman in the Humanitarian Zones.

- That they create a Commission to Verify the Measure of Ecological Damages to the Collective Territory of the Jiguamiando and Curvado due to the effect of the plantation of oil palms and the possibilities for Afro-descendant communities to return to the area. (WRM Bulletin n° 94, May 2005).

- Colombia: Oil palm plantations on usurped communal lands

The forests of the Colombian Pacific, the Pacific Region Territory, one of the areas of greatest biodiversity in the world, have been inhabited for many years now by Afro-descendent riparian communities. Their members were the last Colombian citizens to gain recognition of their right to the ownership of the territories that they possessed and used for centuries. The 1991 Constitution recognized their collective rights over the traditionally occupied territories but was accompanied from the start by a ferocious and systematic process of forced internal displacement that still continues in many places in the region and that has become even more serious with the increasing number of communities that are prevented from mobilizing and that have their entry of food, medication and fuel monitored.

As stated by Carlos Rosero, Candidate to the Chamber of Representatives of the Afro Communities “forced internal displacement is functional, not only to the war but also to the progress of mega-projects and monoculture tree plantations, such as the oil palm, that advance with the support of the national government in the north and the south of the Pacific Region Territory and other settlements of Afro-descendant communities in the country. Initial recognition by INCODER (the Colombian Institute for Rural Development) in March this year of the illegal advance of monoculture oil palm plantations in the collective territories of the Afro communities of Jiguamiandó and Curvaradó and the recent reversion depriving these communities of part of the lands that had been granted by deed to them collectively – unseizably, indefeasibly and inalienably – is a clear example of the model of inclusion and insertion in the region, in their territories and their peoples of the predominant economic rationale; of the serious incoherence of the State in defining the protection and conservation of biological diversity versus simple and vulgar developmentism. What is even more serious, it is a further demonstration that the Colombian State has been unable to protect the rights of Afro-Colombians, bowing to those responsible for violations of rights. Not only does it leave them unpunished, but on top of it all, rewards them.”

In the year 2000, three years after having been displaced, the communities of the Jiguamiandú and Curvaradó river basins (the Chocó region), received the deeds on 101,000 hectares that they had ancestrally occupied before their displacement. However, on their return these communities found that their territory had been invaded by industrial oil palm plantations.

Attempts made by the real owners to recover their farms were answered by death threats from the para-military personnel and the staff linked to the oil palm growing companies (URAPALMA, Palmas de Curvaradó, Palmas S.A., and Palmadó) in the midst of military operations that have endeavoured to get them to give up working the lands that the Government has allocated to the plantation of oil palms.

At the end of April this year, the preparation of land to sow oil palms was intensified, with the deforestation of native forests in the settlements of Caño Claro and La Cristalina in the Curvaradó Collective Territory and in the Urada sector in the surroundings of Jiguamiandó. For its part INCODER ended up by affirming that it had made a mistake by granting collective deeds and that consequently 10,162 hectares of private property should be deducted from these deeds.

The Inter-Ecclesiastical Commission for Justice and Peace considered that “it is alarming to observe that following more than 13 displacements suffered by the Jiguamiandó and Curvaradó Communities, following over 110 murders and disappearances, and having verified the illegality of oil palm plantations in the collective territories of the Afro communities, today the National Government contradicts its own conclusions to favour the economic interests of the oil palm growers.”

From a diametrically opposing standpoint, the communities’ social movement in the whole area of the Pacific rainforest conceives their territory as a “region-territory of ethnic groups,” that is to say an ecological and cultural unit amalgamated by the communities’ daily practices. The region-territory is conceived in terms of “corridors of life” that unite the communities, their activities and their natural environment. The corridors of life can connect mangrove ecosystems or extend from the middle of a river to the interior of a forest. Some are built around specific activities, such as traditional gold mining or the gathering of shells by women in the mangrove zones.

Furthermore, the territory-region is conceived as a political construction for the defence of the territories and their sustainability. Sustainability cannot be conceived in terms of scraps or of individual activities or only in economic terms: it must respond to the multidimensional nature of the ecosystem’s effective appropriation practices. Thus, it may be said that the region-territory hinges the life-project of the communities with the political project of the social movement. In the same way, the definition of biodiversity includes local principles of autonomy, knowledge, identity and economy. Nature is not “something which is out there” but is deeply rooted in the collective practice of human beings who feel connected to it in a comprehensive way.

The Afro communities have the conviction that the earth, as a living entity, must be collective. And they express it thus: “for us, the earth is mother and a crime is being committed against her giving rise to all the ills and miseries. Our mother, the mother of all living beings, is subjected, according to the law imposed, she has owners, she is private property. On subjecting her as property to be exploited, they took away her freedom to engender life and to protect and teach the place, the relationships and the time of every living thing... All we people are slaves together with animals and the beings of life, while we do not achieve our mother’s recovery of freedom.” (WRM Bulletin n° 100, November 2005).

- Ecuador: Oil palm and forestry companies in the Chocó bio-region

In Ecuador, the Esmeraldas forests are part of the relict tropical forests on the Pacific coast of America. These forests are part of the Chocó bio-geographical region, one of the planet's ten "hot spots", stretching from the South of Panama to the North of Esmeraldas. There are some 10,000 species of plants in this zone, of which some 2,500 are endemic. This is the home of the Awa, Chachi and Tsachila peoples and of Afro-Ecuadorian communities, which keep up traditional life styles.

However, these forests are being destroyed at an astonishing speed, due to deforestation caused by oil palm monocultures and the timber industry, that have so far enjoyed the complicity of the National Government.

On 8 August 2002 the Ecuadorian President, Gustavo Noboa issued executive decree 2691, prepared jointly between the ministries of the Environment, Agriculture and Foreign Affairs. This decree designates a 50,000-hectare polygon in the San Lorenzo Canton, Province of Esmeraldas, for agricultural use. Of this area, 5,000 ha are Forestry Heritage of the Ecuadorian State, over 5,000 hectares are Afro-American ancestral lands, and over 1,000 hectares are Awa indigenous lands. Constitutionally and legally, the community lands are indivisible and un-transferable. The undeclared aim of this decree is to legitimise the systematic expropriation of ancestral and State Forestry Heritage lands, being undertaken over the past years by the palm-growing companies in the north of Esmeraldas. The palm-growers have taken the land away from the communities through illegal purchases and forced displacement of ancestral families. This decree is specifically dedicated to the palm-growers, among which are family members of the out-going President, Gustavo Noboa Bejarano.

Within this policy of dispossession, advantage is being taken of the situation generated by the Colombia Plan on the country's northern frontier. To mitigate the effects of the conflict, the Northern Development Unit (Unidad de Desarrollo del Norte-UDENOR) has been set up with funds to support the communities located near the Colombian border. However, these funds, under the protection of the above decree, are being usurped by the palm-growers and not reaching the affected communities.

The constitutionality of the decree has been questioned by CONAIE, Acción Ecológica and other local and environmental organisations, through a claim for unconstitutionality lodged with the Constitutional Tribunal.

Furthermore, the Ministry of the Environment has not complied with its responsibility in controlling the deforestation process in the State Forestry Heritage lands and the illegal awarding of these lands by the National Agrarian Development Institute (Instituto Nacional de Desarrollo Agrario - INDA) to the timber companies ENDESA and BOTROSA, members of the Pena Durini group, one of the most powerful groups in the country. In investigations carried out in the Pambilar plots, within Block 10 of the State Forestry Heritage (one of the many grounds being questioned) by the Ministry of the Environment in the year 2000, 2,000 hectares of the land in question were identified and found to have been illegally granted by INDA to the BOTROSA company. Based on this case, the Commission for Civil Control of Corruption showed that at least another 18,000 hectares of forests had been illegally awarded. The report by the Commission led to intervention by the General Comptroller of the State which, in July 2002, initiated a special examination of the Ministry of the Environment and INDA to identify the state of land granted in the grounds located within the Forestry Heritage and to establish the civil administrative responsibility and indication of criminal responsibility, committed both by officials and directly involved actors.

The minister of the Environment, Lourdes Luque, also a member of President Noboa's family, has turned a blind eye on this process and has acted at snail's pace, thus benefiting the palm growing and timber companies.

In October 2002, the Constitutional Tribunal issued a verdict in favour of constitutional protection submitted by the peasants deprived of their lands in the zone, and demanded sanctions to be taken against the officials involved in this illegal awarding, together with the restitution of the lands and compensation to be paid to those affected by the ENDESA and BOTROSA timber companies.

The Ecuadorian tropical forest, hosting an enormous cultural and biological diversity is about to disappear. There is no room in this process for the concept of certified forest exploitation, such as ENDESA and BOTROSA aspire to (they have submitted a request for certification of their exploitation to SMARTWOOD and to FSC). Neither is there room to believe that plantations or reforestation projects can substitute the original primary forest.

In this scenario, the in-coming government of Colonel Lucio Gutierrez faces a major challenge in the conservation of the scant remains of the primary forest. Perhaps the only thing that can save the forest is a declaration of an indeterminate moratorium on commercial forestry exploitation. (By: Ivonne Ramos, WRM Bulletin n° 66, January 2003).

- Mexico: Who benefits from oil palm in Chiapas?

Corporate interests in oil palm, have found in Mexico, and more precisely in Chiapas, an ideal spot for their business, basically due to the climatic diversity of the zone, the availability of cheap labour (more so because of its condition as frontier state with Central America, where undocumented workers abound), and the possibility of easy access to peasant community land. The peasants, pushed and pressed by the powerful market forces expressed in agrarian policies, become salary earners on their own land, which is no longer the base of their food security.

Up to the present Chiapas has been an eminently agricultural region and one of the states to be most affected by the crisis in rural areas due to the drop in the price of coffee, maize, sorghum, pineapple, beans, etc., generating a constant migration of peasants to the north of the country, the United States and Canada. This was one of the arguments used to promote the plantation of oil palm, which in Chiapas started in 1982-88 during the government of General Absalón Castellanos Domínguez, in the municipalities of Villacomaltitlán, Escuintla, Acapetahua, Mazatán, Acacoyagua, Tapachula. In the nineties, it spread to other regions and municipalities, such as Salto de Agua, Playas de Catazajá, Chilón, Tumbalá and Palenque. The argument used to convince peasants to leave their traditional crops was: "it is no longer worthwhile to plant maize and beans because the prices are not good, now the alternative is the oil palm."

In 1997, in the Chiapas Coast alone, 3,000 hectares of oil palm had been sown to supply the oil extracting plants located in Villacomaltitlán and Acapetahua. In the year 2000, the Statistical Agenda of the Treasury Secretariat in the State of Chiapas identified 7,816 hectares sown in Tapachula alone, of which 2,748 were under production.

But the oil palm market has started to founder. Other products such as sorghum, sunflower, peanut, maize, soy bean, etc., that also produce oil have entered into competition with palm oil. Furthermore, the policy of transnational companies is to promote mass plantation all over the world in order to lower prices. With this they oblige other companies to lower their prices.

In 2000, the Acapetahua farmers claimed that “as the government is the main promoter,” it should guarantee prices. Furthermore, during the government of Julio César Ruiz Ferro and Roberto Albores Guillén, in the northern region of Chiapas, at Palenque, Salto de Agua and Playas de Catazajá, the peasant groups who benefited from the projects associated with oil palm plantation were usually linked to the official Institutional Revolutionary Party (Partido Revolucionario Institucional - PRI). In spite of this they also became part of the crisis, as they were unprepared to control, not only the pests affecting their plantations, but also the proliferation of rats that in most cases ate the plants.

Agro-industrial activities, in their usual model of large-scale monocultures, with the obligation of using agro-chemical products (pesticides, fertilisers, etc.) and precarious working conditions, do not improve the peasants' living conditions, nor are they a sustainable option, for taking them out of their poverty. How could they while they raze resources and traditional knowledge, while they destroy their very base (their environment), and while they divest the peasants of their food sovereignty, their future? (WRM Bulletin n° 59, June 2002).

- Peru: The Amazon forest threatened by oil palm plantation projects

Oil palm plantations are expanding in South America: Colombia, Ecuador, Venezuela and now Peru have joined the commercial thrust. The companies find profitable opportunities at the expense of the invaluable Amazon forest and of the lives of peasants who are displaced from their lands where they obtain their means of livelihood.

In the year 2000 the Ministry of Agriculture prepared the National Oil Palm Promotion Plan 2000-2010. With a market approach, the plan seeks to promote “clusters” in the departments of San Martín and Loreto until the consolidation of 50,000 hectares is achieved in the Amazon region which – according to draft Law 9271 – “has vast and rich lands where the palm oil industry can be developed.”

In this context, complaints have been made that 30,000 hectares of tropical forests located in the valleys of the Caynarachi and Shanusi subsidiary basins, located right in the Amazon plains and part of the cloud forest, in the district of Yurimaguas, Loreto region, will be allocated to the plantation and industrialization of oil palms by the Romero group, a powerful joint conglomerate involving Industrias del Espino S.A. (INDESA) and Palmas del Espino y Subsidiarias (PALMESA). Before the results of the project’s environmental impact assessment have been made public, it is reported that deforestation of 2,000 hectares in the Shanusi area has already started.

The State authorities (the National Environmental Council - Peru - CONAM and the National Natural Resource Institute-INRENA), have made no objections to this project not only degrading the habitat of thousands of forest species, but also carried out at the expense of the territorial rights of numerous peasant communities. In many cases the communities inhabiting the project’s area of influence since 1941 or 1961, have been

unable to obtain ownership deeds for their communal lands because of the high costs involved in the process. Furthermore, obtaining deeds which takes from one to three years for a peasant or native community, has only take three months for the Romero Group and today the company has managed to obtain ownership of the peasant families' lands.

Over 40 families living in lands that they have occupied for six years now feel that the bodies responsible for issuing the deeds have deceived them as at the beginning they promised to grant the deeds for their plots, but now tell them that as the lands are within the area requested by the Romero group company, it is no longer possible to continue with the formalities. The Upper Shanusi Agrarian Farmers Association "Centro San Isidro" reported that their members started legal formalities in 2005 and that the PETT (Proyecto Especial de Titulación de Tierras - Special Project for Land Title Deeds) measured up the plots, and therefore they are very surprised and upset by this decision.

The peasants of the area know that similar monoculture oil palm plantation projects in Colombia and Ecuador have led to the destruction of the environment, mainly as a consequence of the use of agrochemicals and of their impacts on water, soil, flora and fauna and have also displaced thousands of peasants. They say that social aspects do not look good either as the project will affect activities such as firewood gathering, hunting and fishing, among others.

For its part, the Board of Directors of the Agrarian Farmers Association "Centro San Isidro" – APACSI from the lower Shanusi – Yurimaguas, facing the invasion of oil palm plantations, has issued a declaration in which it makes a denunciation against the authorities for having keep silent over PETT's refusal to grant land ownership deeds for the lands they have occupied and worked for more than six years at the same time caring for the primary forest in the San Isidro Lower Shanusi sector.

They also regret that a wide sector of the press "is not giving coverage to this problem which grows bigger every day and which will surely end in serious and nefarious consequences for our ecology, with deforestation of a vast territory... and with it the destruction of thousands of species of flora and fauna. All this for the miserable objective of planting oil palms for the profitable business of vegetable oil for the new 'ecological engines' that the Romero group is certainly considering selling in our country. It should be noted that this palm only grows where there is sun and water, that is to say that all the vegetation that does not serve their purpose will be destroyed and with it the beings that inhabit it. Furthermore, it is not true that this investment will bring development to the population in this area that has been obliged to sell their lands in order to implement this eco-suicidal project that is merely a temporary palliative to the hunger and misery of our long-suffering peoples." (WRM Bulletin nº 109, Augusta 2006).

ASIA

- Cambodia: Rubber and palm oil plantations impact on local communities

While not related to the pulp and paper industry, rubber plantations and oil palm plantations have similar impacts on local communities to fast-growing tree plantations. Rubber and oil palm plantations also involve using large areas of land, often land which is crucial to local people's livelihoods.

During the 1960s, especially in the northeast of Cambodia, many highlanders were evicted from their traditional lands to make way for rubber plantations. The plantations, Prince Norodom Sihanouk's assimilation policies in the northeast and the bombing by the US airforce meant that the northeast was a prime recruiting ground during the first years of Pol Pot's Khmer Rouge.

Since the 1960s many of the rubber plantations have been neglected and only in recent years have some of them been rehabilitated. The Cambodian government is currently encouraging the rehabilitation of rubber plantations and the development of new plantations.

In August 2001, Prime Minister Hun Sen gave a speech in Kompong Thom province at the launch of the Chhub Rubber Plantation Company's 6,200 hectare plantation. In his speech, Hun Sen praised the company for "rehabilitating the ecological balance of the region, which was degraded to some extent by logging". Local villagers are to grow cash crops between the rubber trees and will be given three hectares of land "to develop rubber plantations or grow other cash crops". Hun Sen added, "Our people have been transformed from rice and slash-and-burn farmers into workers and owners of the family rubber plantation."

Local people's experiences with plantations and cash crops elsewhere in Cambodia however, indicate serious problems when large tracts of land are taken over by agricultural plantations. An oil palm development in Ratanakiri in north-east Cambodia illustrates these problems.

In 1995, a joint venture company won a 20,000 hectare concession to plant an oil palm plantation in O Yadao district, Ratanakiri province. The company is a joint venture between Globaltech Sdn. Bhd. (Malaysia), Mittapheap-Men Sarun and Rama Khmer International (both Cambodia). The project would displace 4,500 people from their land, while providing employment for a maximum of 400.

The company recruited villagers to clear land for the plantation including villagers' forests and fallow fields. "The company measured the land that people were in the process of farming and said this land belongs to the company already – even if we didn't sell," one villager told Sara Colm, a researcher with the NGO Natural Resources Management Project. However, a trial plantation in 1996 was a complete failure and land the company had already cleared was simply left unused. The company then started to plant coffee, much of which died because of drought the following season. The company then built a dam to provide water to irrigate the coffee. Villagers downstream of the dam have seen their streams and water sources depleted. The company bought the land which was submerged by the reservoir from villagers at a price of USD52 per hectare. Villagers sold the land unwillingly, reasoning that the company would take the land anyway, if they refused to sell.

A survey by the Ratanakiri-based NGO, NTFP project, compares the potential income to villagers from planting fruit trees between 1995 and 1998 and the income to villagers from large scale monoculture. The survey concludes that the income from fruit trees is significantly greater for villagers, and "because it is based on a variety of crops is less risky and more sustainable than large scale monocultures that are being presented as the alternative."

The report also sums up villagers' problems with contract farming on large-scale monoculture plantations:

"While the company may be offering employment opportunities to local people, their sharecropping plan increases village peoples' vulnerability because they will have to give up growing rice for their families in order to tend the coffee. Their income will depend very much on seasonal growing conditions and the company will dictate the price at which villagers must sell their beans to the company. Farming people are really being asked to take risks that they cannot afford to take. Their question to the company was . . . how are they going to look after their children and their old people if they have to give up everything and look after coffee." (WRM Bulletin n° 59, June 2002).

- Indonesia: Good news from Indonesia on oil palm!!!

The development of the oil palm industry in Indonesia is associated with murder, human rights violations, destruction of local communities and local cultures, and forest loss. Many local communities and NGOs have been struggling against this destructive industrial model for years, both at the local and at the international level. This struggle has recently resulted in a very important success which needs to be shared with all those involved in similar struggles.

In Indonesia, the development of the oil palm sector began in the 1970s. Between 1995 and 1999, the Indonesian government approved domestic and foreign investment projects, which triggered foreign bank loans to this sector. Foreign lenders included – among others – Dutch banks ABN AMOR, Rabobank and Fortis, which thus became involved in financing oil palm plantation companies responsible for the destruction of tropical rainforest and the livelihoods of local communities dependent on those forests.

During 1997/98, 10 million hectares of forest lands were burned in Indonesia. The haze that covered the region for several months affected the health of some 70 million people in Southeast Asia. Rather than calling for greater fire fighting capacity in Indonesia, environmental NGOs sought a fundamental solution to combat the fires and went after the financial backers of the oil palm industry in Indonesia, the sector that was widely held accountable for causing the forest fires.

As a result of this joint campaign by Sawit Watch, Friends of the Earth/Netherlands and Greenpeace/Netherlands, three of the major Dutch banks (ABN AMOR, Rabobank and Fortis) have decided to stop financing or substantially restrict the financing of the development of oil palm plantations which purposely destroy tropical rainforests.

The NGOs demanded that the banks adopt a sustainability criteria for investments in the oil palm sector. The three banks declared that they subscribed to the investment criteria as put forward by the NGOs. Oil palm companies submitting investment proposals to these banks now need to adhere to the following basic requirements:

- No deforestation
- No forest burning
- Act within the legal framework
- Respect the right and wishes of the local communities.

Sawit Watch, the Indonesian NGO network that is campaigning against large scale expansion of oil palm plantations, has called upon all banks in the world, including

Indonesian banks, to follow the steps taken by these Dutch banks. We sincerely hope that positive action in this respect is implemented, not only in Indonesia, but also in the rest of the countries where industrial scale oil palm plantations are being promoted. (WRM Bulletin n° 52, November 2001).

- Indonesia: Oil palm plantations at the heart of biodiversity destruction

Indonesia has 10% of the world's remaining tropical forests which are home to over 20,000 plant species – accounting for 10% of the planet's total –, 12% of the world's mammal species and 17% of bird species, many of which are unique. The magnitude of this lush biodiversity can be pictured by the data that 25 acres of Borneo's rainforest were found to contain 700 tree species, equal to the total number of species for the whole of North America..

However, complying with the policies globally imposed by Northern powers on Southern biodiversity-rich countries through recipes pushed by multilateral agencies – International Monetary Fund (IMF), World Bank (WB) –, in the 80's, Indonesia increased trade liberalisation which contributed to drastically increase natural resource exports, among which cash crops such as palm oil. The country soon became the world's second largest producer of palm oil.

Oil palm is cultivated in a system of large-scale monocrops, which as such require large quantities of chemical inputs – fertilisers and pesticides – leading to a loss of soil and water biodiversity. Furthermore, the quest for more land for plantations implies forest felling and loss of habitat. Oil palm plantations have also been to blame for the severe forest fires that in 1997 ravaged the country, since fires are used as a method to clear land for plantations: of the 176 concession holders accused by the government of starting fires in October 1997, 133 were plantations. Currently, oil palm plantations cover some 2,4 million hectares of land and some 6,8 million hectares more have been released for future plantations under a five-year plan, meaning that between 750,000 and one million hectares of forest will be "converted" (destroyed) every year.

This process has become not only a source of environmental degradation but also social conflict within a framework of human rights violations. Customary rights and local traditions have been overridden by state ownership enforced by new legislation which denies the existence of forest dwellers, namely indigenous peoples and local communities.

Major markets for the growing palm oil industry are Europe for industrial use, and India, Pakistan and China for edible use, with USA demand rising rapidly. Transnational companies including Unilever, Procter&Gamble, Henkel, Cognis and Cargill – some of them involved in both production and trade – are the engine drivers of this business, promoted by the action of the IMF and the World Bank, encouraging foreign investment and further privatisation of the sector. Other beneficiaries are Western financial institutions and private banks; foreign investors from Malaysia, British Virgin Islands, England, Belgium, the Netherlands, Hong Kong, South Korea and Singapore; and the Indonesian oil palm industry with close links with the Soeharto family.

Gone are the forests, and with them gone are the colours of the flowers, and the songs of the birds, and the sounds of the animals that they host, and the clear water of their rivers, and the food they provide, and the free spirit of their peoples... Gone is life. Will

the Indonesian authorities continue substituting biodiverse forests with oil palm monocrops for the exclusive benefit of a few national and transnational corporations? (WRM Bulletin n° 56, March 2002).

- Indonesia: WWF report links oil palm plantations to widespread deforestation

Indonesia ranks among one of the countries with the highest tropical forest loss rate in the world. Average annual deforestation recorded up to one million hectares in the 1980s, 1.7 million hectares in the first part of the 1990s, and between 2.0 and 2.4 million hectares at present according to statistics of the State Ministry of Environment.

As we have already exposed, Northern-driven global policies imposed by multilateral agencies – International Monetary Fund and World Bank – in the 80's, and the pressure of a large external debt burden, led to a drastic increase of natural resource exports, including palm oil which is obtained from oil palms cultivated in a system of large-scale monocrops. Oil palm became a lucrative crop for investors in Indonesia since labour and land costs are often low, credit is easily available and weather and soil conditions are favourable.

The world demand for palm oil is greedy. It is forecast to increase from its present 22.5 million tonnes a year to 40 million tonnes in 2020. India, China, the Netherlands and Germany are the main importers of crude palm oil, the primary product derived from the palm's fruit and used for a wide range of food and non-food products. The global trade chain counts on funds provided by foreign financial institutions from Europe, the US and eastern Asia. Sumatra, Kalimantan and West Papua are the main areas in Indonesia where big conglomerates such as the Salim Group, the Raja Garuda Mas Group and the Sinar Mas Group operate. They are the same conglomerates that control logging, wood-processing and pulp and paper industries.

All this business has been at the expense of former forest lands in Indonesia's lowlands and rural peoples' livelihoods. According to a recent WWF report on "Oil Palm Plantations and Deforestation in Indonesia", published in December 2002, "In Indonesia, nearly seven million hectares of forest had been approved for conversion to estate crop plantations by the end of 1997, and this land has almost certainly been cleared. But the area actually converted to oil palm plantations since 1985 is about 2.6 million hectares", destined for export to feed the palm oil industries. "One of the regulatory changes in the oil palm sector introduced in 1998 is that state forestry companies are allowed to use 30 per cent of their concession areas for estate crops such as oil palms". What is worrying is that they usually have concessions in permanent forest land.

The big oil palm companies have encroached on common lands without consulting or adequately compensating the many million people living in the forest or depending on it for their livelihoods. The issue of land rights has been at the core of conflict: "oil palm plantation development remains a major cause of conflict over land and resources. One of the social impacts of the expansion is the appropriation of large areas of land used by indigenous and peasant communities who, in most tropical countries, have not owned the land they traditionally occupy. In boom sectors where economic stakes are high, such as the oil palm sector, plantation companies may be awarded concessions or land titles to that land and receive government support to repress the opposition they may face from local communities", says the WWF report.

To complete the circle, large-scale oil palm plantations have been at the root of the forest fires that have been ravaging Indonesia since 1997. According to the report, “In September 2002, satellite information revealed that more than 75 percent of the hot spots recorded in West and Central Kalimantan during August occurred in oil palm plantations, timber plantations and forest concessions. This indicates that the pattern which became evident in previous years is repeating itself in 2002: logging and estate companies clear land by setting fire to natural forests on their concessions after removing valuable timber and leaving fire-prone debris.”

A bilateral project between Indonesia and the European Union (the Forest Fire Prevention and Control Project), “concluded that the main permanent solution to Indonesia’s fire problem lies in much improved local level land use planning and strengthened local management, the latter including fire prevention. The project found that village-level views on natural resource management vary from place to place but are generally in line with ‘wise use’”.

The above conclusion is not new and Indonesian organizations have for years been insisting on the need to ensure community control over forests as the means of achieving both forest conservation and local peoples' livelihoods. What is new is the official recognition that "village-level views on natural resource management are generally in line with ‘wise use’”. This is at least a step in the right direction. However, a number of questions need to be raised. Is the government willing to change course and strengthen local resource management at the expense of national and transnational corporations operating in the oil palm sector? Will the IMF and the World Bank support this approach which would in fact mean a halt to further oil palm – and palm oil exports – expansion? Will forests and peoples' interests finally prevail over corporate profits and macroeconomic export-oriented policies? (WRM Bulletin n° 66, January 2003).

- Indonesia: Palming the forest

Between 1990 and 2002 the global planted oil palm area increased by 43%. Most of this growth occurred in Indonesia and Malaysia. In Indonesia, between 1990-2000, the total area planted with oil palm almost tripled from 1.1 to 3 Mha (million hectares). In 2002, overcoming the 1997-1999 financial crisis, the total mature oil palm plantation area reached 3.5 Mha. Assuming recent planting rates, the total area of oil palm plantations in Indonesia is set to increase to 11.2 Mha in 2020.

The total area set aside for oil palm is an expansion target rather than a ceiling to expansion (in the early 1990s, a similar target of 5.5 Mha was set, which was dropped and replaced by 9.13 Mha). It is highly likely that the Indonesian government, either at national or local level, will bow to the massive interest of the private sector to engage in the oil palm business as well as to the ambitions of local governments who, along with decentralisation policies, were empowered with great land use decision making powers in 2001.

The original habitat in most areas suitable for oil palm is lowland evergreen tropical rainforest. According to the latest revisions of permanent forestlands, not officially published, the area of convertible forestland has increased from 8 Mha in 2000 to 14 million in 2002. Indonesian Palm Oil Research Institute (IOPRI) estimates that 3% of all oil palm plantations are established in primary forests and 63% in secondary forest and bush. So, according to industry data, 66% of all currently productive oil palm plantations involved forest conversion.

However, actual planting rates in Indonesia lag well behind allocations by the government. Of the 7.2 Mha released during the 1990s, only 530,000 ha (7.5%) were actually planted in 2002. This is in part because of the monetary crisis of 1997-2002, during which time few companies could afford to obtain credit to commence their planting programs. Another factor is that many "oil palm" companies are interested in the timber stands rather than in implementing their plantation projects. Around 70-80% of the new oil palm projects are allocated in production forests with a high forest stocking which provides a pre-start up bonus in the form of sale proceeds from the timber stands. After taking the timber stand, many companies abandon the project altogether. In the province of Jambi around 800,000 hectares of forest cleared to set up oil plantations was abandoned. In Landak district, West Kalimantan some 300,000 hectares have been neglected.

Field observations indicate that many oil palm plantations in Indonesia are planted in areas that were clearly forested immediately prior to conversion to plantation.

In Sembuluh, Central Kalimantan, PT Kerry Sawit Indonesia (subsidiaries of the Sabah based plantation company Perlis Palm Oils Berhad) is about to start field operations to plant 17,200 hectares of land. Within the area, there is still some 7,500 hectares of forest and forest gardens that local community members desperately wish to see protected against conversion. The forest area is one of the last in the area of Lake Sembuluh that is completely surrounded by oil palm estates.

In Muara Wahau, East Kalimantan, a PT SMART (Sinar Mas) subsidiary converted some 2,500 hectares of primary forest into oil palm plantations. The lowland forest in the PT Matrasawit area used to provide habitat for the orangutan, an endangered and protected species in Indonesia.

In Riau, Sumatra, a subsidiary of the Indonesian Indofood Sukses Makmur group (PT Gunung Mas Raya) is in the process of clearing peat-swamp forest, part of which may be outside the concession boundaries. If this is the case, it will be in contravention of the risk policy of one of the group's main investors, ING from the Netherlands, which has a policy of not financing illegal forest conversion.

Satellite map analysis undertaken by the Indonesian NGO Sawit Watch and Friends of the Earth Indonesia (Walhi) found that around Lake Sentarum National Park in West Kalimantan, the oil palm plantation area grew from 3,000 hectares in 1994 to 94,000 hectares in 2000. Meanwhile, according to newspaper reports, the total forest area decreased from 528,300 hectares to 323,000 hectares.

Around Mount Meratus in South Kalimantan, some 43,000 hectares of forest have been converted into plantations since 1994, enlarging the total area of plantation from 86,000 hectares to 129,000 hectares. The forest areas surrounding Mt. Meratus meanwhile shrunk from 1,337,000 to 987,000 hectares.

Map and anecdotal evidence strongly suggests oil palm plantations have been developed within a number of other national park buffer (low intensity use) zones as well including Tanjung Puting National Park, Bukit Tiga Puluh National Park and Gunung Leuser National Park.

Apart from rampant deforestation, oil palm plantations have resulted in the death of dozens of people that have been killed in land tenure and labour related conflicts, while hundreds of deaths can be attributed to the environmental impacts of oil palm expansion.

This expansion destroys ecosystems and wildlife in one the worlds' most biodiverse regions. It also destroys indigenous peoples' way of life, self-determination and culture.

Plantation labour is generally poorly paid, highly dependent on the employer in all aspects of life and regularly exposed to danger and unhealthy working practices. Inequities between various types of labour (day labour vs. permanent workers, men vs. women) are widely reported. Pesticide use poses a real health risk to (predominantly female) plantation workers all over the region. The plantation sector is the most conflict ridden economic sector in Indonesia. Most conflicts result from land tenure issues and the weak legal protection afforded to local communities.

In sum, oil palm plantations in Indonesia have extremely high social and ecological costs. These costs, which are often hard to express in hard currency terms, include tropical forest destruction, biodiversity losses, illegal practises, land rights conflicts and human rights violations, labour disputes, unfair treatment of smallholders, the collapse of indigenous cultural practises and exposure of vulnerable local economies to capricious global market forces. (WRM Bulletin n° 85, August 2004).

- Indonesia: Investing in disaster: the IFC and palm oil plantations

Indonesia has the third most extensive area of tropical forest on earth and is one of its richest centres of biodiversity. It is also the world's second largest palm oil producer with an output of over 11 million tonnes of Crude Palm Oil (CPO) in 2004. With Indonesia's forests disappearing at 3.8 million hectares per year, the land area converted to oil palm plantations has doubled during the past decade to nearly 5 million ha - an area roughly the size of Costa Rica. Most oil palm plantations in Indonesia are established on land which was, until very recently, mature rainforest. According to a report commissioned by the World Bank, around 50 million people live on state forest land in Indonesia with 20 million more living in villages near forests, of which about 6 million receive much of their cash income from forests. It should be no surprise, then, that the expansion of large-scale oil palm plantations has brought widespread environmental destruction and social conflict. The financial institutions that provide, including the World Bank Group, must share responsibility for these adverse impacts.

The World Bank Group has directly and indirectly assisted the development of large-scale palm oil plantations in Indonesia. The World Bank was heavily involved in 'development' projects throughout the three decades of the Suharto regime. Forestry programmes during the late 1980s and early 90s supported the official forest policy in which over one third of the country's forests was handed over to commercial logging companies while another third was destined for 'conversion' to plantations. Typically, same conglomerates owned both the companies that destroyed the forest by over-logging and the plantation companies that benefit from the land clearance. During the same period, the World Bank helped to finance Indonesia's transmigration programme. Government-sponsored transmigrants and other settlers encouraged through Indonesia's resettlement policy were a readily available source of cheap labour for the nucleus-estate plantation system (PIR). Plantations also benefited from Bank-funded infrastructure projects, including roads. The International Finance Group (IFC) provided

at least one loan to an Indonesian company during the 1990s to develop oil palm plantations and CPO mills.

When the Indonesian economy collapsed in 1998, the IMF and World Bank imposed conditionalities on a financial 'rescue package'. These included measures to promote the palm oil sector, including reductions of export taxes on CPO and lifting the ban on foreign investment in palm oil ventures in Indonesia. The IMF/WB deal also helped to restructure Indonesia's banking sector. As bankrupted conglomerates had interests in forestry as well as banking, over 100 heavily indebted forest-related companies benefited to the tune of at least USD 2bn when the state took over some of their private debts. An internal review of World Bank forestry policy and practices, which included Indonesia, came to the damning conclusion that both deforestation and poverty increased during the 1990s.

Indonesia is still expanding its plantations, not least to satisfy the demands of local governments who were given considerable power over land use decisions and income generation when regional autonomy was introduced in 2001. Large areas have already been allocated for oil palm – 1 million ha in Jambi; 1 million ha in East Kalimantan; 3 million ha in West Kalimantan – with overall targets of over 9 million ha. Central and local governments now look to the plantation sector as the driving force for development and a major revenue earner for the economy. Ironically, this replaces the wood-processing sector – relegated to a sunset industry as forests outside protected areas in the western part of the archipelago have been logged to the extent that they are no longer commercially attractive.

The private lending branch of the World Bank Group, the International Finance Corporation, has been increasingly active in Indonesia. The IFC's mission is to promote sustainable private investment in developing countries by mobilising capital in international markets and providing technical advice for businesses and governments. In the Indonesian context, the IFC wants to promote exports – particularly from agribusiness – and to improve the climate for investment. However, the IFC has no oil palm policy to define the conditions under which plantation companies and their financial backers are eligible for IFC support.

Like other parts of the World Bank Group, the IFC shares a duty to help reduce poverty and improve people's lives in line with the UN's Millennium Development Goals. Arguably, it should be trying to help small and medium Indonesian enterprises, owned by independent small-holders, to attract financing so that they can improve the productivity and management of existing plantations. Instead, the IFC is offering support to some of the biggest operators in the Indonesian oil palm sector, including foreign investors and companies with very poor environmental and social track records who are expanding into new areas.

Under IFC's Environmental & Social Guidelines, projects are classified in three ways:

- Category A: Major economic and social impacts.
- Category B: "Limited number of specific environmental and social impacts may result that can be avoided or mitigated by adhering to generally recognised performance standards, guidelines or design criteria".
- Category C: minimal or no adverse environmental impacts.

It is not clear what sanctions, if any, the IFC will impose if its Environmental and Social Guidelines are ignored.

Equity and loans directly for Indonesian oil palm plantations are generally graded as Category B, so an Environmental Impact Assessment is required. In practice this provides few safeguards. EIAs in Indonesia are often perfunctory exercises and it is not uncommon for the study to be carried out several years after a plantation has been developed. Furthermore, compliance with host country laws and local regulations means indigenous peoples' rights can be ignored with impunity and there is weak enforcement of environmental and labour standards.

The situation is even worse for trade-related IFC financing which is classified as Category C. Here there is a presumption of no adverse environmental impacts, while social impacts are not even considered, let alone checked in the field. This means that the IFC cannot obtain the information necessary to ensure compliance with its own standards.

A case in point is the IFC's pre-shipment financial support for the Singaporean company Wilmar Trading. The Wilmar Group is the biggest crude oil palm refiner and exporter in Indonesia. It owns four CPO refineries in Indonesia and another in Malaysia, with a total production of 3.3 million tonnes/year. It has investments in at least 85,000ha of oil palm plantations, but buys some 90% of its supplies from Indonesian producers belonging to other conglomerates.

The IFC describes this project as "enabling Wilmar to meet its working capital requirement to purchase crude palm oil from plantations in Indonesia and process them (sic) into refined oil for export." In other words, the IFC provides a USD 33.3 million guarantee, renewable annually for three years, so Wilmar can borrow money more easily from commercial banks to buy palm oil supplies. The loans are repaid after the CPO has been delivered to overseas purchasers such as detergent companies or food processors. Unilever is one of Wilmar's clients.

It is not clear why this project is considered worthy of IFC's support. Wilmar is the second-largest edible oils trader in the world. In 2002, Wilmar Holdings had an annual turnover of USD 3,530 million and made a net profit of USD 52.2 million. The IFC justifies its action by saying that commercial banks are nervous about investing in Indonesia. Yet Wilmar has obtained loans from several international sources on its own or through the services of the Dutch-based international bank, Rabobank. Rabobank may even be an investor in Wilmar.

There is no doubt that the IFC's credit guarantee will facilitate exports of Indonesian palm oil and benefit the Wilmar group and its Indonesian subsidiaries. What is less clear is whether IFC's claims of positive benefits for local farmers can be justified. Indeed, the IFC has no means of gauging the impact on small-scale sharecroppers or local economies as the Wilmar deal is graded Category C.

The IFC has never made public basic information on all Wilmar's subsidiaries – including the plantations, CPO mills and other investments in Indonesia. Although Wilmar apparently holds this list on its website, it is perpetually inaccessible. It is therefore very difficult to assess the full extent of the IFC's responsibilities. Neither the IFC nor Wilmar has attended any meetings of the Roundtable on Sustainable Palm Oil. Even so, Dutch and Indonesian NGOs who are trying to track down Wilmar's

connections have raised concerns about a number of environmental, social and human rights issues.

These include the following issues:

- Wilmar subsidiary PT Jatim Perkasa Jaya in Riau province owns a plantation in an area of peat swamp forest. That part of the Rokan Hilir district has been repeatedly burned in forest fires. The local authorities and environmental NGOs are convinced the company is implicated in this illegal land clearance, but the case has yet to be proven in court.
- The development of oil palm plantations in West Sumatra has been the focus of violent conflicts since April 2000, when armed police tried to bully local people into giving up their land to Wilmar-subsiary, PT Permata Hijau Pasaman. A local NGO monitored instances of intimidation, raids, shooting, kidnapping, arrest and torture by the security forces.
- There is evidence that Wilmar's third party suppliers, belonging to the Salim, London Sumatra, Sinar Mas and Surya Dumai Groups, have also been involved in forest destruction, illegal land clearing by burning, land seizure and human rights violations.
- Further investigations have revealed company-led cooperatives which left smallholders waiting for plot allocations; serious cases of water pollution due to palm waste and at least one CPO mill which has been operating for 4 years without an EIA.

IFC's immediate reaction to the NGOs' study was to deny that it was supporting the expansion of oil palm plantations or that there were social and environmental problems associated with Wilmar's subsidiaries. It dismissed reports of land disputes, saying that Wilmar was not responsible for the initial land acquisition for the plantations. Wilmar also condemned the briefing document as "incomplete and inaccurate" and told Rabobank that PT Jatim was sold in late 2003. Later Wilmar agreed to engage a consultant to carry out an independent study of its social and environmental performance. Before this took place, the IFC Board announced in May 2004 that the USD 33.3 million guarantee for Wilmar had been approved.

Wilmar Trading is only one of several deals in Indonesia that raise questions about the IFC's commitment to promoting environmental sustainability, social justice and the eradication of poverty. Since 2002, the IFC has invested about USD 3.5 million and provided stand-by equity for up to USD 16.5 million to PT Astra International for debt restructuring in order to support the company's existing operations and future development. Astra is one of Indonesia's largest conglomerates whose interests include cars, banking and real estate, in addition to oil palm plantations. The IFC has also made a USD 40 million loan to Verdaine – a Mauritius-based company set up as a vehicle to acquire and manage oil palm plantations in Indonesia. It currently controls a 9,100ha plantation in the Tapanuli Selatan district of North Sumatra and a 5,000 ha concession on Belitung island, off the east Sumatran coast. One of its founders is Austindo Nusantara Jaya, another Indonesian conglomerate with interests in agribusiness, electric power generation, mining and financial services. The IFC had already bought a 7% stake in an Indonesian palm oil plantation subsidiary of Austindo called PT Agro Muko in Bengkulu. The IFC is also helping the Indonesian Wings Group to move into the lucrative market of cooking oil, in addition to its existing ventures in toiletries, building materials, ceramics, cement, asbestos, banking and property. It provided a USD 10 million loan and helped organise a USD 11 million syndicated loan for three oil palm estates in South Kalimantan under PT Gawi.

The IFC still maintains that its engagement can have an impact, both in terms of broad, beneficial economic impacts and of improvements in environmental and social performance. “The renewed involvement of the IFC in funding projects in Indonesia sends a very positive message to companies with a commitment to good corporate governance, sustainable development and the creation of employment opportunities for the Indonesian people”, said one of Verdaine’s directors. However, the significant issue here is that the IFC completely denies responsibility for its investments higher up the trade chain. And local communities are telling a very different story from the rosy picture painted by IFC representatives. (By: Liz Chidley, WRM Bulletin n° 93, April 2005).

- Indonesia: IMF and deforestation

Due to a prolonged economic crisis and the devaluation of the Indonesian Rupiah in early 1997, Indonesia was forced to seek aid from the IMF, and by the end of October a first assistance package was agreed upon. The USD43 billion financial rescue package included some structural adjustments or reforms stipulated in the Letter of Intent (LOI) that the government of Indonesia should follow. The then President Suharto signed the first LOI with the IMF in October 1997, focussed on banking sector reform, but without including any reference to the forest sector or the environment.

By early January 1998, the government of Indonesia had failed to implement the commitments of the first LOI and the country plunged into a deeper economic crisis. Despite the failures, a second LOI was negotiated and signed on January 15, 1998. The IMF announced that the second LOI would accelerate and broaden the earlier commitments to reform.

The first major set of reforms affecting forests were contained in the IMF's January 1998 LOI with the Indonesian Government -the documents which spelled out the loan conditions Indonesia had to agree to secure a USD1 billion loan as part of a USD43 billion bail-out package. A striking addition to the first LOI was a series of forest-related (6 points) and other environmental measures (4 points). These included major commitments to “reduce export taxes on logs, sawn timber, rattan, and to impose appropriate resources rent taxes” (point 37) and to “remove restrictions on foreign investment in palm oil plantations” (point 39).

Ironically, while the LOIs called for greater transparency and consultation with civil society, the process of drafting the agreements themselves was anything but transparent. The contents of the LOIs are still not made available for public scrutiny before signing. There is no wide participation by NGOs and especially by those most affected by the LOIs conditions.

Through IMF’s LOIs packages, the World Bank steered the Indonesian government to implement the IMF recipes of its structural adjustment loans. LOIs became the ‘holy bible’ directing the country’s economy and its natural resource management policies.

In 2002, WALHI/FOE Indonesia commissioned an independent study to evaluate the impact of the implementation of the LOIs on forests and the environment. The study was conducted by a team lead by a prominent forest economics expert of the Agriculture Institute of Bogor. The study concluded that the state budget for public expenditures in environmental management had decreased and that economic and trade

liberalization had increased the exploitation of natural resources. Some findings of the study are summarised below.

The log export liberalisation (point 37, LOI 1998) provided financial incentives for log export. Although reducing the export taxes on timber may have improved the price of the undervalued timber in Indonesia, which could lead to the improvement of the efficiency in the extraction of raw material and serve as an incentive to conservation efforts, this policy has in fact been catastrophic.

The log export activity was encouraged but at the same time it increased the deficit of timber supply for the domestic wood processing industries. Ironically, despite the shortage of wood supply, the forest-based industry was even increased, especially production in the pulp and paper mills. As a result, the timber for the industry was supplied from illegal and unrecorded sources. Furthermore, since the timber supply from logging concessions decreased, the demand of the timber from conversion forests increased.

The same trend basically happened with the policy of liberalisation of investment in the oil palm plantation sector (point 39). This policy has been matter of controversy since it was launched, because it was totally contradictory with the Bank's and IMF's commitment to reduce forest conversion in Indonesia. Removing restrictions on foreign investment in palm oil promoted a greater expansion of oil palm plantations at the expense of forests. Together with previous Indonesian government's policy, this condition opened up the country for further forest conversion. According to the study, 80% of oil palm plantations was established by converting natural forests.

Although improvements in some aspects of governance and transparency (for example calls for reform of concession regulations, introduction of performance standards and the dismantling of cartels) could clearly benefit both forests and government revenues, other objectives such as reducing export taxes on timber were just as likely to offset those gains. A commitment to halt forest land conversion was inconsistent with the removal of restrictions on the export of palm oil and on foreign investment in the sector – a move that was likely to accelerate the rate of forest conversion to plantations. The measures did nothing to address the underlying structural causes of deforestation and degradation.

Since the 1997 economic collapse, the World Bank and IMF have played a direct role in decision-making affecting forests and forest peoples, as they press Indonesia to keep up with debt repayments. These institutions must accept joint responsibility for forest destruction and the resulting marginalisation of communities and start prioritising the needs of the poor over the interests of international finance. (By: Longgena Ginting, WRM Bulletin n° 95, June 2005).

- Indonesia: The unhealthy smell of money in forest fires

Indonesia's forests are once again on fire. Smoke from fires in Sumatra caused the worst haze conditions in Malaysia since 1997. An unhealthy smoky haze (a mixture of dust, ash, sulfur dioxide and carbon dioxide) has been covering Malaysia's main city Kuala Lumpur and 32 other towns. Schools were closed, and hospitals filled with patients complaining of respiratory ailments. Data from Indonesia's Riau Health Service reported that more than 1990 people have been experiencing upper respiratory infection and eye problems. Malaysia declared a state of emergency on August 11 as the air

pollution index rocketed to extremely hazardous levels on its west coast. Rain and breezes scattered the smog last August 12, carrying it north.

Since the 1982-83 wildfires in Indonesia (which were recorded as the largest forest fires in that century), fire has been a recurring event in the country, causing massive damage within its borders as well as for its neighboring countries, such as Malaysia and Singapore.

In 1982-83, 1997-98 and 2002, millions of hectares of montane and lowland forests, of peat and swamp forest were burning while massive movements of population and animals fled the fires. The haze covered an area almost the size of Europe, disrupted aviation and shipping for months and caused serious health problems, choking even far distant cities where schools and airports had to be closed, and traffic slowed to a crawl as nothing could be seen beyond a short distance. The acrid smell of burning vegetation filled the air.

Though the El Niño event brought about in 1997 a severe drought, the fires were fuelled because many of Indonesia's forests have been badly damaged by logging: legal and illegal. Overexploitation opened up the forest canopy and, in the absence of rain, the forest became tinder dry.

On the other hand, the extensive forest conversion policy lies at the root of the forest fires problem. The Government of Indonesia plans to convert millions of hectares of forest to agricultural, oil palm and timber plantations. Every year, 1 to 2 billion metric tons of plant biomass is burned by plantation companies in their concessions as the cheapest tool to clear their land for oil palm and timber plantations. A large percentage of all wildfires result from that. In 1997, PT Torus Ganda, a plantation company operating in Riau, Sumatra, was the first of a large list of 176 companies publicly accused of starting fires to clear land.

Apart from crippling local economies, forest fires are major contributors of toxic gaseous and particle air pollutants into the atmosphere and are also sources of "greenhouse" and reactive gases, directly impacting on global warming and immediate weather patterns.

In 1997-98, forest fires in South-east Asia affected some 200 million people in Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand. In Indonesia, 41,000 people had diarrhea and 24,000 respiratory infections, 200,000 people were affected by food shortages in West Papua, and 413 deaths from starvation and cholera were reported in the territory at that time. Forest peoples' livelihoods were devastated and, as a result, food shortages were suffered in some areas.

Warnings of the World Health Organisation about health impacts of the smoke relate to short-term and long-term cancer implications. The fires increase the risk of acute respiratory infections, a major killer of young children. The comparison of medical data reported during the 1997/1998 forest fire events in South-east Asia with corresponding data in 1995/1996 revealed the following impact of smoke on public health: the number of cases of pneumonia increased 5-25 times in South-east Kalimantan (Borneo) and 1.5-5 times in South Sumatra; the number of outpatient visits with respiratory diseases in Malaysia increased 2 to 3-fold; in September 1997 in Jambi (Sumatra), the number of reported cases of upper respiratory tract infections was 50% higher than in the previous month. In the 2002 forest fires, the health and lives of about 4 million Indonesian people

were affected in Central Kalimantan. Thirty years from now they will suffer from the effects of smoke inhalation in the form of serious respiratory illnesses, including lung cancer.

Some put the blame equally on local farmers and large plantation companies for the present fires. Dayak indigenous peoples in Kalimantan, have been traditionally carrying out shifting cultivation for thousands of years in tune with their natural environment (so-called “slash and burn” agriculture). They have experiences and strict traditional rules of using fire to clear small plots of agricultural land. Those traditional and low-impact practices cannot be compared with large-scale land clearance by plantation companies through equally large-scale fires that destroy huge areas of forest.

According to the experience of past fires, a terrible toll on their health lays ahead for the people affected by the present one. Also in line with past experience, oil palm plantation companies – mostly of Malaysian origin – have been identified by the Indonesian government as being responsible for the present fires. As usual the profit of large plantation companies is at the source of this tragedy. Their fires have an unhealthy smell of money. (By: Raquel Núñez, WRM Bulletin n° 97, August 2005).

- Indonesia: A call to cancel plans to develop 3 million hectares of oil palm plantations

On April 12, 2006, the report “The Kalimantan Border Oil Palm Mega-project” was released to show the plans of the Indonesian government to develop up to 3 million hectares of oil palm plantations on the island of Borneo, of which 2 million hectares along the Kalimantan-Malaysia border and 1 million hectares elsewhere – in areas still heavily forested and inhabited by indigenous communities –, to cater for international demand for cheap palm oil to meet the domestic and global demand for bio-fuel.

An earlier plan had been launched in Indonesia to develop the world’s largest oil palm plantation – 2 million hectares – in a 5-10 kilometre band along the border of Kalimantan and Malaysia. The oil palm mega-project, presented under the banner of “bringing prosperity, security and environmental protection to the Kalimantan border area”, turned sour when a business plan developed by the Indonesian State Plantation Corporation (PTPN) began to circulate. This document contained a map that showed beyond doubt how the 1.8 million hectare oil palm project would trash the primary forests of three National Parks, cut through rugged slopes and mountains utterly unsuitable for oil palm cultivation and annihilate the customary rights land of the indigenous Dayak communities in the border area.

Those plans were met by several campaigns and lobby by the Indonesian civil society as well as international protest which forced the Indonesian government to revise its stance and make changes acknowledging that there were conservation concerns to be taken into account. However, the new report reveals that the initial plans are not yet off the table and that oil palm expansion continues. Palm oil companies have already moved into the border area in many places, and plans to continue the expansion into the Kalimantan border area are still very much alive. The planners of the National Development Planning Agency (Bappenas) found a solution to the problem that the new expansion plans cannot be accommodated within the immediate border area, where the total area suitable for oil palm cultivation is negligible: they simply changed the definition of what comprises the border zone by extending its width from 5-10 km to 100 km.

The area deemed suitable for oil palm includes forests used by thousands of people who depend on them for their livelihoods and are inhabited by indigenous communities. In the new larger border zone, a special regulation (Presidential Decree No. 36/2005) would allow the government to take land away from communities that do not want oil palm plantations in the name of “public interest”.

Within the immediate and extended border area, few indigenous communities are aware of the government’s development plans. Statements issued by local communities and their village leaders indicate that of those who are familiar with the plans strongly, and univocally, oppose oil palm development in their areas. Of particular concern to the customary rights land is Presidential Regulation (Pepres Nr. 36/2005), which allows the government to force the release of land in view of the “public interest”. Since the border project is justified by reasons of the public interest (security, prosperity and environmental protection) and involves the Indonesian Armed Forces, the government may opt to use this regulation to force oil palm plantations in the border area. Plans of the Ministry of Forestry and the Ministry of Agriculture to promote cash crops, other than palm oil (such as rubber, coffee, tea, cacao, pepper etc) in the border area could deliver benefits, but these plans will encounter resistance from local communities if the government intends to bring in large investors from outside to plant these crops on customary rights land.

Friends of the Earth Indonesia (WALHI) and the local organisation Sawit Watch (“Oilpalm Watch”) are calling on the Indonesian government to officially cancel the border mega-plantation plan. (WRM Bulletin n° 107, June 2006).

- Indonesia: From oil palm plantations, with repression...

Extensive cultivation of oil palm and the resulting oil extraction have always been linked to repression. Plantation cultivation was originally established by colonial regimes. The rapid expansion of plantations in Asia following the Second World War was encouraged in connection with forest clearing and was used as a weapon in combating Malay rebels.

The growth of plantations has not been accompanied by increased rights for palm-oil workers. The job continues to be hard and dangerous. Production techniques have hardly changed over the past 150 years. The wooden hook used to harvest the fruit has been replaced in some plantations by a sharper metal alloy hook. And now abundant amounts of toxic herbicides are applied by unprotected workers spraying from leaking backpack containers. Accidents are common and life expectancy is short. Unions are very often brutally repressed.

To dismantle a newly-formed trade union, Musim Mas – the world’s largest palm oil refinery, based in Sumatra, Indonesia – fired over 1,000 trade union members in retaliation for a strike. The company evicted workers from their homes and their children from their schools and also arranged for the arrest and prosecution of 6 union leaders. These six young men are presently serving prison terms ranging from 14 months to 2 years for the “crime” of attempting to exercise their collective rights as workers.

The International Union of Food workers (IUF) had been consolidating world trade union support for a considerable group of these workers who had been resisting the

company's efforts to make them hand in written resignation of their rights and their trade union membership by accepting compensation for their dismissal. This phase of the struggle came to an end when on 7 June the trade union reported that some 200 workers – who had been resisting – accepted financial compensation for the loss of their jobs. In exchange they were pressured to drop all legal claims against the company: meaning that the collective dismissals cannot be contested through an appeals process. Compensation amounts to some 123 dollars per worker, the equivalent of 6 weeks wages. The six prisoners were also obliged to renounce their right to appeal against their absurd criminal convictions which have been denounced by Amnesty International and other human rights organizations for criminalizing trade union activities. Hunger is a powerful weapon in the hands of a strong and ruthless corporation.

The company praised the “mutual agreement” by announcing that “This matter was resolved in accordance with Indonesian labour laws and in compliance with all the country's regulations. We are committed to proactively engaging our stakeholders, both in Indonesia and abroad, to promote a sustainable oil palm industry.”

The Government, under accusations at United Nations ILO for serial violations of international Conventions on trade union rights, praised an agreement, which “will contribute towards more positive industrial relations in the palm oil industry.”

The situation in Indonesia can be summed up in one sentence: one thousand workers were fired from their jobs and evicted from their homes, a union was dismantled and 6 union workers are in prison, but compliance with national law was achieved by paying out 123 dollars and extracting a “peace agreement” from the prisoners, in which they renounce their rights.

IUF affiliates around the world responded to our appeals with messages to the company and the government and generous financial support (now going to assist the families of the imprisoned trade unionists). The fact that our campaign is beginning to gain ground is shown by the company's newfound willingness to meet with an organization that they had previously refused to recognize and tried to destroy. In a number of key companies, unions linked to the food processing industry called on their managements to examine their palm oil sources and in particular, their relations with Musim Mas. In one case IUF intervention succeeded in bringing one transnational retailer to temporarily suspend its use of Musim Mas as a producer of its brand products. The FNV in the Netherlands exhorted the Government to cease financial support to the Roundtable on Sustainable Palm Oil (RSPO), the industry's “socially responsible” public relations mechanism, which includes “multiple interested parties,” among them Musim Mas as an Executive Board member, together with the Worldwide Fund for Nature (WWF) and Oxfam. Public scrutiny of social conditions underlying palm oil production continues and will not be easily suppressed.

The campaign was working and lessons learnt should not be forgotten, for palm oil continues to grow as a sector built on brutal exploitation. Musim Mas is hardly unique among palm oil producers in its eagerness to crush rights in the search for profits. The use of palm oil as a biofuel means that its price is now linked to the rising cost of fossil fuels, inciting even more greed. It is being encouraged as an alternative to banana-trees in Latin America and promoted as a healthy alternative (which it is not) to trans-fats in processed foods. The plantation areas are wildly expanding, posing a threat to the environment and to workers.

IUF no longer has an industrial dispute with Musim Mas. However, an even greater problem still exists with the company and with the lawlessness and barbarism of the sector as a whole. The World Bank, through its private sector funding agency, the International Finance Corporation (IFC), is increasing its support to expand oil palm cultivation. The RSPO, through its privileged relationship with the World Bank provides it with a “sustainable” cover to fund the kind of social destruction that Musim Mas inflicted on those who produce its profits.

Trade unions in food processing should continue to question their companies’ sources of palm oil and other inputs derived from indefensible practices. Supporters of justice for oil palm workers should look closer at how NGOs risk – even in good faith – fronting for companies such as Musim Mas. WWF and Oxfam, while playing their roles on the RSPO Executive Board, need to make a careful analysis of their own positions relating to palm oil workers’ rights. The Dutch unions are right: government support for the RSPO and the NGO palm oil activities, while taking us further from urgently required solutions, is a scandal that must be stopped. The RSPO should also be challenged and asked to explain Syngenta’s participation in the Roundtable. Syngenta manufactures Paraquat, the most toxic herbicide on the planet. Paraquat is responsible for the death of tens of thousands of rural workers every year and is liberally applied on oil palm plantations. The Musim Mas union endeavoured to negotiate a safer application of toxic chemicals and was crushed. The company, whose product kills palm oil workers, has now applied for membership in the RSPO with full voting rights.

Public relations will not bring sustainability to an industry based on the suppression of human rights. The only alternative is organization and binding and enforceable instruments to ensure rights are respected. Brutality and denial of rights underpin the palm oil chain. The case for organizing workers in this sector is self-evident. The IUF is committed to ensuring that organization. (WRM Bulletin n° 109, August 2006).

- Indonesia: Oil palm plantations encroaching on communities’ traditional land

The environment in West Kalimantan has changed radically over the past 25 years. Much of the forest that supported communities’ livelihoods has been cut down and the land allocated to companies that clear it to make way for oil palm plantations. Even forest traditionally set aside for future generations (*hutan cadangan*) is prey to “forest conversion”, since the government regards land left fallow under traditional cultivation systems as “neglected” or “critical”.

Now, indigenous people have lost their livelihoods and no longer have a ready source of timber or fish, nor can grow their own rice, vegetables and other crops any longer; they must buy food. So the introduction of oil palm plantations has made local communities poorer.

Plantations also obscure the natural boundaries between the customary units (kampong) leading to more conflicts between communities. Under the so called “plasma” system – commonly used to refer to the area cultivated by smallholders that supplies the “nucleus” processing plant –, people may be allocated plots of oil palm on customary land (adat) belonging to another community or even in another sub-district. So people no longer have control over their customary lands and this weakens the whole adat system.

When adat land is incorporated into a oil palm plantation as part of the main body of an estate, it would likely imply for the family to become a wage slave on their traditional land.

Regional autonomy has made matters worse, denounces Pak Cion Alexander, a peasant farmer from Sanggau, West Kalimantan, who also has a law degree and is a community activist in the organisation Gerakan Rakyat Pemberdayaan Kampung (GRPK). The local authorities are keen to bring oil palm plantations into their areas on the grounds that they increase local revenues, create employment, provide roads and make communities better off. There are now nearly 40 plantation companies in Sanggau alone.

As Pak Cion Alexander says: “It is true that Sanggau district assembly passed a local regulation on village governance (Perda No 4/2002) providing us with the chance to go back to our traditional system, based on the kampong. For generations, adat formed the basis of highly democratic, independent communities which had control over the natural resources within their customary lands. Decisions were taken by the whole community, not by an elite. The standardised system of village governance introduced by Suharto's regime in 1979 changed all that. But we wanted our adat system to be acknowledged. So we pressed for the new regulation as soon as regional autonomy was introduced.”

But the problem is that “companies misuse traditional governance systems. The government is complicit in this because it sets up its own, officially approved ‘adat’ organisations and appoints the leaders. It is these people who the companies approach to sign away community rights.”

“It is vitally important that indigenous rights are recognised in national legislation and are further strengthened through local regulations. The right to free, prior and informed consent is part of this, so we can choose to accept or refuse a plantation on our land. We also need to map the extent of our customary lands, so that companies cannot take it from us so easily. Plantations in Parindu, Kembayan, Tayan Hulu, Tayan Holir and Kapuas should return customary land to indigenous communities because the land procurement procedures violated national and adat law.” (WRM Bulletin n° 109, August 2006).

- Malaysia: The plight of women workers in oil palm plantations

Women are more than half – around 30.000 – of the workforce in Malaysian plantations, and have been historically employed as unskilled, temporary contract workers doing the most menial and underpaid jobs. Urbanisation and industrialisation has pushed men and the young to work in the new industrial zones while women stay on and continue to take on any job so that they can have a house and basic amenities provided by the plantation company, which are otherwise beyond their reach. Thus, women have played the dual role of providing cheap labour and social stability.

In the early sixties, when synthetic rubber consumption controlled by industrialised countries rose to more than 60 per cent globally, rubber prices dropped sharply. Malaysia rubber plantations could not compete so the plantation sector was under pressure to diversify and introduced oil palm as the alternative crop. The country later became the world's top producer and exporter of palm oil, in a push which has encountered – and still is encountering – strong opposition from indigenous peoples like those of Sarawak, who defend their traditional lands and forests from the devastating

monoculture schemes that allow the country to insert in the global economy but at the cost of depriving the people from their livelihood.

The oil palm crops required more intensive 'care' from pests and the use of pesticides became a major requirement. Women were recruited as sprayers of pesticides and fertilisers – 30,000 women are estimated to be working as such in the country, most of them Indian. The organisation Tenaganita – or Women's Force – has been working with plantation workers since 1991. The compiled information about the work and life of plantation workers and the case studies of their exploitation as women and as workers has allowed the organisation to voice the plight of those women "poisoned and silenced", in a report produced together with Pesticide Action Network (PAN) Asia and the Pacific (the full report is available at http://www.evb.ch/index.cfm?page_id=1300).

The study reveals poor maintenance and leaks in the sprays, poor medical care and first aid facilities on the estate, and in some cases lack of protective equipment. Especially for women, the absence of medical monitoring and a total lack of understanding of how they are affected by these chemicals, make it difficult to assess the extent of the impact of pesticides and chemicals on them, on their reproductive health and on their unborn children. But the impacts are very real.

The skin is the body's largest organ; 90 per cent of exposure to pesticides occurs through the skin, and women have a thin skin which predisposes them to a high level of absorption of chemicals into the body. Very few women know that the highest absorption point is the genital area. They experience severe vaginal burning sensations after spraying but suffer in silence since they are ashamed to state this problem to the hospital assistants that usually are men, so the problem goes unchecked. The common symptoms of fatigue, back pain, very bad headaches, nausea, giddiness, tightness of the chest, chest pains, swelling breasts, are indicative of exposure to organophosphate and carbamate type of pesticides.

Pointing at the accountable players, the report underlines that the owners and the management of the plantations make the decisions on the tasks, the method of spraying, the type of pesticides used, the health care services and the actions taken when a complaint is lodged. The plantation industry has failed to set up safety committees and adhere to the Occupational and Safety Act. And worse, it has not given the workers appropriate information on the poisons they would have to handle and use. Though it is aware of the dangers that these poisons pose, it still continues to use very highly toxic pesticides. However, it has developed strategies so that it will not be made accountable. The industry has structured the task of spraying into the 'sub-contractual work' category. As such, the workers come directly under the supervision of the sub contractor. Many remain as temporary workers, and in this way the industry has abdicated its responsibility. Its concern is only profits and not the lives of the workers who bring in the wealth to the industry.

As for the pesticide industry, though it works closely with the plantation industry without coming directly in contact with the workers, it is responsible to ensure that the pesticides it manufactures and distributes do not poison workers, the public and the environment. However, the industry has not, or has been very slow, in taking action to address these issues, and has often been more vocal in denying that poisoning has taken place.

The Pesticide Board and the Department of Occupational Safety and Health are responsible to ensure protection and safety of the workers from poisons. Overall, there is a lack of monitoring of the sale, use and impact of the poisons in the plantations. The weak implementation of the regulations in the plantation sector has led to women workers being poisoned daily. Besides this, health or medical personnel have not been trained effectively to deal with pesticide poisoning and health. Thus the government is equally accountable for the current health crisis of plantation women sprayers.

The National Union of Plantation Workers (NUPW) though comprised by 60% of women, has failed to address the frightening reality of women workers and their daily exposure to poisons. The leadership has bargained for slightly higher wages for sprayers as a 'high-risk' job. The lack of gender perspective is reflected in the absence of programs for women and lack of women leaders in the Union itself.

The hiring of migrant workers, most of them employed as contract labour, is an emerging issue. Activities are often sub-contracted to businesses or agents who supply these contract workers to undertake various jobs on the plantation without becoming employees. They are unprotected by all the labour regulations, are highly mobile and face the high risk of being arrested, detained and deported. Thus these workers are also highly vulnerable and face acute risks to their health with no access to medical care or treatment.

Eventually, the reduction or prevention of toxicity related to pesticide usage in the country would entail, among other actions, that the use of hazardous compounds such as pesticides is banned and/or severely restricted, alternatives to chemical pest control are promoted in the country, and the gender perspective is integrated in the analysis of the occupational hazards of pesticides.

A women organisation has spoken loud. It has given voice to the "silenced" in an effort to counterbalance the harmful effects of a failed production pattern of large scale monoculture plantations which is artificial, insecure, and reinforces women exclusion with no benefit for the people at large. (WRM Bulletin n° 69, April 2003).

- Malaysia: Women Plantation Workers Poisoned and Silenced

In 2002, the Malaysian organization Tenaganita, together with Pesticide Action Network-Asia Pacific launched a study that confirmed that women plantation workers were being poisoned by the use of highly toxic pesticides, especially Paraquat.

At the launching of the "Study of Pesticides Poisoning in the Plantations", Tenaganita Director, Dr. Irene Fernandez said that "If the Malaysian government had, through its enforcement agencies the Department of Occupational Safety and Health and the Pesticides Board, effectively implemented the laws the women would not have suffered."

What the Malaysian state actually did do in October 2003 was to imprison Irene Fernandez in relation with a previous study carried out by her organization: "Abuse , Torture and Dehumanized Treatment of Migrant Workers in Detention Centres". Accused of "maliciously publishing false news", she is still in prison serving a 12 month sentence.

When she is eventually released, will she be again accused of "maliciously publishing false news" in relation with the more recent study on the condition of women plantation workers which are "poisoned and silenced" by the oil palm industry? The possibility is very real, given the powerful economic interests involved in the Malaysian oil palm sector.

However, the study's findings can in no way be considered as "false", and they are totally consistent with the information on working conditions in oil palm plantation in both Malaysia and elsewhere. The peculiarity in this case is the strong presence of women affected by standard operations of these companies regarding pesticide use.

The study proves that women sprayers working in plantations in Malaysia are poisoned by the pesticides they spray daily. It also reaffirms that the living conditions in plantations are poor, medical care is inadequate and that estate management is oblivious and often unsympathetic towards the social and health problems faced by workers.

The common symptoms noted among women plantation workers were fatigue, vomiting, back pain, giddiness, difficulty in breathing, skin problems, nausea, eye irritation, headache, tight feeling in the chest, and swelling, which are indicative of exposure to organophosphate and carbamate type of pesticides. Blood samples revealed a depression in the acetyl cholinesterase enzyme activity, which is confirmation of pesticide poisoning. The study also confirmed that the sample population was spraying organophosphate-type pesticides, indicated by a lowering of the acetyl cholinesterase levels in plasma and blood. After a one-month break in spraying, enzyme levels of selected sprayers were elevated, reconfirming that they were poisoned by organophosphate when the readings were taken a month earlier.

The study confirmed that a major pesticide used in the plantations is Paraquat (a herbicide). Poisoning due to Paraquat is clearly demonstrated in the surveys and interviews with workers, and indicated in the medical examinations. The women suffered nose bleeds, tearing of the eyes, contact dermatitis, skin irritation and sores, nail discolouration, dropping of the nails, swelling of the joints, and abdominal ulcerations. This in spite of the fact that Malaysia has classified Paraquat as Class I (extremely hazardous) pesticide. To make matters worse, the study noted that the area planted to oil palm is expected to rise from 2.7 million ha (1998) to 4.3 million ha in 2020, with a subsequent rise in the use of agrochemicals. Paraquat use is expected to rise from 5 million litres (2000) to 7.4 million litres in 2020.

The study found that women working in the plantations could not read the labels in English and Malay, and could not read labels on the pesticide containers if these were present. In the majority of cases labels are removed. It was commonly seen that pesticides were used in concentrations in excess of requirements; in 'cocktails' whose ingredients were not known; and often the estate management chose not to divulge the names of pesticides used, to the sprayers.

Additionally, the spraying equipment was sometimes leaking, and posed additional dangers of spillage and toxicity to the sprayers. Further, the equipment was stored in workers homes, adding risk to the whole family.

The study also found that estate management did not provide training on safety precautions and procedures to be followed while handling pesticides. There were no training materials available in local languages for workers and medical professionals.

The protective gear provided, if any, was inappropriate to the local hot and humid conditions and is thus not used by most sprayers. These factors aggravated the risk factor for working in plantations.

To make matters worse, the study noted that medical professionals were not adequately trained to recognize symptoms of pesticide exposure and often disregarded these as minor complaints of cough, headaches etc. This further underestimated the real picture regarding poisoning attributable to pesticide exposure. There was an alarming lack of sensitivity among medical staff, paramedics and Hospital Assistants, which compounded their inability to deal with the women's problems. Since the majority of the medical staff were male, the women were unable to express and share their condition and ailments.

Will all the above be considered as "maliciously publishing false news"? Shouldn't the Malaysian government and its enforcement agencies – the Department of Occupational Safety and Health and the Pesticides Board – be instead accused of "maliciously silencing true allegations"? (WRM Bulletin n° 79, February 2004).

- Malaysia: Sabah indigenous communities' struggle against logging and oil palm plantations

Representatives of the Murut, the Kadazandusun, and the Rungus, and some 30 more tribes coming from the remote region of Tongod, traversed in July of this year northern Borneo to reach the gleaming office of Sabah's Deputy Chief Minister of Land, Datuk Lajim Haji Ukin at the capital city of Kota Kinabalu.

The group was there to demand the government to abide by its own laws, recognize native rights to protect and manage their natural resources, and halt reallocation of lands to logging and plantation corporations.

In Tongod and across Sabah, entire villages have been resettled against their will. Vast areas of rainforests and farms have been clearcut, and burial sites and fruit orchards have been destroyed. Replanting in oil palm monocultures is causing massive erosion, landslides, river siltation, and contamination from pesticides, herbicides, and fertilizers. The loss of wild foods, shelter, building materials, and medicinal plants causes economic hardship unlike anything the indigenous people have faced before. Peaceful protests have resulted in both government silence and police repression.

Village headman Wilster L. made a passionate speech but it fell on unsympathetic ears. "We need this kind of development," the Deputy Minister said, "so that infrastructure such as roads in the area will be more practical."

Frustration and despair are running high in Tongod. As Naomi, a woman from Wilster's village reflected, the loss of the forests is also a loss of her home and identity. "How can they come here and take our land and cut the trees my father's father planted? This must be illegal. They cannot treat us this way."

With the assistance of community support organizations, Wilster and others from Tongod are now trying a new strategy – they've filed a court case against the State and two plantation companies: Hup Seng Consolidated Berhad and Asiatic Development Berhad. The case is the first deliberate test of Sabah's land tenure laws with regards to indigenous peoples.

Residents of Tongod were encouraged by a landmark case in neighboring Sarawak, in which the Malaysian Judge Ian Chan expanded the definition of native customary lands from just farmlands actively cultivated by villagers to include streams, forests, and traditional hunting grounds used by the community, and thus ruled that indigenous people from the village of Rumah Nor held customary rights that trumped government concession-granting. This decision stopped Borneo Pulp and Paper company bulldozers in their tracks.

Since the legal victory at Rumah Nor, dozens of indigenous communities in Sarawak have flooded the courts with similar cases against encroaching plantation developers. However, they face difficulties: legal proceedings in other Malaysian states are painfully slow, and also there is a risk of losing rights in hostile court decisions.

Once again, the mainstream kind of development is at odds with the welfare of the people and the environment. (WRM Bulletin n° 86, September 2004).

- Malaysia: Women plantations workers' conditions in oil palm plantations

In Malaysia, women plantation workers appear to have been neglected in the Government's plans to eradicate poverty and enhance the status of women. The progress achieved so far in empowering women has been unequal. Women plantation workers still lag behind, since they are unable to free themselves from the vicious cycle of poverty they find themselves in.

The plantation industry is a crucial part of the country's development. Malaysia is a world leader in palm oil and natural rubber production and the cultivation of these crops is a major agricultural activity in the country. Apart from smallholders who depend on these commodities for their livelihood, there are also waged labourers employed by plantation companies. In 2005, an estimated 1,268,500 people were employed in the agriculture and fishery sector, which includes farm workers, plantation workers and forestry workers. Large segments of the population involved in the agriculture and plantation sector are poor.

In recent years, the Consumers' Association of Penang (CAP) has been working with labourers on oil palm and rubber plantations on the Peninsula. We have been involved in occupational health and safety issues, the fight for better wages, securing basic needs such as housing, health and sanitation, and other social issues such as domestic violence and alcohol abuse. In the area of occupational health and safety, the primary concern has been the use of highly hazardous herbicides such as Paraquat, which was only recently banned in Malaysia.

Currently women make up nearly half the workforce on plantations where spraying a variety of herbicides is an integral part of plantation work. The reason why plantation companies employ women as herbicide sprayers is because women are readily available since they are unable to find other jobs. They are also considered timid, docile and compliant workers, as they do not question management and are easy to manipulate.

Most women on the plantations were born and raised there, as were their parents and grandparents. The environment on the plantation is hardly conducive to attaining a decent education or acquiring the critical skills needed in more specialized sectors of the economy. Studies have shown that women in poor rural households attain lower levels

of education. This fact added to the prevailing poverty places women on plantations in a very vulnerable position.

Lack of education, age and social exclusion therefore diminish women's opportunities and limit their possibilities for joining mainstream jobs in the industrial and service sector. Since most companies provide housing for their workers, this is a further incentive for women to continue living on the plantation.

In 2004, CAP conducted a study of 11 oil palm plantations located in the northern states of Malaysia. The study focused on women herbicide sprayers, their working conditions and the consequent health impacts. Work on an oil palm plantation is back-breaking and hazardous. Women herbicide sprayers are expected to carry an 18-litre (4-gallon) drum containing herbicide and complete 14 to 16 rounds of spraying per day. Tractor spraying is also conducted on some plantations, where big drums of herbicide are placed on both sides of the tractor. Two women carry the pumps and spray as the tractor moves.

In either case, the sprayers themselves are engulfed in a fine mist of herbicide. Recommended safety measures are rarely employed. The use of protective masks, gloves and boots is often impractical owing to the hot and humid tropical climate. Due to the widespread lack of awareness of the hazards of herbicides, inhalation and skin absorption are the major causes of occupational poisoning cases among women sprayers.

On the plantations, management decides which pesticides or herbicides to use as well as their frequency of application. The majority of workers interviewed did not even know what herbicides they were using while others identified them only by colour or odour. The women obligingly carried out their supervisors' instructions on proportions and mixing of the herbicides. Most of the women were not even aware of the toxicity of the chemicals and the dangers that they were being exposed to.

The only protection women wear are safety boots and maybe a handkerchief or towel to cover their mouth and nose. The women complain that management is reluctant to replace worn personal protective equipment and demand that workers show them the damaged equipment. Even so, they only replace equipment periodically. Most women must purchase their own safety boots since they cannot get replacement for torn boots from their employers. Others do not replace their boots since they cannot afford to do so.

The women work six days a week on a rotational basis and receive menial wages in return for their work. Earning their full weekly wage usually involves working long hours in the blazing sun. Furthermore, fear of losing their job makes them put up with unpleasant conditions including offensive remarks and undue pressure, while at times being subject to sexual harassment.

Workers are paid between 15 to 18 Malaysian Ringgits (MYR), (USD 3.95 to USD 4.75) per day. Each herbicide sprayer earns MYR 350 to 450 (USD 92 to 118) per month. Some plantation companies give an extra MYR 2 (about USD 0.50) per day to herbicide sprayers. This is a clear indication that danger lurks in herbicide spraying compared to other work. On some plantations, electricity and water bills are deducted from salaries.

The survey results found that women sprayers are often not in good health. They suffer from acute and chronic ailments related to their work. Most plantations provide medical facilities for their workers although most of the time these facilities are inadequate and ineffective. If the women suffer from major illnesses that the plantation paramedic cannot treat, they must visit a medical doctor in the nearest town. Ill health affects productivity directly, so many illnesses go unreported.

Another disturbing revelation is that, as they are not provided with protective equipment, workers who are employed on a contractual basis work in worse conditions and are expected to manipulate more potent and harmful herbicides, and do not have medical coverage.

Why do the women remain on the plantations despite the poverty they experience and exposure to poisons? During the 1980's many plantations replaced rubber trees with oil palms due to higher economic returns. Therefore women plantation workers who were previously skilled rubber tappers lost their source of livelihood. Some of the women had tapped rubber all of their working-life and were therefore left in a difficult employment situation. In order not to be evicted from the plantation, the women had no choice but accept any job offered by management. Hence the women became herbicide sprayers even though it was not their choice of work.

As palm oil commodity prices increase in coming years, we can expect Malaysian production also to increase since it is one of the country's major crops. This will further intensify women's involvement in the sector. Women will find it increasingly difficult to escape this vicious cycle of poverty and their increasingly poor health will be the price they pay.

It is difficult to break out of a poverty situation and education is one of the means by which families on plantations can escape poverty. For this reason, there is a need for policy and programme interventions to assist and encourage the children of plantation workers to pursue their education. (WRM Bulletin n° 105, April 2006).

OCEANIA

- 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. (WRM Bulletin n° 49, August 2001).

- Papua New Guinea: Forests saved against logging and oil palm plantation

Landowners of Maisin and Wanigela customary lands, in the Collingwood Bay area of Oro Province, have something to celebrate.

In May 2002, the Waigani National Court returned customary land which had been leased to the State in early 1999 under a lease-lease back agreement by Keroro Development Corporation, a local landowner company. The plan was to clear the area and plant oil palm trees. The land concerned comprises 38,000 hectares of rich volcanic soil with an extensive forest area.

The Collingwood Bay people considered illegal the 'lease' on their land so they mounted a test case to determine whether the rule of law and justice can be flouted by logging companies, their agents and corrupt individuals in government.

According to the majority of landowners only a few signed the land lease, without proper consultation with various customary landowners in Collingwood Bay. The court victory did away with the threat of logging and conversion to monoculture oil palm plantations of those lands where their landowners can develop self-managed small scale, community based enterprises without destroying their forests.

This case can be also seen as an encouragement for other landowners who are facing similar problems to reclaim land which has been seized without their consent, and to assert their right to be included in all discussions concerning the usage of their land. Kuinga-Aimbak landowners in the Western province, for example, are also fighting to stop logging operations in their area.

The victory gave way to a four day celebration and the occasion was attended by friends from within PNG and overseas who had assisted landowners in their long battle, like Greenpeace, Environmental Law Center and Conservation Melanesia. Guests were showered with gifts from all the villages and a traditional ceremonial of wiping pork fat on the guests as mark of respect and in payment of their support.

“Unlike our ancestors and forefathers who fought battles with spears and clubs, we fought this battle with pen and paper, as our land was stolen through pen and paper”, said a Collingwood Bay landowner.

Although the outcome was in their favour, the whole ordeal has been hard for them and has permanently changed their lives. They had to bear the expensive costs of the legal suit and had to take decisions that affected their families’ security and welfare and to a greater extent caused them dear lives. (WRM Bulletin n° 64, November 2002).

- Papua New Guinea: Oil palm joint venture for the benefit of rich companies

Oil palm is now Papua New Guinea’s largest agricultural foreign exchange earner, ahead of coffee. At present, there are four major oil palm projects, most of them of the Nucleus Estate model with a ‘parent’ palm oil company predominantly foreign owned. Under such scheme, growers are organized into Village Oil Palm (VOP) and Leaseholders. VOP are operated by landowners in their own customary lands. Leaseholders lease land from other landowners for the plantings. But the ‘joint venture’ Smallholders Nucleus Estates is really an ‘out sourcing’ exercise for palm oil companies to increase supply and profitability for their mills whilst sharing the costs and risks associated with this kind of industry with growers.

International financial institutions and other funding agencies provide funds for the company. The company supplies seedlings, expertise, tools, fertilizers, and so on, which will be repaid by the growers. The growers provide labour and bear all the cost of land clearing and all stages of the palm plantation establishment, including regular maintenance and harvesting. So the risk is on the growers as their return is heavily dependent on the world palm oil price level and the productivity of their plots. This model offers the companies a better and more profitable alternative from the conventional large-scale plantations owned by the company. Conversely, growers do not own shares in the companies.

On the part of the government, Prime Minister Michael Somare has declared tax breaks for companies interested in developing this industry. Senior Government officials have announced plans for expansion of oil palm plantations in nearly every province in PNG.

As for the international financial institutions, "[They] like oil palm projects because they are one of the most viable development projects which will guarantee loan repayments", said Managing Director of a foreign owned palm oil company in PNG. The Asian Development Bank (ADB) claims that the most effective means of poverty reduction for PNG is a broad-based economic growth model led by the private sector and that it is crucial to kick start the development of Nucleus Estates to a point where they will attract financing from private sector or other funders, including the ADB. The argument is that the development of commercial enterprises will create spin-off benefits for the rural poor by enabling smallholder agricultural development.

However, the majority of rural communities in PNG are by no means poor. With the exception of areas degraded or polluted by large mines, agriculture or fishery projects, the customary land tenure system has enabled local communities to have free and easy access to land, clean water and the abundance of natural resources for a decent quality of life. Their lifestyle is one that many people in the industrialised west and poverty stricken places in the world would cherish and aspire to.

Lands are communally owned and shared within and between clans in PNG. But, once the land is converted into cash crop plantation plots by a particular family or families within a clan, this relationship and "ownership" is permanently changed. Civil society is concerned that oil palm and other large-scale agriculture projects is just another way the international financial institutions and powerful funding agencies use to facilitate 'land mobilisation'. Land mobilisation involves creating a centrally controlled register of land ownership and boundaries of customary lands. This will effectively give the national government the power to decide on land ownership and distribution, further eroding the customary system which has already been in place for such matters. This change may facilitate easier transfer of the customary land tenure system to freehold, leasehold or to state ownership to enable easier private sector access to PNG's rich and abundant natural resources.

The introduction of oil palm in PNG has also brought many complex and costly social problems once unknown to rural PNG. The change that comes with this kind of externally imposed project is often disruptive and undermines existing customary systems and structures which have sustained local communities as long as they remember.

Some problems include a shift from customary processes of land use and allocation (resulting in discontents and anger within the community and between communities), waterway pollution through siltation, sediment run-off and eutrophication during construction and operations of oil palm, low return for landowners and smallholders who find themselves trapped in a situation of total dependency on the oil palm company and commodity price fluctuations, and destruction of biodiverse rich ecosystems through encroachment of plantations, for example upon the habitat of the endangered Queen Alexander Birdwing butterfly (world's largest), or on one of the most spectacular cave systems on Earth, the Caves of Pomio.

Small landowners are concerned about this process and they have asserted that: "We, the landowners are developing and will continue to develop OUR LAND on our own terms. We therefore sternly warn all those parties involved in wanting to use OUR LAND for oil palm to STAY OUT! Any attempt to bring oil palm on our land will be

strongly resisted" (Extract from a newspaper advertisement put out by a group of landowners in PNG, February 2003). (WRM Bulletin n° 74, September 2003).

- Papua New Guinea: Customary Landowners' declaration on logging, mining and oil palm plantations

In Popondetta, Oro Province, Papua New Guinea, representatives of all land owning communities from around the province gathered on 12th March 2004, in the first Oro landowners Forum on Land Rights and Community Based Natural Resource Management.

They committed to ensuring sustainable resource management and to protect their rights as the rightful owners of those resources, declaring that:

“Our futures as customary landowners are threatened in many ways by large scale developments which have taken place without our free, prior informed consent and full participation. Our Customary lands and the grasslands, lakes, small islands, forests and mountains which are also important and critical ecosystems have been invaded by logging, oil palm, fishing, mineral exploration and tourism developments which are undermining our survival. Expansion and intensification of the extractive industries alongside economic liberalization, free trade aggression, extravagant consumption and globalization are frightening signals of unsustainable greed.

Urgent actions must be taken by all, to reverse the social and ecological injustice arising from the violations of our rights as customary landowners which is recognized by the PNG constitution”.

“We the customary landowners reject the myth of sustainable oil palm and mining. We have not experienced oil palm developments and logging and mining to “sustainable development” by any reasonable definition. Our experience and that of our fellow customary landowners in Papua New Guinea and around the world shows that expansion of monocultures including oil palm, large scale industrial logging, extraction of minerals, oil, gas, commercial fishing and large scale tourism developments bring serious social and environmental problems so widespread and injurious that we cannot describe such developments as sustainable. Indeed, rather than contributing to poverty alleviation, we find that these developments are creating poverty and social divisions in our communities and showing disrespect for our cultures and customary laws”.

They also put forward a set of recommendations, including:

“We call for a moratorium on large scale industrial logging, expansion of oil palm nucleus estates and mineral extractions that may affect us. Existing concessions should be frozen. There should be no further funding by international financial institutions (IFIs) such as the World Bank and Asian Development Bank and no new resource extraction industry initiative by the government and no new investments by companies until respect for customary rights, customary law, and our full and meaningful participation is assured.”

“All projects affecting our land should be subject to our free, prior and informed consent as expressed through our own representative institutions which should be afforded legal personality. The right to free, prior and informed consent should not be construed as a ‘veto’ on development but includes our right as customary landowners to

say 'no' to projects that we consider injurious to us as peoples who have inhabited these lands since time immemorial.”

“Poverty alleviation must start from our own definition and indicators of poverty and particularly addresses the exclusion and lack of access to decision making at all levels. Rather than being lack of money, resources and services such as health and education, poverty is also defined by power deficits, absence of access to decision making and management processes. Social and ecological inequalities and injustice breed and permeate the impoverishment of local people.”

“As customary landowners, we do not reject development, but we demand that our development be determined by ourselves according to our own priorities. Sustainable development for local communities is secured through the exercise of our own human and [land] rights and enjoying the respect and solidarity of all peoples. We are thus empowered to make our contributions and play a vital role in sustainable development.” (WRM Bulletin n° 86, September 2004).

- Papua New Guinea: Local NGOs challenge World Bank loan for oil palm scheme

Papua New Guinea has a communal land system that has allowed most rural communities to make a decent living from the free and easy access to land, clean water and the abundance of natural resources. However, the introduction of cash crop plantations undermines their customary systems and structures bringing up negative environmental and social impacts.

Oil palm is a case in point. Typically pushed from outside and export-oriented, it counts on funding by the World Bank. However, the project has encountered local opposition. Small landowners have warned oil palm interests to stay out of their land. Now, facing the forthcoming World Bank Board meeting that will deal with approval for disbursement of Papua New Guinea Smallholder Agriculture Development P079140 loan, several Papua New Guinean NGOs are strongly opposing it and have circulated a letter for endorsement, addressed to the Board of Executive Directors of the World Bank Group asking them not to approve any more loans for oil palm plantations and processing.

This kind of scheme will not render any good for the people. Their demand is well grounded, as the letter exposes: “Oil palm is risky: We are opposed to having more oil palm projects in Papua New Guinea because of the adverse social and environmental problems found in existing oil palm areas. Oil palm price is highly dependent on the world commodity price which can be volatile. Given the massive oil palm expansion program in other countries especially Indonesia, the risk of a slump in price is very high.”

“Oil palm is environmentally destructive: The World Bank project document downplays the environmental impact of oil palm. Our country has already suffered the adverse impacts from oil palm in those provinces where it is grown. PNG’s track record in ensuring environmental sustainability is abysmal. The Department of Environment and Conservation’s monitoring capacity is limited by a chronic lack of resources. It has neither the capacity nor the required expertise to monitor the wide ranging and relatively complex environmental issues related to oil palm.”

“Oil palm is bad development: Over two decades of oil palm growing in Papua New Guinea has resulted in little if any real development outcomes for our country. In fact we see a regression of living conditions and standards in places where oil palm is grown. Our Government offers tax breaks and tax credits for the oil palm industry operators but this considerably limits the economic benefits to PNG. Growers who toil and sweat in the hope of better living standards – as promised by those who got them into oil palm growing – are disappointed and angry that they have been given mere empty promises whilst the resources on which they are dependent for survival are now degraded and polluted. Much of their oil palm income goes back to paying for costs incurred in the establishment of their oil palm plots.”

“Oil palm is forced upon our people: Oil palm growers inform us that they only grow oil palm because they need money to pay for the ever increasing school fees so that their children can be educated. Ironically, school fees have been imposed on us precisely because our Government heeds advice from a foreign power such as the World Bank to adopt the user-pay system so that revenue is directed to repay debt. For a developing nation like PNG, education and basic health care are essential services which should be priority areas for revenue PNG gets from other sectors. The World Bank should exert pressure on our leaders to fulfil these fundamental needs and responsibilities, and not on ordinary PNGeans to sacrifice fertile land, pristine forests and healthy waterways for a cash crop which no rich industrialised nation in the world wants to have in its own backyard. It is obvious that rich nations are merely pushing oil palm growing in countries like PNG because it is a labour intensive, nutrient hungry and polluting crop, so that their industry can have access to cheap oil.”

The project is also bad for the country: “Oil palm increases balance of payments problem for PNG: Growers become too reliant upon a monocultural cash crop. What is left of their hard earned cash income from oil palm merely ends up enriching foreign corporations, owing to the widespread consumption of imported rice from Australia, tinned fish, tinned meat and a range of other poor quality consumer products from Indonesia and China. This increases our balance of payments. PNG should be assisted and supported to produce food and other sought-after domestic necessities internally, so that cash is circulated within the country for the benefits of our communities and to reduce our country’s precarious balance of payments.”

“Increase national indebtedness: This loan, if approved, will increase the debt burden of Papua New Guinea with no real development gain. We fear that increasing debt level in the face of governance failure will lead to the further devaluation of the Kina [local currency], adding greater burden to our people and our precious environment. This will inevitably lead to more hardships for our people and further pressure to exploit the relatively healthy environment, which over 80% of our people depend on for their survival. This is essentially poverty creation, not reduction!”

Furthermore, the funding comes to a country where governance is under challenge: “The Government of Papua New Guinea is unaccountable. Papua New Guinea has a long track record of governance failures, mismanagement and misuse of public funds by those in power. This has rendered most development assistance useless and ineffective.”

“Imprudent banking. It is irresponsible for the World Bank to disburse a loan for this project given the failure of the Forest and Conservation Project (FCP). Last year the Asian Development Bank (ADB) had to cancel its loan for a similar project entitled the Nucleus Agro-Enterprises project on ground of financial mis-management. Given that

the risk involved is high and the World Bank has little leverage to influence outcome as a lender, it is a bad banking practice to embark on yet another project for oil palm expansion, and to provide another loan to PNG.”

Too many risks for the sake of oil palm industry: “PNG becomes indebted to subsidise the palm oil industry: Although the project document claims that this is a scheme that would increase income for PNG, it is in reality a subsidy provided to the industry. Our people, especially the growers whom the World Bank has identified as needing assistance to get out of poverty, have ended up shouldering the bulk of the debt burden. It is on this basis that communities have begun to reject oil palm projects, as evidenced by the statements of protest attached for your reference.”

The NGOs conclude denouncing that the loan contradicts the National Goals and Directive Principles: “Our national constitution emphasises small-scale enterprises and respect for the PNG way, integral human development for our people, wise use and management of our natural resources for now and for the future. If the World Bank is genuinely interested in development in PNG, the five directive principles of the constitution provides a sound framework for a unique development approach we believe will be more beneficial for our country.” (WRM Bulletin n° 104, March 2006).

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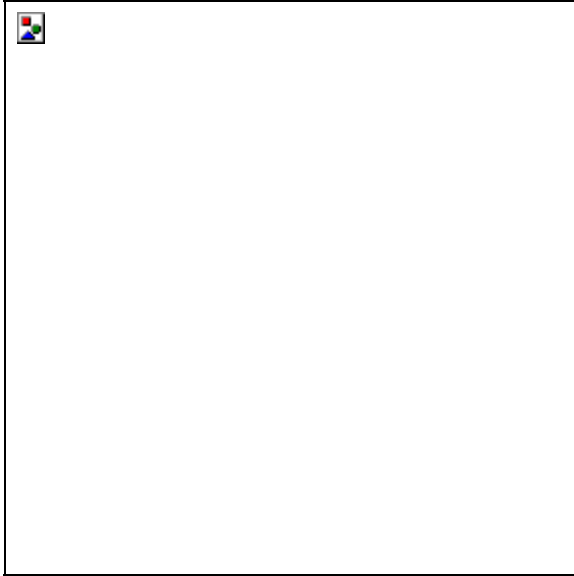
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- Excerpted and adapted from: "Oro Landowners Declaration on Large Scale Commercial Extraction of Natural Resources and the Expansion of Oil Palm Nucleus Estates", sent by Sandy Gauntlett, E-mail: sandygauntlett@hotmail.com. The full declaration can be accessed at <http://www.wrm.org.uy/countries/PapuaNG/Oro.html>

Papua New Guinea: Local NGOs challenge World Bank loan for oil palm scheme

- The full letter is available at:
<http://www.wrm.org.uy/countries/PapuaNG/WBLetter.htm>