
Republic of Congo: “ATAMA Plantations is today a source of discontent for local communities and the entire nation”

In 2013, Wah Seong Berhad, a Malaysian company with no prior experience on palm oil, announced its decision to invest US 744 million dollars over a ten-year period to establish an industrial complex and an oil palm plantation covering an area of 180 thousand hectares in the departments of Sangha and Cuvette, some 800 kilometers north of Brazzaville, the capital of the Republic of Congo. ATAMA Plantations, a subsidiary of the Malaysian company, obtained from the Ministry of land affairs and public domain of Congo the authorization to occupy 470 thousand hectares to develop oil palm plantations. The 180 thousand hectares located in Sangha are part of this concession.

The processing plant was supposed to create close to 20 thousand jobs and produce 720 thousand tons of palm oil once it reached full production. According to the company, it would be “the largest refinery in the Congo river watershed”. (1) In 2013, the company claimed that it would plant 2 thousand hectares of oil palm by the end of 2014. At the time, ATAMA had announced that production would start in 2017. However, to this day, very few oil palm trees have been planted and it seems very unlikely that palm oil production will reach anything close to the initial 170 thousand tons announced in 2013.

Nonetheless, ATAMA is harvesting a lot of wood with high commercial value. In fact, timber extraction is proceeding far more rapidly than the plantation of oil palm trees. In 2016, the company also announced that “since last year, we [...] also have reduced our participation to 49% and are prepared to abandon this venture”. (2) In February 2017, the Congolese government suspended the company’s fraudulent logging activities.

WRM talked with Nina Cynthia Kiyindou Yombo, Natural Resources and Forest Community program officer at the Congolese Observatory for Human Rights (OCDH, Observatoire congolais des droits de l’homme), about what she saw during her visit to the Sangha region.

WRM: You recently visited the Sangha region where ATAMA Plantations was awarded a 180 thousand-hectare concession to plant oil palm trees. What are the main findings of your field mission?

Nina Cynthia Kiyindou Yombo: In our latest mission conducted in March 2017, we were able to make several observations, in particular:

- A fleet of vehicles almost entirely made up of forestry equipment;
- A sawmill located in the middle of the forest that is running at full capacity and processing only wood with the highest-value;
- Timber from selective cutting in an unauthorized area;
- An oil palm plantation that is still in its incipient stage;
- Incinerated wood waste, with no possibility of eco-generation;
- Badly paid workers without any form of social security;
- Exploited communities that are intimidated and repressed so they don’t assert their rights;

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- A wood lot filled with high-value commercial timber;
 - Noncompliance with the project's specifications.

WRM: What is the current situation at the oil palm plantation and processing plant? What happened to the jobs they promised to create with the palm oil refinery?

Nina Cynthia Kiyindou Yombo: As I said earlier, the plantation is still in its nascent phase. The plants in the nursery were not moved in time to start production. ATAMA Plantations is acting like a real forestry and agriculture company.

The promise of job creation has become a lure to attract the government and win its trust. All of the companies that establish themselves in our country always use this reason to convince the government, whose economic diversification policy is designed to create jobs. Like every other company, ATAMA Plantations had promised to create 20 thousand jobs. But the reality is that these jobs have never been created. Today there are only 80 employees at the site, five of which are permanent. The jobs created are not permanent jobs that can provide employees decent and acceptable living conditions. These jobs do not provide any form of social security. The workers are exposed. ATAMA Plantations was supposed to be a major economic development factor in the area and provide added value to the national economy. Today, we see the opposite happening. Local community members are not holding jobs nor are they benefiting from the impacts of ATAMA Plantations' operations. These communities, in particular that of Yengo-Mambili, rose up to demand several benefits from the company. The uprising was rapidly repressed. ATAMA Plantations is today a source of discontent for local communities and the entire nation.

The construction of the palm oil processing plant is far from complete because ATAMA Plantations is focusing only on harvesting wood instead of developing oil palm plantations. They haven't even taken the time to separate the oil palm plants in the tree nursery that have started producing. They still haven't finished clearing the 5 thousand hectares granted to them in 2013, but are making selective cuts of profitable timber species in the second block without authorization from the forest administration. It is already obvious that the goal for 2017 of completing the processing unit will not be met. The government needs to take measures to condemn this kind of company that comes here to enrich itself at the expense of local communities and indigenous populations. The decision taken last February to halt the fraudulent selective cutting does not apply to all of the company's operations, but rather only the fraudulent logging.

WRM: Why is the company extracting logs far faster than it is planting palm trees?

Nina Cynthia Kiyindou Yombo: ATAMA Plantations is listed as an agricultural company in the Trade and Credit Register (RCM, for its French acronym). But in practice, it is carrying out an activity that should be exclusive to a forestry company with the selective cutting of high value commercial species. When you arrive at the ATAMA plantation, you notice something right away: this agricultural company has a fleet of vehicles that is primarily made up of wood transportation equipment. The company built a sawmill in the middle of the forest located about 18 kilometres from national road n° 2. The photographs show this. I wonder whether this is all a smokescreen. Could they be a logging operation disguised as an agricultural company?

WRM: Is it possible to estimate the loss that the treasury of Congo would incur if ATAMA terminated its concession contract now that it has extracted much of the existing high-value timber, but has not invested much in the oil palm plantation and oil production? How much would a forestry company have officially paid to extract that same volume of wood?

Nina Cynthia Kiyindou Yombo: An economist would do a better job of answering this question by performing a study. But to give you an idea, I think that we have to take into account forestry taxation. The timber produced by a forestry company generates more added value for the national economy because forestry companies pay corporate taxes, license fees, a stumpage tax, an area tax, an export tax, a surtax (on all exported unprocessed timber beyond 15 percent of the total produced timber). But if an agribusiness clears a forest area, it only pays the stumpage tax, corporate taxes and other taxes specific to the agricultural sector. In addition, forestry companies are required to process locally 85 percent of the timber production and create local and national jobs. Forestry companies must comply with social requirements in the interest of local communities and indigenous peoples by complying with project specifications that includes an implementation calendar. This provides communities with local development opportunities. In addition, a local development fund is created from a contribution of 200 CFA Francs [around US 0.36 dollars] per cubic meter of harvested wood to support economic activities carried out by communities. These funds exist in the organized forestry concessions and communities develop economic activities to create wealth and thus contribute to national development.

WRM: The Ministry for sustainable development, forestry economy and the environment recently ordered a halt to the forest clearing. What reasons did it give for this? Did this measure stop timber extraction?

Nina Cynthia Kiyindou Yombo: The halt ordered in February 2017 applies to the fraudulent selective cutting operations in the second block of 5 thousand hectares, for which no authorization had been given, nor any stumping tax paid. According to the intent of this decision, ATAMA Plantations will continue its tree-felling activities in the 5 thousand-hectare area for which it has received an authorization and where there are still 3,500 hectares to be harvested. It will also continue to mill the timber harvested from this area, because the authorization states that the timber from that 5 thousand-hectare area is the property of ATAMA Plantations. Sanctions should be imposed on ATAMA Plantations for having carried out an activity exclusive to forestry companies in an area without authorization.

WRM: The project's real intentions have long been dubious. Could the suspension of timber harvesting be a first step before the full cancellation of the agreement, since the parent company declared in 2016 that it was considering abandoning the oil palm plantation project even before production started?

Nina Cynthia Kiyindou Yombo: The government has to take strong measures to terminate the agreement tying it to ATAMA Plantations because it is a one-sided contract in which the government is not gaining much and the company is making huge profits. These days, there is ever more talk of the social responsibility of companies, which involves compliance with social commitments, legality and the protection of the environment. ATAMA Plantations has nothing to lose by walking away. It has already recovered its investment by selling wood produced at a lower cost than that of forestry companies. This is a case of undeclared unfair competition.

WRM: What do the region's inhabitants think of the oil palm project? What are the effects of deforestation on their lifestyle?

Nina Cynthia Kiyindou Yombo: The expansion of oil palm monocultures always creates huge problems for neighbouring communities including the reduction of areas for rural activities, fishing, hunting (removal of wildlife species) and the gathering of non-timber forest products (NTFP), since the forest cover is completely destroyed. It will therefore be hard for communities to find caterpillar

trees (*Uapaca guineensis*), honey and even medicinal plants. Right now, this problem is not acute because the plantations are only starting. But when they will fully extend themselves, nearby communities might have food security problems. It should be noted that in the exchanges we had with the peasant fisher organization, they informed us that some water sources and rivers are polluted by oils coming from insecticides and herbicides used in the plantations' plant treatment processes.

WRM: Do you have any other comments you would like to share?

Nina Cynthia Kiyindou Yombo: ATAMA Plantations has not complied with any of its commitments. The communities have complained about this and declared that the company does not talk to them because of language barriers. There is a misunderstanding because the interpreter is the interface between these communities and the company and the communities say that they are misunderstood. The forest has an essential function for these communities. To replace it with large-scale oil palm plantations has a major impact on the way of life of these communities.

We thank Nina Cynthia Kiyindou Yombo, of the OCDH, for granting us this interview.

(<http://ocdh-brazza.org/>)

(1) Malaysian firm to invest \$744m in Congo palm oil project. <http://venturesafrica.com/malaysian-company-wah-seong-to-invest-744m-in-congo-palm-oil-project/>

(2) Wah Seong open to exit plantation business. <http://www.thestar.com.my/business/business-news/2016/10/17/wah-seong-to-exit-plantation-business/#xdkVuVulgXcXgiMR.99>

For more information on the ATAMA Plantations oil palm concession, see the report (in English): "Seeds of Destruction. Expansion of industrial oil palm in the Congo Basin: Potential impacts on forests and people," Rainforest Foundation UK
<http://www.rainforestfoundationuk.org/media.ashx/seedsofdestructionfebruary2013.pdf>