World Bank promotes oil palm and rubber plantations in Liberia and Côte d'Ivoire

By different means the World Bank is one of the major and most influential promoters of the prevailing monoculture tree plantation model. The International Finance Corporation (IFC) -a part of the World Bank Group, whose specific task is the promotion of private sector investment in "poor" countries- has been directly investing in projects linked to tree plantations, for example in Kenya and Brazil.

The IFC has recently signed two agreements to fund two of these initiatives in West Africa. One of them consists of the reopening of a rubber company in Liberia that was shut down during the civil war, while the other is the set up of an oil palm plantation in Côte d'Ivoire.

The Liberian Agricultural Company (LAC) will receive a loan of U$S 3.5 million to develop a rubber plantation in its 120,000 hectares estate. Between 1961 and 1984 the company had planted rubber there in an area of 10,500 hectares, which was abandoned because of the civil war. According to its promoters, the project will create jobs, provide health and education, and improve rural infrastructure, benefiting 800 small holders.

The holding company of Côte d'Ivoire's leading producer of rubber -Societe des Caoutchoucs de Grand Bereby (SOGB)- will receive a U$S 6 million IFC loan to establish an oil palm plantation in that country. The plantation will occupy 5,000 hectares and in a second phase of the project the company will build a crude palm oil factory to process its production. It has been underscored that the new plantations will avoid areas of secondary rainforest, which SOGB has guaranteed to protect. SOGB already operates a 15,000 hectare rubber plantation and processes rubber, mainly for export.

The globalization of the plantation model is a reality, also regarding rubber and oil palm production. The Compagnie Internationale de Cultures (Intercultures), an affiliate of Societe Financiere des Caoutchoucs (SOCFINAL S.A.), owns 75% of the Liberian Agricultural Company. SOCFINAL is a Luxembourg holding company with agricultural, real estate, banking, and financial interests, and major holdings in oil palm and rubber not only in Liberia and Côte d'Ivoire, but also in Indonesia, Malaysia, Cameroon and Nigeria. In the rubber production project in Liberia also participates PROPARCO, the private sector lending arm of the French development agency Agence Francaise de Developpement. At the same time both Intercultures and PROPARCO are shareholders in SOGB.

Mr. Tei Mante, Director of IFC's Agribusiness Department, said that both agreements would lead to more employment and higher living standards, that they will promote exports that will earn foreign currency, while supporting agricultural production with maximum sensitivity to the environment. Everything sounds incredibly nice . . . but the problem is that reality shows a completely different situation. Promises of a higher quality of life for local dwellers, an improvement of poor countries' economies, the respect for the environment, etc. are in blatant contradiction with the negative consequences on people and the environment that similar projects based on vast tree monocultures bring about with them. The few and poor quality jobs that such projects create seldom improve local peoples' quality of life and the environmental impacts that large-scale tree monocultures entail result

in further impoverishment of local populations. If the World Bank is really willing to fulfil its mandate of poverty alleviation, then it should begin to reorient its loans to investments which create better employment opportunities than those generated by this type of plantations.

Sources: Africa News Online, 19/11/99,
WRM Plantations campaign,