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## The African Development Bank and the Tree Plantations Industry

*In June 2019, a report from the AfDB and WWF Kenya made a call to development-funding agencies, mainly from Europe, and the World Bank, to provide aid money to a new Fund for financing 100,000 hectares of (new) industrial tree plantations, to support the potential development of 500,000 hectares, in Eastern and Southern Africa.*

In June 2019, the report “Towards Large-Scale Commercial Investment in African Forestry,” (1) made a call to development-funding agencies, mainly from Europe, and the World Bank, to provide aid money to a new Fund for financing 100,000 hectares of (new) industrial tree plantations, to support the potential development of 500,000 hectares, in Eastern and Southern Africa. This money, according to the report, would be crucial for private investors to generate profits from the plantations. The new Fund would be headquartered in the tax haven of Mauritius.

**The African Development Bank (AfDB) and WWF Kenya** produced this report with funding from the **World Bank’s Climate Investment Funds**. The purpose of the report is to assist the AfDB “in evaluating and designing alternative private funding models for commercial forestry in Africa with a view to ultimately establishing, or aiding the establishment of, a specialized investment vehicle for commercial forestry plantations.” The report declares that the **development agencies from Finland, Sweden, Norway, Denmark, Iceland, the United Kingdom and The Netherlands** are interested.

Essentially, the report is a praise to industrial monoculture plantations. It repeats, without providing any evidence, most of the deceiving arguments that plantations companies use in their propagandas to cover up the impacts of this devastating industry. The report’s focus is on outlining the possible financial instruments that would attract companies to this region and make their investments most profitable.

The report identifies “readily available projects with the potential to establish almost 500,000 ha of *new forest* (sic) on about 1 million ha of landscape, not including areas that existing companies and developers are already planning to use for own expansion. It also excludes early stage or speculative projects.” (*italics added*) In particular, the report identifies “viable plantation land” in ten countries: Angola, Republic of Congo, Ghana, Mozambique, Malawi, South Sudan, Tanzania, Uganda, Zambia and Zimbabwe.

The report further affirms that “Africa may be positioned to have the most profitable afforestation potential worldwide.” And, then, it goes into explaining the possible investment schemes that can make profit-oriented business and afforestation objectives (from climate or voluntary targets) to be aligned and, thus, generate more profits for shareholders.

None of the pages in the report mention, however, not even indirectly, the overwhelming amount of information that evidences the many negative impacts that industrial plantations cause to communities and their environments. The report’s authors chose to ignore plantations companies’ destruction of forests and savannahs; erosion of soils; contamination and dry-up of water sources; overall violence inflicted on communities which include restriction of movement, criminalization when

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resistance emerges, abuse, harassment and sexual violence in particular to women and girls; destruction of livelihoods and food sovereignty; destruction of cultural, spiritual and social fabrics within and among neighbouring communities; few precarious and hazardous jobs; unfulfilled “social” projects or promises made to communities; destruction of ways of living; rise in HIV/AIDS; and the list goes on.

In front of this, on September 21, 2020, the International Day of Struggle against Monoculture Plantations, 121 organisations from 47 countries and 730 members from different rural communities in Mozambique that are facing industrial tree plantations, disseminated an open letter to demand the immediate abandonment of any and every afforestation programme based on large-scale monoculture plantations. (2)

The report, nonetheless, brags about having used a “sector-wide consultation exercise.” For the authors, *the sector* includes “industry participants ranging from investors, industrial players, and Non-Governmental Organizations (NGOs) through to forestry fund managers (...) To further enrich and triangulate inputs to the study, the team also participated in three forestry industry events and consulted with a broad range of personal contacts in the sector.” The report also mentions consultations made to Development Finance Institutions and agencies as well as oil and other industrial companies. It is clear however how communities living in or around the almost 500,000 hectares of land identified to be transformed into industrial monocultures, are not considered part of *the sector*. Nor were considered the many communities and groups that have been resisting for decades the plantations in the countries the report use as examples: Tanzania, Mozambique, Ghana and Brazil. (3)

The report further sustains that the NGO Conservation International confirmed “that it sees potential in associating large global businesses with the forestry sector.” It further mentions WWF and The Nature Conservancy – namely, the same category of NGOs mainly concerned on promoting programs and policies that are aligned with corporate interests as an easy way to keep their funding, projects and investments.

The purely financial focus of this report, with an eye on how to make most profits, should not come as a surprise though. It was prepared by a company called Acacia Sustainable Business Advisors (4), which was set up by Martin Poulsen, a development banker active in rising private Equity Funds particularly in Africa. Equity Funds try to offer big returns by spreading investments across companies from different sectors. (5) One co-author of the report was Mads Asprem, the ex-director of Green Resources, a Norwegian industrial tree plantation and carbon offsets company. Green Resources’ tree plantations in Mozambique, Tanzania, and Uganda have resulted in land grabs, evictions, loss of livelihoods and increased hunger for local communities. (6)

The report also shows the possible responses that investors could have to potential “barriers”. One “structural barrier” identified is called “stakeholder relations,” a very vague concept that seems to be related to possible conflicts with communities living in or around the plantation projects. The term “conflicts” however is not mentioned once in the whole report. The recommended response to this “barrier” is to “Use AfDB or other MDB [Multilateral Development Bank] “honest broker” profile to convene stakeholders.” So it seems that the strategy is to use *development* banks to make communities believe that the project has the intention of improving (*developing*) people’s lives. Another “structural barrier” identified in the report is “land tenure challenges,” to which the recommended response is to “Follow FSC and other best practices.” This, of course, is recommended despite the vast amount of information that shows how, in practice, FSC certifies as “sustainable” industrial tree plantations that destroy peoples’ livelihoods.

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## ***When the climate and development agendas blend for profit***

It is relevant to underline how the report makes use of the Sustainable Development Goals (SDG) and the need for climate change mitigation and adaptation in the African region to promote the further expansion of industrial plantations. It goes as far as to conclude that “Channelling financial resources to such efforts [afforestation in the framework of the SDGs] is within the mandate of international development organizations and special climate funds.”

The report also states that “preliminary interviews yielded information that some oil companies are already forming alliances with sustainable forestry investment companies.” This despite the fact that oil and gas companies are a fundamental driver of climate change, which would undermine any possible positive outcome for the climate. Besides, these ‘alliances’ also give these companies an easy way out of any responsibility for their business operations. This is clearly exemplified with the announcement of oil giant companies, such as Italian ENI and Anglo-Dutch Shell, to invest in mega tree plantation projects to supposedly “compensate” their mega levels of pollution they provoke. These two companies are responsible for environmental disasters and crimes as a result of their fossil fuel activities in many places across the globe. (7)

The African Development Bank is complicit in this strategy. While the Bank finances this report encouraging the expansion of industrial plantations in Africa as a climate solution, it finances in Mozambique a new gas extraction mega-project in the Cabo Delgado province, undertaken by a consortium of companies including ENI.

This report is one more proof of how investments from profit-seeking corporations are put in front of the social well being of people in the name of *development* and now also of addressing *climate change*. There is no “unused” or “degraded” land available at the scale proposed, which means countless people in Africa will be directly and indirectly affected if this expansion plan materialise.

Another relevant omission of the report is how it bluntly assumes that the current scarcity of investment in large-scale tree plantations in this African region is due to the few investment opportunities available. However, the communities and groups on the ground organizing almost on a daily basis to oppose the seizing of their lands and lives by these plantations companies, have clear that their resistance has been successful to halt the expansion of these plantations in many places. And as the open letter launched on September 21<sup>st</sup> said, communities around the world “will certainly resist this new and insane expansion plan proposed in the AfDB and WWF-Kenya.”

- (1) AfDB, CIF, WWF, [Acacia Sustainable, Towards large-scale investment in African forestry](#), 2019
- (2) [Open Letter about investments in monoculture tree plantations in the Global South, especially in Africa, and in solidarity with communities resisting the occupation of their territories](#), 2020
- (3) [See more information on resistance struggles against plantations here.](#)
- (4) [Acacia Sustainable Business Advisors](#)
- (5) Groww, [Equity Mutual Funds](#)
- (6) REDD-Monitor, [How WWF and the African Development Bank are promoting land grabs in Africa](#), 2020; [The Expansion of Tree Plantations on Peasant Territories in the Nacala Territories: Green Resources in Mozambique](#), 2018 ; WRM bulletin, [Green Resources Mozambique: More False Promises!](#), 2018 ; WRM bulletin, [Carbon Colonialism: Failure of Green Resources' Carbon Offset Project in Uganda](#), 2018 ; WRM bulletin, [Tanzania: Community resistance against monoculture tree plantations](#), 2018 ; and WRM bulletin, [The farce of “Smart forestry”: The cases of Green Resources in Mozambique and Suzano in Brazil](#), 2015.
- (7) REDD-Monitor, [NGOs oppose the oil industry's Natural Climate Solutions and demand that ENI](#)

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[and Shell keep fossil fuels in the ground](#), 2019.