

136 individuals and organisations endorse joint statement on World Bank palm oil strategy

25 May 2010

AMAN members formed part of a group of over 136 indigenous peoples' organisations, oil palm smallholders, NGOs and individuals who called on the World Bank to think carefully before it rushes back into funding palm oil developments.

The group raised their concerns on 14 May 2010 in a joint statement on the World Bank Group/International Finance Corporation (IFC) Palm Oil Development Strategy.

Investment in palm oil was halted in August 2009 following an internal review that exposed widespread negative environmental and social impacts related to the World Bank's investment in the sector.

Since then, the World Bank has committed to undertake a review to develop a 'common approach' to the palm oil sector for all parts of the institution, to prevent investment in projects that do not respect indigenous peoples' rights and the environment.

Indigenous peoples in Indonesia are extremely vulnerable to exploitation, due to an absence of mechanisms that enable effective free, prior and informed consent. Indigenous peoples' rights are not recognised in Indonesia, leading to discrimination, human rights abuses and conflict.

Palm oil plantations are often developed on indigenous land, with little or no consultation with or compensation to communities. Additionally, palm oil plantations often disrupt the cultures and traditions of indigenous peoples, interrupting access to food supplies and traditional lifestyles.

Norman Jiwan of the Indonesian NGO SawitWatch expressed concerns that a rushed return of World Bank investment in palm oil would raise serious environmental and social concerns.

"Without comprehensive reforms, pouring more money into palm oil development will only lead to further land grabbing, more human rights abuse, rampant forest destruction and massive green house gas emissions," he said.

The statement emphasises that, owing to the lack of supply chain traceability and responsibility, the World Bank should only invest in local producers, preferably small-scale production by smallholders, and that "there needs to be an iterative discussion with civil society groups to explore how this can be achieved in practice".

"The revised strategy should make clear how the World Bank will engage in a stepped approach aimed at first resolving the governance, legal and institutional obstacles that makes clear that, until the necessary legal and procedural reforms are in place, the World Bank will not be investing in palm oil operations in these areas."

In their statement, the group raised concerns that the current strategy does not clarify how a 'common approach' would be guaranteed across the entire World Bank – nor has it been established how ongoing community and NGO input will be facilitated.

The statement insists on provisions to ensure the strategy is comprehensive; setting out a shared approach for the entire World Bank, and allowing time for further meetings with indigenous peoples and other parties to discuss the draft strategy itself.

Investments in large-scale monoculture plantations, such as palm oil, indicate a lack of respect for and consultation with indigenous peoples. Such investment results in marginalisation and impoverishment and causes ongoing conflicts over land – often leading to in human rights abuses by company or state security forces.

Although indigenous groups and environmental NGOs welcomed the August 2009 moratorium on investment by the World Bank in palm oil, a rushed return of investment to the sector would have dire consequences for indigenous communities and the environment.

The group also called on the World Bank to investigate previous and planned investments in other sectors including industrial tree plantations, mining, dams and energy, using an iterative, participatory and comprehensive process.

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