IN KING LEOPOLD'S STEPS

THE INVESTORS BANKROLLING THE PHC OIL PALM PLANTATIONS
IN THE DEMOCRATIC REPUBLIC OF CONGO

The Oakland Institute

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Cover Photo: Recently planted oil palm plantation near Lokumete in February 2020 © Oskar Epelde

Back Cover Photo: Oil palm kernel © Oskar Epelde

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Executive Summary

In February 2021, communities from Lokutu in the Democratic Republic of Congo (DRC) organized a peaceful protest for the arrival of a delegation of owners and investors in Straight KKM, a Mauritius-based company that through its affiliate KN Agri, had recently assumed ownership over a sprawling oil palm concession. Community members complained about the failure of the company to deliver on promises of services and infrastructures and the continued failure of grievance mechanisms to address their long held demands for the return of their land. In response, police and private security for Feronia cracked down on the demonstration and arrested a group of protestors according to local NGOs. While in police custody, protestors have reportedly been subject to torture and sustained serious injuries and remained detained for several days following the arrests. In another incident, plantation security guards arrested and severely beat 33-year old Blaise Mokwe, a community member accused of stealing palm fruit. Six days after his arrest, Mr. Mokwe succumbed to his injuries and died on February 21, 2021.[1] This repression is just the latest chapter in a decades long struggle between communities and the various owners of the oil palm concessions for land, dignity, and livelihoods.

For over a century, the Lokutu, Yaligimba, and Boteka communities in the DRC have been forcibly displaced for over 100,000 hectares of foreign controlled oil palm plantations established on their ancestral land. In 1911, the Belgian colonial authorities, who had violently taken control of present day DRC, granted British industrialist Lord Leverhulme license to create vast oil palm plantations for his company Plantations et Huileries du Congo (PHC) – without consent from local communities. Profiting from the forced labor on the concessions, the plantations fueled the rise of the Lever Brothers and laid the foundation for today's corporate giant Unilever.

In 2009, Unilever sold the palm concessions and forested area to Feronia Inc, a Canadian company without any experience growing oil palm. From 2009 to 2020, the communities remained deprived of their land and subject to human rights abuses. Numerous reports have documented the human and environmental abuses that were inflicted on them, including: unpaid wages, exposure to dangerous pesticides, and the routine dumping of untreated industrial waste, which contaminated a major supply of local drinking water. The dispossession from ancestral land crippled livelihoods, as poverty and hunger became widespread. The communities repeatedly tried to negotiate with Feronia and government authorities on terms for the company to op-

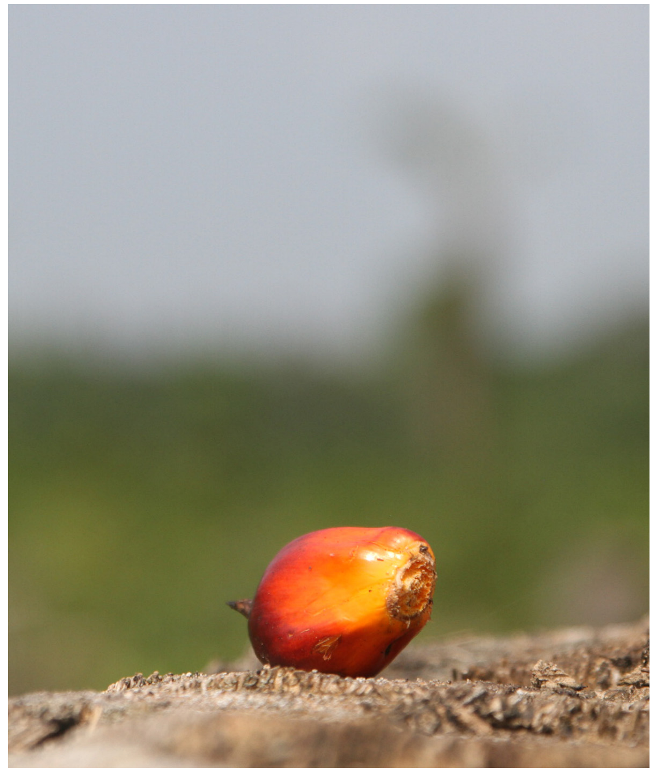
The body of Blaise Mokwe, a community member who died at the hands of plantation security guard erate on their ancestral land and were repeatedly rebuked. As tensions rose, Feronia's security staff forcefully repressed opposition through murder, unlawful detention, beatings, and torture.

From the first year of taking over Unilever's plantations, Feronia incurred massive financial losses, even as European development banks stepped in to provide over US$150 million in financing. The involvement of so-called development banks did not improve the conditions for the communities, while grievance mechanisms continually stalled.

A critical juncture was reached when Feronia filed for bankruptcy in August of 2020. Instead of exploring ways to grant the communities their long held request for the return of the land, development banks handed over the assets that Feronia held in PHC to Straight KKM, a Mauritius-based private equity fund, for a cash payment of US$500,000, an assumption of a portion of the company's debt to the development banks, and a commitment to invest US$10 million into the company. Through the sale, the development banks involved – UK's CDC Group, Germany's DEG, the Dutch FMO, Belgian BIO, and the Emerging Africa Investment Fund (EAIF) agreed to write off large portions of their previous loans to the company. However, these banks remain involved in the project as lenders.

Straight KKM is owned by various funds affiliated with Kuramo Capital Management, which claims to be Africa's "leading independent investment management firm." Several institutional players are major investors in Kuramo funds, including: The University of Michigan Endowment, the Bill & Melinda Gates Foundation Trust, the South African Government Employees Pension Fund and Public Investment Corporation, the Royal County of Berkshire Pension Scheme, among others. While many of these investors claim to promote socially conscious and environmentally sustainable investments, they have turned a blind eye to the legacy of abuses in the PHC concessions.

Through limited partnerships and layers of ownership, the investors in Kuramo Funds are able to maintain distance from the extensive history of abuses against these communities while seeking a profitable return on their investment. Given public pension funds and institutions committed to upholding a philanthropic reputation have invested in Kuramo Funds, they are complicit in and must be held accountable to the ongoing human rights abuses and theft of land.



Oil palm kernel © Oskar Epelde

King Leopold to Feronia – A Legacy of Stolen Land & Human Rights Abuses

For over a century, the communities in Lokutu, Yaligimba, and Boteka in the DRC have been forcibly displaced from their ancestral land for over 100,000 hectares of foreign controlled oil palm plantations.

In 1911, the Belgian colonial authorities – who through the brutal reign of King Leopold II – had violently taken control of present day DRC, granted British industrialist Lord Leverhulme license to create vast oil palm plantations for his company Plantations et Huileries du Congo (PHC) without consent from the local communities. Leverhulme obtained the monopoly to harvest and process all palm fruit in an area of 67,800 square kilometers [6.78 million hectares] – roughly twice the size of Belgium. Historical records show that forced labor was used on a massive scale, enforced by the Belgian colonial army who ensured the monopoly remained unimpeded through widespread violence.[2] Profiting from the forced labor on the concessions, the plantations fueled the rise of the Lever Brothers and laid the foundation for today's corporate giant Unilever.[3] When Unilever sold off their palm plantation holdings in 2009, they left owing workers $US24 million in unpaid wages.[4]

Finally in 2009, Unilever's sold the plantations for US$4 million to the Canadian Feronia Inc. A little known company with no oil palm experience, Feronia was founded offshore to develop large-scale commercial agriculture across Africa.[5] After initially sustaining massive financial losses, Feronia was kept in business through funding from European development banks. Between 2013 and 2020, Feronia and PHC received over US$150 million from BIO (Belgium), CDC Group, (United Kingdom), DEG (Germany), and FMO (Netherlands) and other development banks from France, Spain, and the US, who invested through the Mauritius-based, African Agricultural Fund (AAF).[6] In 2016, the AAF increased its investment in Feronia to hold 26 percent holding of the company. The United States International Development Finance Corporation (DFC), formerly the Overseas Private Investment Corporation (OPIC), was a major investor in the AAF, committing US$100 million to the fund.[7]

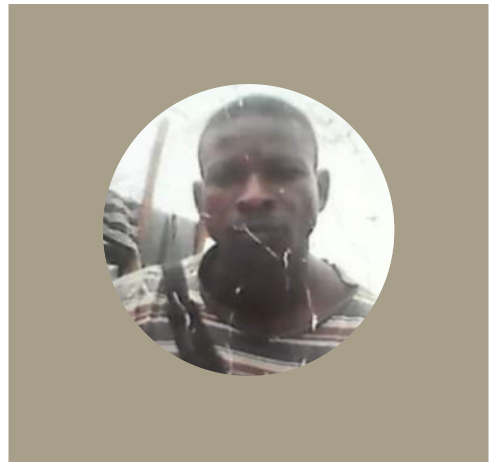
Despite the involvement and supposed oversight of these so-called development banks, who claimed their investments provided "development and employment," communities remained deprived of their land and subjected to rampant human rights abuses. A 2019 Human Rights Watch report detailed how the banks' oversight failures allowed Feronia to "commit abuses and environmental harm that infringed upon health and labor rights" of the local communities.[8] These abuses include: abusive employment practices that kept workers in extreme poverty – including unpaid wages, exposing workers to dangerous pesticides, and routinely dumping untreated industrial waste, which contaminated a major supply of local drinking water, amongst others.[9]

Feronia's ownership and operation of the plantations were defined by the tensions between the company and local communities who lost their land to the company. Communities from all three of the sites occupied by PHC plantations, Lokutu, Boteka, and Yaligimba, have tried to regain control over the concessions that occupied their ancestral lands. On numerous occasions, communities tried to negotiate with the company and government authorities the terms of the company's operations on their ancestral land. According to the recently released *Development Finance as Agro-Colonialism*: "Community leaders have issued multiple letters, memos and declarations addressed to government authorities, company representatives and the development banks financing Feronia and PHC. The 2018 complaint submission references several of these statements issued by communities over the years. The statements describe how this illegal theft of their ancestral lands and forests has deprived villagers of the means to feed and house their families and earn their livelihoods. As a result, poverty and malnutrition are rampant and severe."[10]

PHC workers with dozens of gallons of pesticide formula in the Yaligimba plantation © 2019 Luciana Téllez/Human Rights Watch

As the community's longstanding requests for the land to be returned continued to be ignored, tensions began to rise. Organized opposition by residents in Lokutu flared up in March 2019, when the Congolese military, sent in to quell demonstrations, ended up firing live bullets into the crowd.[11] In July 2019, Mr. Ebuka, a Feronia security guard, brutally murdered a local land rights defender, Joël Imbangola Lunea. Testimonies pointed to Joël Imbangola's involvement with the DRC NGO, Réseau d'information et d'appui aux ONG (RIAO-RDC), as a likely motive for the killing, given the role the NGO had played in documenting Feronia's abuses and advocating to return the land to the communities.[12] Feronia and PHC subsequently handled the legal case of their security guard, Mr. Ebuka, who was acquitted, while the UK CDC group (Feronia's majority shareholder) undertook an investigation into the killing that they have yet to make public. Unfortunately, Mr. Imbangola's murder was not an isolated case on the PHC plantations. Other tragic deaths, violent arrests, torture, and beatings by security forces are well documented.[13]

Effluents from the Yaligimba PHC plantation polluting the river near the Midonga settlement where hundreds of workers and their families live © 2019 Luciana Téllez/Human Rights Watch



Land rights defender Joël Imbangola who was murdered by Feronia security in July 2019

As of May 2020, Feronia was the majority shareholder in the PHC oil palm concessions. Feronia held 21.43 percent of shares in PHC while the company's subsidiary Feronia Maia Sprl. controlled 54.73 percent.[14] The DRC government held the remaining 23.83 percent. In June 2020, while development banks owned a majority of shares in Feronia, the company filed for bankruptcy.[15]

Who Owns the PHC Plantations?

As Feronia restructured during the bankruptcy filing in August 2020, the development banks passed the assets that Feronia held in PHC to Straight KKM, a Mauritius-based private equity fund. Straight KKM became first involved in Feronia in 2017, when it took a 24 percent share in the company.[16] Three years later at the time of the sale, Straight KKM held 41.85 percent of Feronia. Just like Feronia, Straight KKM does not have prior experience in operating oil palm plantations.[17]

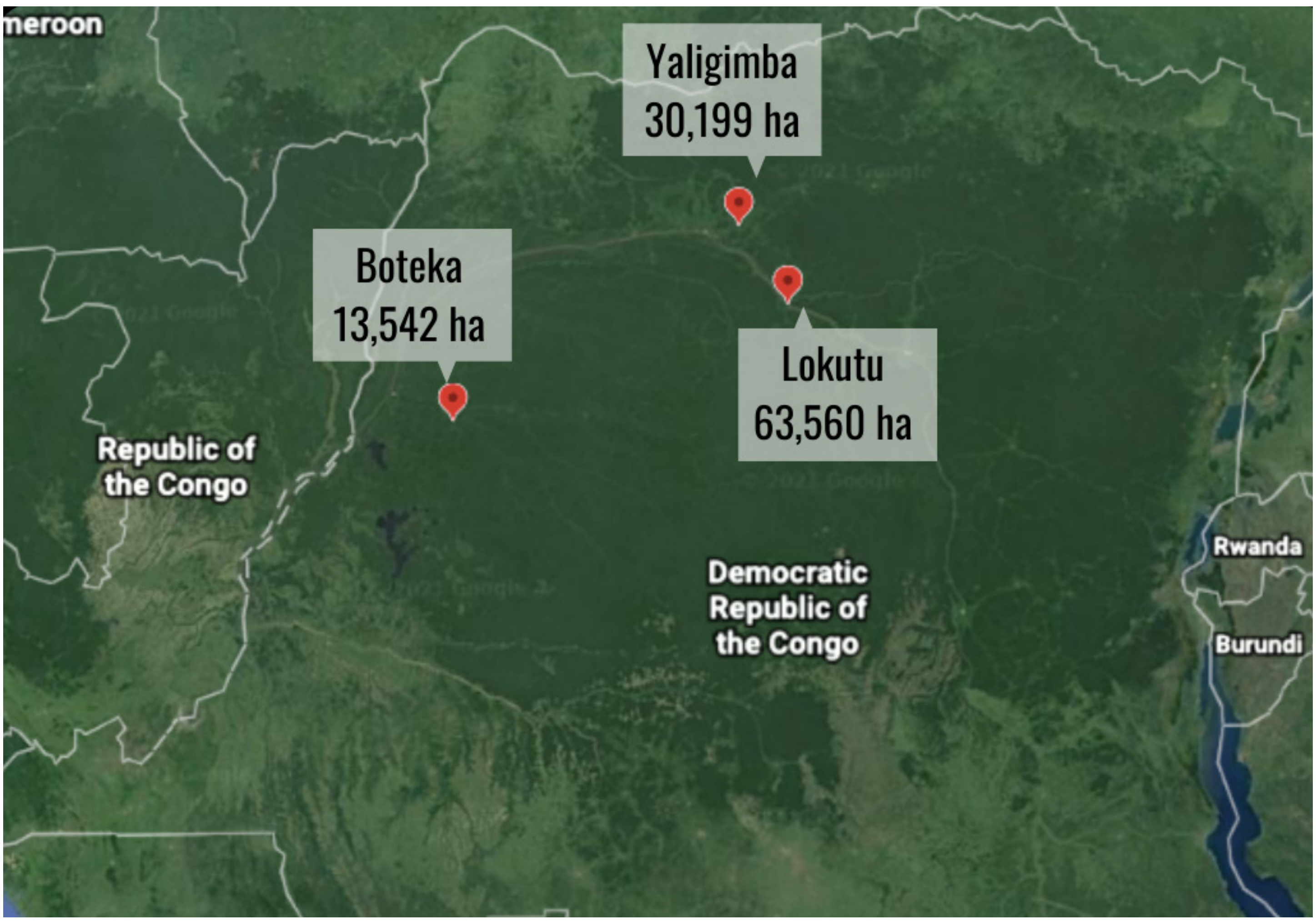
The purchase included a cash payment of US$500,000, the assumption of the debts and obligations PHC owed, as well as "assumption of the indebtedness and obligations of the Company's subsidiary Feronia Maia Srl owing to CDC Group Plc and KN Agri LLC, an affiliate of KKM." KKM and its investors additionally pledged to invest a further US$10 million to fund the operations of PHC.[18]

The price for Straight KKM to acquire Feronia and the PHC concessions stands out as exceptionally low given the fact that development banks had invested over US$150 million into the company. The greatly deflated valuation partly reflects the inability of the banks to invest in the material conditions on the plantations. While some smaller investments were made in "agriculture improvements" and some community welfare projects, "a substantial part of the money that the development banks paid out to Feronia was spent on executive salaries for European company managers, travel expenses, legal teams and consultants and rental and other fees to a powerful Congolese politician."[19]

The sale price additionally illustrates how development banks eagerly jumped at the opportunity to agree to forgo their debt assumed in the project. The UK development finance agency, the CDC Group, was Feronia's largest shareholder before the agreement. The CDC Group is said to have written off upwards of US$50 million by handing over its shares to Straight KKM. Other European development banks – Germany's DEG, the Dutch FMO, Belgian BIO, and the Emerging Africa Investment Fund (EAIF)– have reportedly agreed to write off up to 80 percent of their collective US$49 million loan.[20] With portions of the loans remaining, the development banks remain tied to the concessions as lenders to PHC. The shares held by the United States DFC through the AAF were repaid in full when the AAF exited the fund in 2020.

Through its affiliate KN Agri, Straight KKM now owns 76 percent of the PHC plantations, while the DRC government retains the remaining 24 percent.[21] The PHC concessions currently are divided across hundreds of individual contracts – renewed on various land registrars – that are not held by one continuous concession. Approximately 25,000 hectares are used for industrial oil palm plantations while the remainder is forested land that communities remain prohibited from using for the collection of food or medicines.[22]

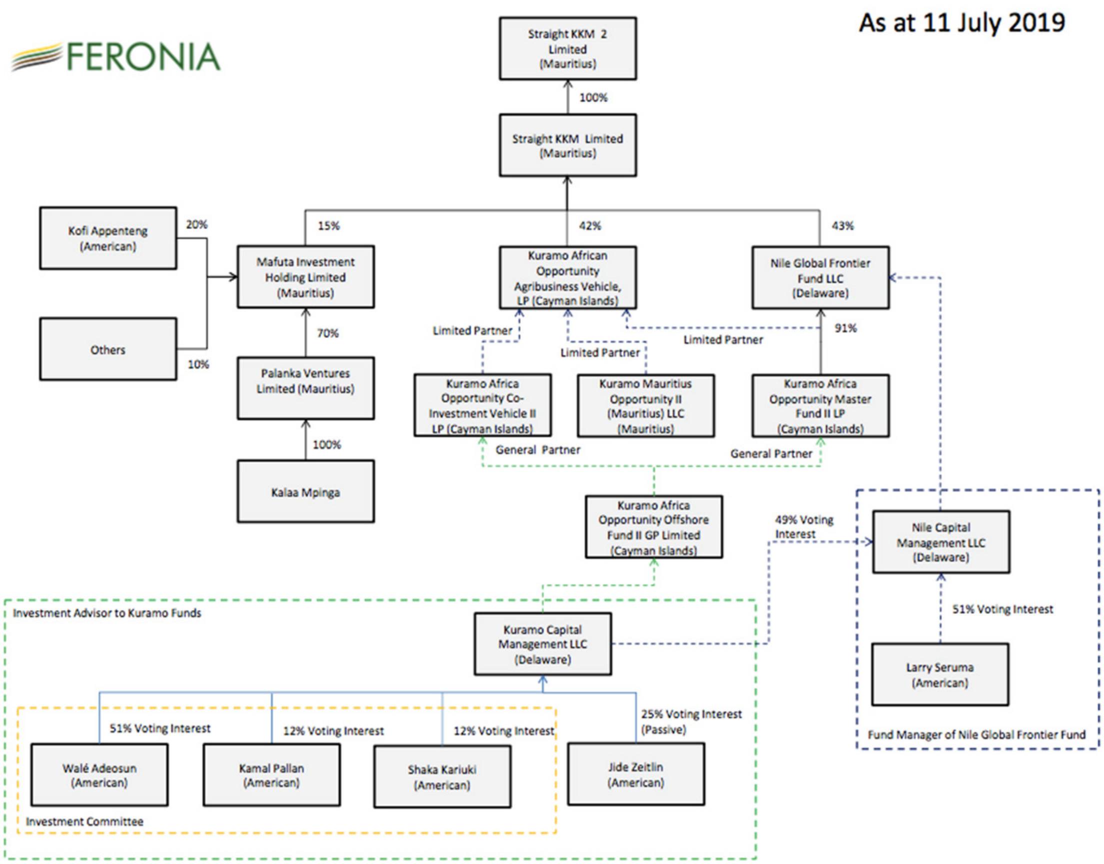
Figure 1. Location of the Three PHC Concessions



Unpacking Straight KKM's Ownership Structure

Straight KKM is a vehicle for several funds managed by Kuramo Capital Management and public information on the company is limited. Figure 2 illustrates the corporate structure of Straight KKM, made available during Feronia's bankruptcy filing.[23]

Figure 2. Straight KKM's Corporate Ownership Structure[24]



As evidenced by Figure 2, the ownership structure behind Straight KKM is a complex web of private equity funds. The common thread remains the involvement of various funds affiliated with Kuramo Capital Management, who retain the majority of control over Straight KKM through subsidiaries, general, and limited partnerships. As of July 2019, two Kuramo funds held 85 percent of Straight KKM.[25]

The remaining 15 percent of Straight KKM is held by Mafuta Investment Holding Limited, a company owned by Kalaa Mpinga (70 percent) and Kofi Appenteng (20 percent). Kalaa Mpinga, the son of a former Prime Minister of DRC, manages Straight KKM in addition to being a major player in diamond and gold mining across Africa.[26] Kofi Appenteng is the President and CEO of the Africa-America Institute as well as former Chair of the Board of the Ford Foundation, the US$12 billion grant-making foundation.[27]

"KKM brings together a group of African investment professionals with deep roots in their communities in Africa. We were born and raised in Africa and many of us still live in Africa. As such, ensuring that all our investments achieve success in a responsible manner is very important to us; PHC is no exception."[28]

Walé Adeosun
Founder and Chief Investment Officer of Kuramo Capital Management[29]

Table 1. Kuramo Affiliated Funds

Fund Name	Registered Location	Assets Under Management (AUM)
Kuramo Capital Management	Delaware	US$480 million[30]
Kuramo Africa Opportunity Fund	Cayman Islands	US$112 million[31]
Kuramo Africa Opportunity Fund II	Mauritius	US$116 million[32]
Kuramo Africa Opportunity Offshore Fund II, L.P.	Cayman Islands	US$98.4 million[33]
Kuramo Africa Opportunity Co-Investment Vehicle II	Cayman Islands	US$50.5 million[34]
Kuramo Africa Opportunity Co-Investment Vehicle III	Delaware	US$130 million[35]

Kuramo Capital Management is an investment management firm that provides "targeted global investment management services to institutional clients and ultra-high net worth individuals, focused on alternative assets in emerging and frontier markets."[36] Kuramo Capital bills itself as the "leading multi-asset class investor in Sub-Saharan Africa" with direct and indirect investments in over "100 companies in 20 sub-Saharan Africa countries" across power, telecoms, financial services, and consumer sectors.[37] Kuramo Capital is the general partner of the Kuramo Africa Opportunity Funds (AOF) and together they manage upwards of US$500 million.[38]

Who are the Major Investors in Kuramo Funds?

Given the lack of transparency with private equity (see Box p.14), public information on the investors into Kuramo is limited. However, some of Kuramo's major investors who are now playing a role in financing the PHC concessions in DRC are private foundations, university endowments, and pension funds that make their investments publicly available primarily through tax returns.

The University of Michigan (UM) Endowment was valued at US$12.5 billion at the end of 2020 and is the ninth largest among Universities in the United States.[40] Boasting a 20-year annualized return rate of 7.4 percent, the endowment distributed US$391 million in the 2020 fiscal year. The UM Endowment first invested US$15 million with Kuramo Africa Opportunity Fund in 2011.[41] In its initial 2011 investment the UM Board of Regents noted that investing in a "fund of funds" like Kuramo is not typical due to the "added layer of fees." However, they made an exception for Kuramo given their "transparency in regards to the management of the funds assets and knowledge with respect to the due diligence" as well as access to Kuramo's "local network."[42]

The UM endowment has committed at least over US$100 million into various Kuramo Funds over the past 3 years (Table 2). The current valuation of these investments is not known.

Table 2. University of Michigan Endowment Investments in Kuramo Funds

Fund	Amount Invested
Kuramo Africa Opportunity Fund III & Kuramo Africa Opportunity Co-Investment Vehicle III	US$50 million[43]
Kuramo Africa Opportunity Fund	US$15 million[44]
Kuramo Africa Opportunity Fund II	US$50 million[45]
Kuramo Africa Opportunity Co-Investment Vehicle II	Undisclosed[46]

BILL & MELINDA GATES foundation

The Bill & Melinda Gates Foundation (BMGF) Trust manages the US$51 billion endowment of the Bill & Melinda Gates Foundation, the world's largest private foundation.[47] The BMGF Trust invested in a Kuramo fund for the first time in 2011, committing US$3,787,342 to the Kuramo Africa Opportunity Offshore Limited Partnership.[48] By 2019, the BMGF Trust had greatly expanded its investments in various Kuramo funds (Table 3) investing a total of US$36,754,320 across four funds.

Table 3. BMGF Trust Investments in Kuramo Funds 2019[49]

Kuramo Fund	Amount Invested
Kuramo Africa Opportunity Co-Investment Vehicle III	US$3,218,352
Kuramo Africa Opportunity Fund II	US$13,995,42
Kuramo Africa Opportunity Fund III	US$1,281,823
Kuramo Africa Opportunity Offshore Fund	US$18,258,716
Total	**US$36,754,320**

Established in 1911, the **Public Investment Corporation SOC Limited** (PIC) is an asset management firm wholly owned by the government of the Republic of South Africa. Controlled by the South African Minister of Finance, the PIC anoints itself "amongst the best and successful asset management firms in the world and is by far the largest in Africa."[50] In June 2016, the PIC committed US$20 million to the Kuramo Africa Opportunity Fund II. As of 2018, PIC had invested just over US$12.6 million of this total into the fund.[51]

The South African **Government Employees Pension Fund (GEPF)** is Africa's largest pension fund, with more than 450,000 pensioners and assets worth R1.61 trillion [≈US$110.7 billion]. GEPF was founded in 1996 through the consolidation of various South African public pension funds.[52]

GEPF made its first investment in Kuramo Africa Opportunity II in 2017, committing US$6,529,000.[53] By 2020, GEPF's investment in Kuramo Africa Opportunity II was valued at US$15,778,000.[54] It remains unclear how much of this increase was due to the value of the investment growing over time, GEPF investing more into the fund, or a combination of the two.

Headquartered in the United Kingdom, the **Berkshire Pension Fund** is a public pension fund that oversees total assets of just under US$3 billion.[55] In the most recently available information from 2015, the pension listed an investment of £10 million [~ US$11 million] in "Kuramo Africa" from 2012 and a Fund Life ending in 2021. This was one of two listed investments in private equity with a focus on "developing markets" and while the pension fund noted they anticipated: "making further commitments over the next few years," no information has been made public in the past five years.[56]

With a US$6.6 billion endowment, the **J. Paul Getty Foundation** is primarily focused on the visual arts, cultural heritage conservation, research in art history and the humanities and financing museums.[61] The J. Paul Getty Foundation last invested in a Kuramo Fund in 2012, committing US$3,333,413 to the Kuramo Opportunity Fund.[62] There have not been any publicly known commitments made in recent years.

The **General Electric (GE) Pension Trust** is a corporate fund investor that manages pension, retirement, health and welfare funds. The GE Pension Trust is a subsidiary of GE's larger asset management activities, GE Asset Management Incorporated and held assets totaling US$52.6 billion at the end of 2019.[63] The GE Pension Fund has invested in the Kuramo Africa Opportunity Fund II, however the amount and current status of the investment is unknown.[64]

Rise of Private Equity in African Agriculture

Private equity (PE) is an investment vehicle where a group of people combine their own money – as well as contributions from outside investors – to buy stakes in assets, in many cases companies, they project will have "growth potential."[65] Once they own stakes in an asset, the PE fund can exert influence over the company with the goal of accelerating its growth. After the company increases in value, the PE fund sells their assets to generate a profit for their investors.

In the process of seeking to maximize returns, private equity funds typically "maximize fees, leverage debt, and strip assets."[66] All additional commitments made regarding environmental and social concerns take a backseat to this primary goal of maximizing returns for shareholders.

Private equity is becoming an increasingly used vehicle for private and public investors to channel funds to African agriculture. Before the global financial crisis in 2008 only a handful of funds catered specifically to investors focused on farmland and food production. By September 2020, GRAIN identified more than 300 funds specifically oriented towards food and agriculture, with the largest number targeting Africa.[67] As private equity funds invest in private companies that are not listed on stock exchanges, they are not subject to public reporting requirements and as a result information is not readily available.[68]

Investors' Complicity in Human Rights Abuses & Land Theft on PHC Plantations

Through their investments into various Kuramo Funds with investments that, through Straight KKM, control the PHC oil palm plantations, these investors are now directly responsible for the ongoing land theft and human rights violations perpetrated against communities in the DRC. The impact of being deprived of their ancestral land on livelihoods as well as the intimidation, beatings, arrests, torture and murder of community members at the hands of security forces hired by Feronia-PHC are well documented.[69]

These investors' primary focus is to generate revenue for their shareholders. The University of Michigan endowment "manages the fund to meet donors' expectations that their endowment gifts will provide support to the University in perpetuity. The objective is to maintain and enhance the value of endowment gifts."[70]

The Royal Borough of Windsor & Maidenhead (RBWM) acts as the administering authority for the Royal County of Berkshire Pension Scheme and is legally required to publish an Investment Strategy Statement. In this statement the strategy states that: "RBWM will not place social, environmental or corporate governance restrictions on the Investment Manager but relies on it to adhere to best practices in the jurisdictions in which they are based, operates and invests." While RBWM expects its managers to "take into account Environmental, Social and Governance (ESG) issues when making an investment," it believes that no "one-size fits all" policy can possibly be implemented across such a diverse portfolio such as that of the Fund."[71] This type of blanket statement allows the fund significant leeway for its investments.

Community members of Mwingi near the disputed land of the Lokutu concession © Oskar Epelde

Several of the investors have outlined conditions in investment guidelines that are violated by their involvement in the management of the PHC plantations. Owned by the South African government, the PIC claims to operate beyond financial return. "Over and above generating financial returns for clients…the PIC seeks to generate social returns by investing in projects that ensure inclusive growth."[72] The PIC investment process claims to include consideration of Environmental, Social, and Governance

(ESG) issues and principles, and "requires all external fund managers to incorporate responsible ESG practices in their investment process which are governed by ESG policies and that is aligned to the PIC policies as well as best practice principles."[73] A member of the United Nations Principles for Responsible Investment (UNPRI) as well as the United Nations Global Compact (UNGC), the PIC has been awarded several awards related to responsible investments.

Women workers collecting palm fruit waste without protective equipment in the PHC Boteka oil palm mill © 2018 Luciana Téllez/Human Rights Watch

Similarly, the Government Employees Pension Fund (GEPF) in South Africa has explicit commitments around responsible investments. A signatory to the United Nations Principles for Responsible Investment, GEPF's Investor Guideline Statement from 2020 stipulates that the Board of Trustees is "committed to investing responsibly by integrating environmental, social and governance (ESG) issues in investment decisions.[74] A "Responsible Investment Policy" statement from 2017 states: "The mismatch between social and private financial returns is not sustainable as the two need to be aligned if the market system is to be sustainable." The policy additionally covers several issues to be considered in investment contexts that are noteworthy given the funds indirect involvement in the PHC plantations, including: "local communities human rights, working conditions, conflict and resource depletion."[75]

The UM endowment has outlined conditions for an ad hoc committee appointed by the regents to investigate the "ethical and moral implications of our investments." These include if the concern expresses the "broadly and consistently held position of the campus community over time," if investment is "antithetical to the core mission and values of the University" or if "the organization, industry or entity to be singled out may be uniquely responsible for the problems identified."[76]

To guide their investments, Bill and Melinda Gates claim to consider "other issues beyond corporate profits, including the values that drive the foundation's work." To this end, the BMGF Trust has defined areas in which the endowment will not invest, such as companies whose profit model is "centrally tied to corporate activity that they find egregious" such as "tobacco or Sudan-related investments."[77]

These high standards to incorporate ESG issues and claims that investments are made beyond purely a profit motive ring hollow given the well documented abuses perpetrated against the communities living near the PHC concessions. Since Straight KKM has held shares in Feronia since 2017, none have publicly stated any opposition to the involvement of Kuramo affiliated funds in the disastrous oil palm project.

New Owners, Same Systemic Issues

There is no indication that new ownership will change the conditions for communities living in the shadow of the PHC concessions. Before the purchase of Feronia in 2020, Straight KKM held shares in Feronia dating back to 2017 and was a majority shareholder at the time of the purchase. As a result, the PHC concessions continue to be managed by the same decision makers who oversaw years of abuse and mistreatment of local communities. Given that grievance mechanisms and remediation processes implemented by the development banks have been repeatedly derailed by long delays, communities have been left with no recourse for justice.[80]

At the time of the purchase, Kalaa Mpinga, the manager and one of the investors in Straight KKM, framed the past involvement with the Feronia plantations as a strength: "Having initially invested in Feronia in late 2017, we know the issues PHC faces, including those being looked at under the DFI Lenders' Independent Complaints Mechanism; a process we fully support. Through this transaction we are demon-

A leak in the Lokutu mill pipeline releases effluents into the Congo River © 2019 Luciana Téllez/Human Rights Watch

strating our commitment to PHC and the communities associated with its plantations in the Democratic Republic of the Congo."[81]

However just months into the new ownership regime, the same pattern of repressing communities continued unabated. In February 2021, as a delegation from Straight KKM visited, communities in Lokutu gathered with banners protesting the failure of the company to complete contractually obligated social projects. In response, police and private security for Feronia cracked down on the demonstration and arrested a group of protestors according to local NGOs. While in police custody, protestors have reportedly been subject to torture and sustained serious injuries and remained detained for several days following the arrests.[82] In another incident, plantation security arrested and severely beat 33-year old Blaise Mokwe, a community member accused of stealing palm fruit. Six days after his arrest, Mr. Mokwe succumbed to his injuries and died on February 21, 2021.[83] As the situation continues to develop, it is clear that the new owners have no interest in returning the land to communities or putting an end to the human right abuses faced by the communities affected by the concessions.

Behind the opaque cover granted to private equity funds, investors finance a plantation model that is based on depriving communities of their ancestral land. Development banks had maintained their support despite ample documentation of the violence inherent in the colonial plantation model. While these development banks claimed that "due diligence checks, bank adherence to safeguards, mandatory social action plans and commitments by their clients to voluntary certification assessments can prevent such violence," in reality, these voluntary instruments have failed time after time.[84] While these may be tried again they remain half-hearted measures that fail to challenge the conflict inherent in the colonial plantation model.

The only way to address the long-held grievances of affected Congolese communities is to return the land to communities. This has been tried on a limited scale with resounding success, as detailed in *Development Finance as Agro-Colonialism*.

"In early 2020, several communities at the Lokutu plantation site in the province of Tshopo took over some 420 hectares of plantation abandoned by PHC and started their own palm oil processing. They have regained an autonomy and income levels never seen while they toiled as day labourers on the PHC plantations." 'We are happy to finally have access to lands that we have be kept out of for so long,' says a member of the operation's management team. 'With access to these lands, we are able to resume our palm oil production, which was violently interrupted with colonisation. Since the beginning of the week, I alone have sold 15 drums of oil, which gives me 300 thousand Congolese Francs (US$150) in profit. That's seven times what you could earn working extremely hard for the company for a whole month.' "[85]

Without resolving this century old land dispute and returning land to the communities the ongoing human rights abuses facing the communities in Lokutu, Yaligimba, and Boteka will continue. The development banks' continued investments into Feronia unequivocally failed to improve the lives of the adjacent communities. As lenders to PHC , they remain complicit in the ongoing land theft and human rights abuses. Ownership of PHC has been passed over to private equity funds who operate offshore with limited transparency. Through limited partnerships and layers of ownership, the investors in Kuramo Funds are able to maintain distance from the extensive history of documented abuses against these communities while seeking a profitable return on their investment. However, they are complicit in the ongoing human rights abuses and theft of land. They must be held to account for perpetrating these abuses and take immediate action to return the land to the communities.

Artisanal palm oil production in Yalifombo village © Oskar Epelde

Endnotes

[1] Email Correspondence with Jean-François Mombia Atuku, RIAO-RDC. February 22, 2021.

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