

DEG statement on the urgewald press release dated 5.12.2017 relating to PHC/Feronia

DEG always takes criticism and remarks about the investments that it co-finances seriously and follows them up. For that to happen, it pursues an active dialogue with civil society. This also applies to the investment of the company Plantations et Huileries du Congo SA (PHC) in DR Congo, that DEG provided a long-term loan to for investments in reforestation, equipment, environmental and social management along with other development financiers. We are unable to comprehend the comments made in the above mentioned statement.

The co-financing development financiers provide intensive support for PHC's investment which includes on-site visits. The development financiers are also in regular contact with representatives of civil society, as is the company. Within this context, DEG has drawn attention to its complaint management system on several occasions. This mechanism is open to individuals and organisations that believe they have been negatively impacted by investments co-financed by DEG. The complaints submitted to this instance are checked and processed by an independent committee of experts. Further information: <https://www.deginvest.de/Internationale-Finanzierung/DEG/Übers/Verantwortung/Beschwerdemanagement/>

PHC runs three palm oil plantations and a processing facility in the DR Congo that have been in operation for a long time. It produces raw palm oil and palm kernel oil that is sold exclusively within the country. PHC operates on land that is leased from the government through approx. 200 fixed-term land titles. The company strictly adheres to the procedure for extending the land titles that includes working on site, checks by state surveyors and acquiring state authorisations.

The investments secure approx. 3,800 permanent and up to 5,200 seasonal jobs in a post-conflict country with an unemployment rate of 82 percent, and a poverty rate of 63 percent. DR Congo thus ranks among the least developed countries worldwide. The investment improves the local population's access to basic foodstuffs, replaces expensive import products and contributes to economic diversification in a remote, little developed region. The company also provides comprehensive social infrastructure, including health facilities, staff accommodation, schools, water supply and roads.

At the invitation of the provincial government of Tshopo a meeting took place in November 2017 in Kisangani for the Lokutu plantation site, involving community representatives and PHC. The aim was to agree on a coordinated strategy between the communities in the plantation area, government and company for developing social infrastructure. The peaceful and constructively led discussions culminated in specific, written agreements. According to the company, all the participating representatives of the communities returned to their villages after the meeting.

PHC has posted up-to-date information on its website about the talks with the communities in Kisangani. The link below features a reportage from a local TV channel with various participants voicing their opinions and confirming the constructive atmosphere in which the discussions were held: http://www.feronia.com/feronia_stories

The British Ambassador to the DR Congo also shared impressions of a recent visit to PHC. He described the commitment as "a particularly ethical and sustainable investment". <https://twitter.com/JohnMurton>