



# Forest Peoples Programme

1c Fosseyway Business Centre, Stratford Road, Moreton-in-Marsh GL56 9NQ, UK  
tel: +44 (0)1608 652893 fax: +44 (0)1608 652878 info@forestpeoples.org www.forestpeoples.org

## UPDATE

### PRESS INFORMATION FOR IMMEDIATE RELEASE

9<sup>th</sup> September 2009

#### **IFC agrees to suspend funding for palm oil sector in response to NGO critique**

In response to an appeal by a global coalition of NGOs, IFC / World Bank President Robert Zoellick has agreed to suspend IFC funding of the oil palm sector pending the development of a revised strategy for dealing with the troubled sector.

The response follows a highly critical audit by the IFC's independent 'complaints advisory ombudsman' which had shown that, as claimed by the NGOs, IFC funding of the Wilmar Group had violated the IFC's own procedures, and commercial concerns had been allowed to override the IFC's environmental and social standards.

In the letter responding to the NGOs, dated 28<sup>th</sup> August 2009 and released today, the IFC President accepts that IFC procedures need tightening and that socially and environmentally sensitive projects in the sector need to be re-categorised to ensure that staff apply due diligence.

He also announced an intensive six month review of how the IFC should engage in the palm oil sector in the future which should be developed through open and extensive consultations. This review would look at the broader legal and institutional barriers to good practice in Indonesia. An assessment will be carried out of the Wilmar Group's social and environmental procedures.

- ends -

A copy of the letter from the IFC President can be found on our Latest News page on our website: [www.forestpeoples.org](http://www.forestpeoples.org)

[http://www.forestpeoples.org/documents/ifi\\_igo/ifc\\_wb\\_letter\\_pressrelease\\_sep09.pdf](http://www.forestpeoples.org/documents/ifi_igo/ifc_wb_letter_pressrelease_sep09.pdf)

For further information contact: Forest Peoples Programme + 44 1608 652893

For extensive background documentation of this case and the palm oil sector in general see: [http://www.forestpeoples.org/documents/ifi\\_igo/bases/ifc.shtml](http://www.forestpeoples.org/documents/ifi_igo/bases/ifc.shtml)