



October 6, 2010

Mr. Robert Zoellick
President
World Bank
1818 H Street, NW
Washington, DC 20433
USA

Dear Mr. Zoellick:

We are writing to you to express our strong concern over the World Bank's recent decision to suspend funding of the palm oil sector by the International Finance Corporation (IFC). As a group of leading experts on African development issues, we believe that this move has had, and will continue to have, a significantly harmful effect upon palm oil producers and smallholders farmers in the sub-Saharan Africa, who provide jobs for at least 1.8 million people in Nigeria alone.

It is hugely counterproductive for the Bank to allow pressure from a small but vocal collection of environmental groups to undercut its core mission of fighting poverty in the developing world. We believe the surest way to cut poverty and protect our natural environment is by raising living standards and creating economic prosperity in poor countries. By cutting off much needed funding for palm oil producers, the World Bank threatens to generate poverty and economic dependency, instead of reducing it, a strategy which goes against the very ideals of the institution.

As the World Bank acknowledges in its Framework for Engagement in the Palm Oil Sector, the palm oil industry is "an important contributor to furthering economic development in many developing countries," employing up to six million people worldwide. By creating jobs and opportunity, the palm oil industry is able to reduce Africa's dependency upon foreign assistance, and fosters an entrepreneurial dynamic that is part of the long-term solution to Africa's economic problems.

Crucially, palm oil production significantly enhances food security in poorer nations, a key goal of the World Bank. As the Nigerian-based Initiative for Public Policy Analysis points out in its latest Africa case study, palm oil is an essential food item, with about 90 percent ending up in food products. With rising global food demand, and an estimated 9 billion people to be fed across the world by 2050, palm oil is not a luxury but a vital product for combating hunger. As your own report confirms, "palm oil has become the staple food oil in Malaysia and Indonesia, joining much of West Africa in this respect."

Initiative for Public Policy Analysis

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By halting investment, the World Bank is prioritizing questionable, green priorities over those of poor and hungry communities. This is a hugely negative signal to an important part of the developing world. After all, Africa's top two producers alone have a combined population of 175 million, and are at the very heart of an African renaissance that must succeed if Africa is to drag itself out of poverty.

As President of the World Bank, we appeal to you to take into consideration the significant damage this investment freeze has caused, and will continue to cause, not only to a highly successful and growing industry in East and West Africa, but to the image of the Bank itself among African political and business leaders. The Bank's mission is a noble one, but it will fail in its core goal of alleviating poverty if it allows Western environmentalists with a distinctly political agenda to halt its operations.

No one cares more about preserving Africa's environment and natural habitat than the African men and women who work the land and feed their communities by sustaining it. Their future and economic prosperity depend upon both preserving that precious environment as well as utilizing its natural resources including palm oil. It is vital that their voices be heard, above the short-sighted condemnation from those in the developed world who threaten to destroy their very livelihoods.

Sincerely and respectfully yours,

George Ayittey, Global Cheetah Palm Oil Company (Ghana)

Thompson Ayodele, Initiative for Public Policy Analysis (Nigeria)

Eustace Davie, Free Market Foundation for Southern Africa (South Africa)

Paul Adepelumi, African Center for Advocacy and Human Development (Nigeria)

Richard Tren, Africa Fighting Malaria (South Africa)

Franklin Cudjoe, IMANI Center for Policy and Education (Ghana)

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