

Timby Facts

Sustainable Development Institute

Volume 1, October 2019

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High Carbon Stock forest in EPO expansion area



Gmenee community need living space to farm

**COMMUNITY MONITORS REPORT:
EPO EAGER TO CONVERT FOREST AREA
LIVING SPACE COMMUNITIES IS EXTREMELY SMALL**

Equatorial Palm Oil (EPO) runs the Palm Bay Estate palm oil concession in District #4 of Grand Bassa County. This concession falls under a 2008 agreement between its subsidiary Libinco (formerly Libinc Palm Oil Inc) and the Republic of Liberia. EPO has an approved Environmental and Social Impact Assessment for 13,962 hectares. Thousands of hectares of palm oil have been rehabilitated or newly planted (since 2014) as part of what the company termed 'phase 1' of 8370 hectares. Gmenee village sits right in that new planting area. EPO states it has signed a Memorandum of Understanding with all affected communities, but Gmenee village people say they have not seen such agreement and do not have a copy. There is no information on the number of hectares of land from Gmenee that has been cleared by the company – efforts by the community to get these have not been successful.

East of 'phase 1' towards the Timbo river, an expansion area called 'phase 2' of another 4637 hectares holds richly forested lands and is home to the Joghban clan who have successfully resisted further encroachment of EPO on their land for years. This included an intervention from Liberia's former president and a grievance process that culminated into an agreement and participatory mapping process in 2016. However, EPO still intends to expand in the phase 2 areas according to resource persons in the villages around the plantation. Several communities inform SDI that EPO is continuously intimidating, threatening and dividing communities into signing away their land.

The forest is not only threatened directly by conversion for EPO's plantations, but also indirectly: due to lack of farmlands exacerbated by the influx of workers and other immigrants, communities are forced to start farming in previously forested area.

In 2016, the peer review team at the High Carbon Stock Assessment already flagged that the core issue in 'phase 1' is food security as people do not have enough land left to farm and the assessments of community spaces were not properly done by the company. Also the HCV was only partially adequate and the team could not say if High Carbon Stock areas would be conserved with the current expansions.

According to EPO's financial statements over 2018, UK based EPO and Malaysian palm oil giant Kuala Lumpur Kepong Behard (KLK) own Liberian Palm Developments Limited in a joint venture. KLK also holds shares in EPO up to 62.86 percent and thereby effectively controls the plantations in Liberia. EPO and KLK are both RSPO members. Researchers from Chain Reaction found that KLK is a high-risk company with an extremely bad track record on forest and biodiversity and social issues. Although according to RSPO standards both companies are not allowed to clear High Carbon Stock and High Conservation Value forests, these standards are usually poorly implemented and do not guarantee forest protection.

According to 2018 research from Inclusive Development Institute, amongst the shareholders of KLK several have committed to forest and social standards, including UK first state investments, Dutch based Robeco and pension funds PGGM and APG. Several pension funds from the USA hold small amounts of shares, including TIAA and CalPERs.

Currently in Monrovia, triggered by the dire economic situation and terrible state of government finances, the government is openly considering weakening the forest definition in order to allow multinational palm oil companies to clear more land. And is willing to give the companies more tax breaks. The government suggested during a September 2019 stakeholder meeting to have a reform of the forest law, which is a worrying signal in the current context. EPO has already noted that further development in their concession areas is difficult because of forest cover.

And has asked for new land. In 2017, it got an extension of its tax break. The reality however is that those agribusiness multinationals simply cannot develop the thousands of hectares of land promised to them in those excessive and often illegal concession agreements, because the land is forested or used by local communities. The announcement from Sime Darby to sell its Liberian palm oil plantations is

confirming this situation. The government urgently needs to change strategy and start investing in its millions of smallholder farmers instead of trying to hold on desperately to foreign multinationals. This new strategy will ensure benefits from the natural resources flow into communities instead of to shareholders and financiers outside of Liberia. Will strengthen food sovereignty, decrease expensive imports of food and prevent the human rights violations related to large scale land acquisitions.

Living Space in Gmenee village

Gmenee is a tiny village on the Southeast edge of EPO's current plantation. In May 2019, SDI together with community members mapped the remaining village land, which is around 37 hectares and for a large part not suitable for farming. TIMBY monitors also collected testimonials in September 2019 from Gmenee community members about their experience with the oil palm giant EPO as well as life before EPO engulfed their community lands. The people of Gmenee explain their frustrations with EPO. The key concerns are lack of compensation of destroyed crops, harsh working conditions for contract labor, no development options and lack of farmland and forest to feed and sustain families. The Gmenee people also stated that they have never signed a memorandum of understanding and all agreements with EPO on development and compensation for crops were made verbally. However, these remain empty promises as community people explain how negotiations were done around 2016:

“They [EPO] claimed to have left a buffer zone of 250 meter between the village and the plantation. We asked if this is all the land that will be left for the community - the company said yes and that they would pay for any crops on the other land they intended to use. The company even brought a price listing for the crops from Ministry of Agriculture.” The community also claims that those prices were not paid as the company only paid 6 USD per rubber tree instead of USD 97.50 and they feel “tricked”. The community was forced to accept these low prices when a former EPO employee threatened them that if they did not agree, the government would take the land by force. The community says they feel aggrieved and demands the true compensation for their lost crops.

The Gmenee community testimonials further indicate that there was no proper participatory mapping to establish the community area. The HCV/HCS review team already noted this back in 2016. The lack of living space currently leads to a great suffering on the side of the community that can no longer sustain and feed their families: *“NOTHING, no benefits, nobody is working from our community, nobody is employed from our community, we worked here on contract basis, no bush here again. We are suffering, no rice farm, the little cassava we grow can barely feed our children.”* Farmers and hunters in the village testify that whilst before they had plenty of food to eat and sell, now they even have to buy cassava from the nearby village and people cannot survive.

Contract labor

The Gmenee people explain that only some people have contract jobs once in a while. Some have had to stop the work because of injury and physical impact. The contract work is only paying out very little money based on tasks performed, such as cleaning one row of palm plants: *“We work so hard and get paid \$1 per line cleared. It takes about 8 hours to complete a line, which is 38 trees – if we go there from 6am and we will probably complete by 2pm. At this rate, if you get \$30 at the end of the month, you're hard working.”*

The land is not sold

Gmenee community members stressed that they have not sold the land, the land is for the community. And that EPO should ensure the correct compensation and fulfil all the other promises on development of health care, education and jobs. Without any formal agreement known to the communities they have difficulty holding the company to account. Five affected communities have therefore formally asked SDI to support them in this struggle in a letter dating September 10, 2019.

High Conservation Values: chimpanzee and forest at risk

Research and consultancy firms Metria and GeoVille in 2016 conducted a national land cover and forest mapping for the Forest Development Authority. This map is publicly available and shows that in the EPO concession low, medium and high-density forest is present throughout. A team of SDI and Milieudefensie researchers, together with community members, set out in September 2019 to verify this map on the ground and found that important forest areas indeed exist in places where the Metria/Geoville map indicates forest classes. 16 out of 23 ground verification points taken with GPS handheld devices showed the Metria/Geoville map was correct in discerning forest from cultivated lands in the EPO expansion area. Most areas where the Metria/Geoville map identified forest but where we found agriculture lands were identified as low density forest classes on the 2016 map but are currently EPO plantation or newly established community farms.

The expansion of EPO's plantations onto peoples farm- and forest lands clearly leads to encroachment for shifting cultivation into new areas, which are often forested areas. This dynamic was clearly visible during our field work in September 2019. If EPO expands its plantations further East towards the Timbo river, it will cut down, fragment and destroy forests as well as push communities' farmlands into natural forests.

This will not only have a negative impact on community livelihoods that are no longer able to provide for their families from the forest resources, but also the chimpanzee population will be impacted. Three community members from Qwrahkpojlain reported to TIMBY monitors in September 2019 that chimpanzee sightings near their village have been frequent in 2019. The community members stated that the animals react to disturbance: *"the forest, those big trees they're cutting, the power saw sound makes that thing (Chimpanzee) to come out because they live in the forest."* Any further expansion of EPO in this highly forested area will increase disturbance and depending on the scale and place of the expansion, will further reduce chimpanzee habitat.

RECOMMENDATIONS: What can be done?

The financiers of EPO and KLK should ensure that the company is in compliance with FPIC, labor rights and HCV/HCS protection or withdraw

The government of Liberia should ensure that the Land Rights Law is properly implemented

The Government of Liberia should stop giving tax breaks to multinationals and instead invest in smallholder farmers and community based agro-ecology

The NBC should immediately publish (geo-referenced information on) all concession areas and expansion plans

The Government of Liberia should not weaken the forest definition

EPO should respect the FPIC principles and agreements with Gmenee village and duly compensate (as agreed initially with the community) for lost crops as well as

increase their living space to ensure food sovereignty

EPO should not destroy or fragment HCV/HCS areas through direct conversion and avoid pushing community farms into natural forest because of loss of farmland to EPO

Fig 1: Gmenee Village

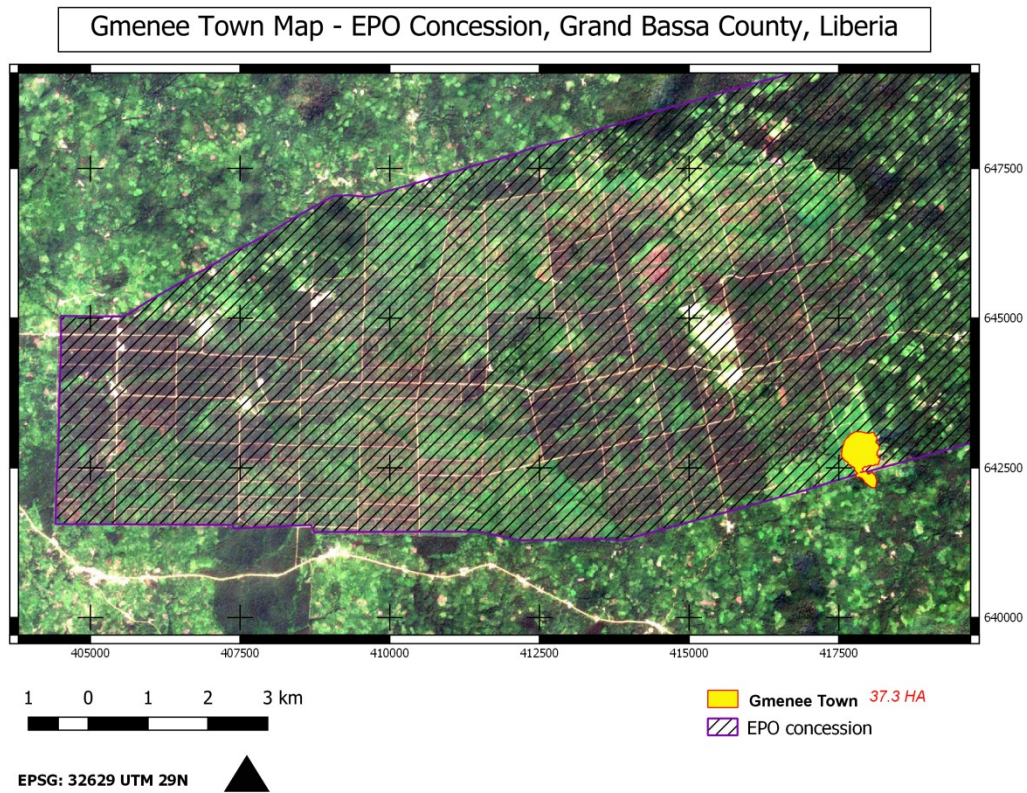
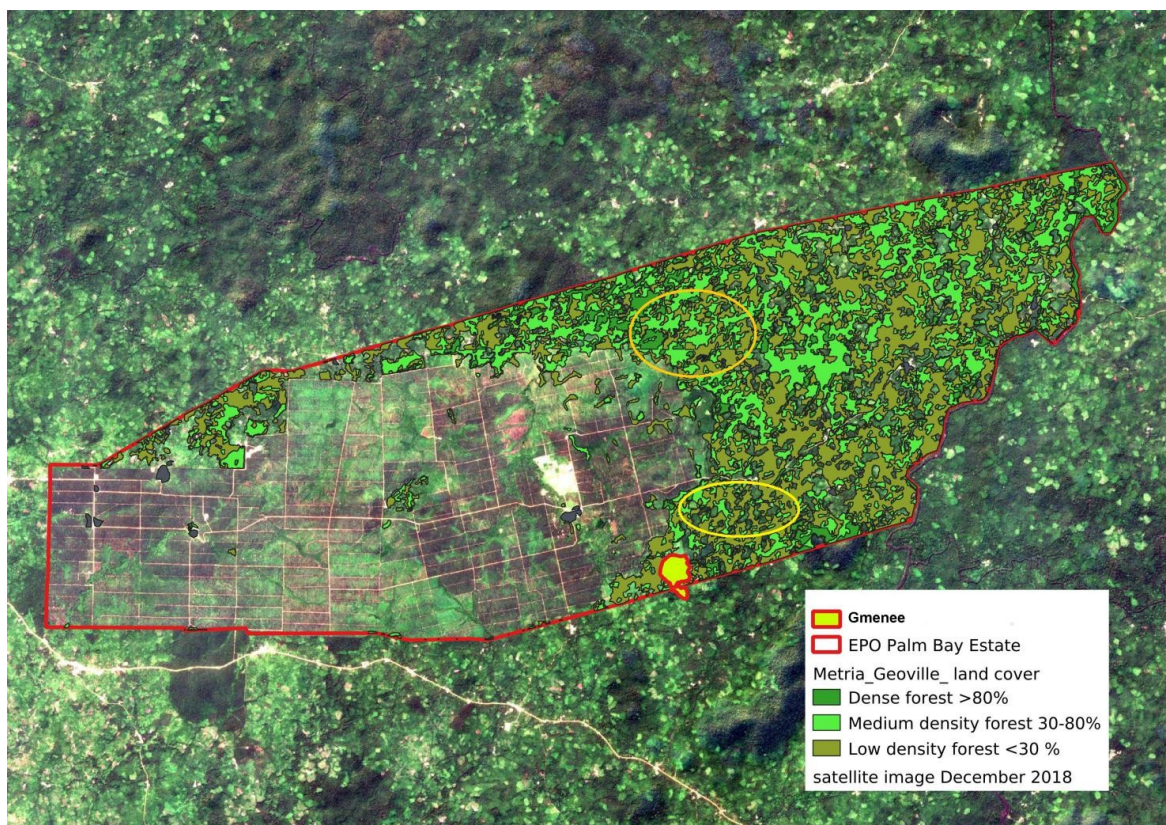


Fig 2: HCS/HCV Map EPO - Concession



Note: Circled areas show where ground truthing exercise was done

The Sustainable Development Institute (SDI) is working to transform the decision-making processes relative to natural resources and promote equity in the sharing of benefits derived from natural resource exploitation in Liberia. The organization's vision is a Liberia in which natural resource management is guided by the principles of sustainability and good governance and benefits all Liberians. Its activities cover a range of cross-cutting issues including governance and management, environment, state and corporate social responsibility, economic and social justice for rural populations and the democratic participation of ordinary people in how government manages their natural resources.

TIMBY Facts is produced by the Sustainable Development Institute (SDI) based on verified information that has been gathered by community monitors using the TIMBY monitoring tool to document rights violations and environmental harm. SDI is also working with member organizations of the Civil Society Oil Palm Working Group and specifically with Social Entrepreneurs for Sustainable Development to gather evidence of rights violations using TIMBY.

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