

Golden Veroleum Liberia's track record: broken promises and continued deforestation

Sustainable Development Institute (SDI) and Milieudefensie researched Golden Veroleum Liberia (GVL)'s compliance with three social contracts or Memorandum of Understanding (MoU) signed with local communities in 2014. On the basis of these MoU's, Numopoh, Tartweh-Drapoh, and Nitrian communities provided GVL with access to their customary lands for the development of palm oil plantations. In return, agreements stated that the communities would receive benefits, including jobs, training, education, health care, a healthy environment and opportunities to develop their own farms.

GVL is controlled by Singapore stock listed Golden Agri-Resources. Both companies are members of the Roundtable on Sustainable Palm Oil (RSPO) and publicly pride themselves on their sustainability credentials. Yet, GVL's operations in Liberia have been anything but sustainable. Since 2012, communities have raised numerous formal complaints and grievances regarding the company's sustained environmental and human rights abuses. After seven years of signing the MoU's, it is time for the company to fulfill its promises.

In April 2021, SDI and Milieudefensie held group exercises with community representatives from Nitrian, Numopoh and Tartweh-Drapoh regarding the communities' existing MoUs with GVL. Formal groups and structures were represented, such as youth and women groups, as well as traditional leadership, GVL workers, land and community forest management bodies, and local authorities. GVL's fulfillment of all relevant commitments and obligations from the MoU text were carefully discussed with community representatives. The results are shown in this scorecard.

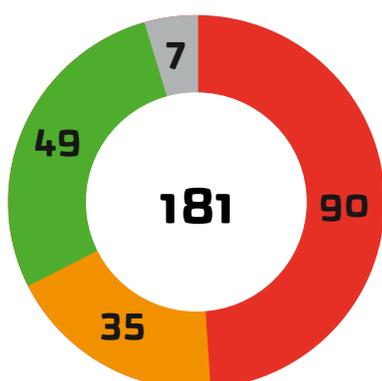
Notably, the three MoUs are not the same, despite all being constructed from the same GVL template. Where an item is not included in the MoU, we note it down as 'not applicable'. When the community concluded they lacked information to assess the commitment properly, we indicated this with a question mark. In most of those cases the community requested, but did not get access to, the information from GVL. For example, the number of hectares developed, related payments of 5 USD per hectare

developed land per year, and an obligation to pay 0.5 percent of palm oil sales into a government development fund.

The research is timely, because GVL is re-negotiating the MoU's and access to information is vital to communities and civil society to stand stronger in negotiations and hold companies accountable to their commitments. This is especially true in situation where there is weak rule of law. This scorecard aims to provide oversight for Government oversight officials, financiers and impacted communities.

The results of these community exercises indicate that half of the commitments and obligations in the MoUs were not met by GVL and almost 20 percent were only partially met. This is a deplorable result. GVL has consistently failed to live up to its promises on community development, community oil palm programs, employment benefits, grievance processes, and safeguarding the environment. These realities clearly show that the company's RSPO membership and its on-paper commitments differ greatly from its operations on the ground and communities' day-to-day experiences. Unfortunately, GVL's shortcomings are consistent with its failure to comply with recommendations from the [RSPO complaints panel decision in February 2018](#) and the findings on large scale deforestation from the [High Carbon Stock Approach \(HCSA\) executive committee in January 2021](#).

Milieudefensie and SDI call upon GVL, its owners, and financiers to radically change and improve their practices. Current MoU negotiations with all impacted communities should respect national and international standards of Free Prior and Informed Consent (FPIC), avoid coercive practices and intimidation, follow a community driven process and timeline, identify community priorities rather than work from a GVL predefined format, and allow for legal and other support to communities. We also call upon the Government of Liberia to ensure that royalties are paid to affected communities and to promote an agriculture sector that puts communities at the centre of agriculture development, respects rights, improves community livelihoods, and ensure food sovereignty through agro-ecology and community-based forest management.



Broken Promises

Does GVL fulfill their commitments and obligations towards communities?

- not fulfilled
- partly fulfilled
- fulfilled
- unknown

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Scorecard: palm oil company Golden Veroleum Liberia's broken promises

Commitments and obligations from the 2014 provisional Memorandum of Understanding (MoU) between Golden Veroleum Liberia and three affected communities in Sinoe county, Liberia.

THEME	CATEGORY	TARTWEH-DRAPOH CHIEFDOMS	NITRIAN	NUMOPOH	COMMITMENTS AND OBLIGATIONS
 Community consent	Deeded lands				Development is subject to additional lease agreement
	Consent based on participatory mapping				
 Land for plantation operations	Phase I				<ul style="list-style-type: none"> Tartweh: 2923 ha (1168 ha deeded lands) Nitrian: 2093 ha (all deeded land) Numopoh: 629 ha (contested land)
	Phase II				<ul style="list-style-type: none"> Tartweh: 451 ha Numopoh: 677 + 889 ha
	Phase III				<ul style="list-style-type: none"> Tartweh: 4637 ha (4403 deeded land) subject to participative conservation agreement Numopoh: 1328 ha
 Outgrower programme	Hectares				Outgrower programme area for each phase: <ul style="list-style-type: none"> Tartweh: 585 ha / 90 ha / ? ha Nitrian: 418 ha Numopoh: 97 ha / 135 + ? ha / ? ha
 Village area	Buffer between village and plantation				<ul style="list-style-type: none"> Numopoh: 300 m
 Community needs	Land				This leaves sufficient land for community (future) needs
 Preferences to community citizens	Jobs				Qualified citizens first considered for vacancies
	Training and advancement				GVL starts adult literacy and numeracy program
					Technical training opportunities
					University/college scholarships per year (Tartweh: 5; Numopoh: 2)
					Preference for cadetship training to management positions
					Preference for local business
	Opportunities				Preference for local business

THEME	CATEGORY	TARTWEH-DRAPOH CHIEFDOMS	NITRIAN	NUMOPOH	COMMITMENTS AND OBLIGATIONS
 Employment benefits	wages				Timely and according to minimum wage rulings
					GOVAVUL union workers agreement: 50 kg bag rice on 21 days/month work, annual payed vacation, maternity leave, bereavement payment, social security contributions, motorbike arrangement
	training and advancement				On the job, cadet, international secondment, vocational
					Management training
					Training of yellow machine and tractor operators
	In farm towns, GVL build schools from kindergarten to primary and high school				<ul style="list-style-type: none"> Tartweh: Support 3 existing schools Nitrian: maintenance building Numopoh: build schools
					Education free for employee children
					GVL pays for teachers, study items
					Adult literacy and numeracy for employees
					Annual agriculture university scholarship (USD 100.000)
health care				Free of charge for employees and dependants	
				Clinics constructed, equiped and staffed by GVL	
				Staff payed by GVL	
housing and facilities				Modern free off charge housing for employees	
				Running pipes water, free electricity, kitchen, toilet	
				Farm townships have: market place/ worship/meeting/sport field	

THEME	CATEGORY	TARTWEH-DRAPOH CHIEFDOMS	NITRIAN	NUMOPOH	COMMITMENTS AND OBLIGATIONS
 Community Development	jobs	👎	👎	👎	One employee per 6 ha planted by the time harvesting starts
	Community Development Fund	👎	👎	👎	Planning, design, costing, implementation of facilities executed jointly by GVL and community representatives
		👎	👉	?	USD 5 per hectare developed land each year
		👎	👎	👉	GVL organises needs and planning survey, need for equitable development
		👍	👍	👍	Fund governed by 5 GVL and 5 community representatives
		👉	👉	?	Payment before 31st January; subject to election 5 community reps + meeting and acceptance charter of CDF + development + bank account
	Roads and bridges	👉	👍	👍	Build and improve road and bridges infrastructure
	Wells	👉	👎	👉	GVL builds wells if development impacts clean water
		👉	👉	👉	Hand pumps when village >150 or water quality impacted by GVL operations
		👎	👎	👎	Community team trained for maintenance
	Construction mill	👎	👎	👎	Community considered for mill construction
	Health care	👎	👍	👍	Access to health care at cost, but preference to GVL employees
		👍	—	—	Support to at least one health care facility in absence of GVL facility
 Potential Impacts	No resettlement	👍	👍	👍	
	Adherence to laws and RSPO	👉	👉	👉	Environmental and social assesments; adherence to laws
	FPIC	👍	👉	👉	FPIC agreement before development starts, FPIC as an ongoing process
	Compensation	👍	👍	👉	Community farm conversion is compensated based on formal rates and in transparent process
	Respect for community culture	👍	👍	👉	Community protected areas, old towns, future farm land identified and not damaged
 Grievance Resolution Process	Agreement on SOP grievance process	👎	👎	👎	Complaints made to GVL will be reported, investigated, meeting to discuss decision and action plan, upon agreement within 10 working days GVL implements decision and monitors

THEME	CATEGORY	TARTWEH-DRAPOH CHIEFDOMS	NITRIAN	NUMOPOH	COMMITMENTS AND OBLIGATIONS	
 Safeguard plan for environment, people and properties	Safeguard forests and species of plants and animals, community forest	👎	👎	👉	Regulate and prevent forest clearing; GVL supports community in forest management (mapping, monitoring, training); no housing, farming, development of conservation areas; community commits to conservation. <i>Numopoh</i> : protection of Community Forests and conservation areas (buffers creeks and rivers)	
	<i>* This appendix is missing in our copy of the MoU with Numopoh</i>	👉	👎	—	GVL non community employees are forbidden to hunt	
		👎	👎	—	Conservation agreement established after process between community/GVL/CSO/ authorities and added to MoU in 6 to 12 months	
	Safety and security of people	👍	👉	—	Guards installed, do not hinder community citizens passing by	
	Properties	👍	👍	—	Strangers are not allowed to settle on community lands unless agreement by communities	
	Developed lands	👉	👉	—	No clearing and burning in buffer zones, Gvl installs guards to watch over fire/theft, establish fire breaks and trenches	
	 Community Oil Palm program		👎	👎	👎	Ratio outgrower programme to GVL plantation area = 1 to 5 acres
			👎	👎	👎	Provide seedlings, training, tools and fertilizer at cost (without import duties)
Community Outgrower Programme		👎	👎	👎	Community designates land, develops in line with GVL guidelines and hectares as in MoU	
		👎	👎	👎	GVL guarantees it buys fruit at regulated and transparent price	
		👎	👎	👎	Program starts in year 3 of development	
		👎	👎	👎	Additional to MoU: community oil palm plan	
Government Oil Palm Development Fund		👎	👎	👎	GVL pays each year 0.5% of palmoil sale into government oil palm development fund	
	👎	👎	👎	Government uses this fund to promote smallholder/community palm, communities can request funds		
		👎	—	—	GVL informs community of the amount payed into the oil palm development fund	
 Final MoU	Within 12 months	👎	👎	👎		

👍 = fulfilled 👉 = partly fulfilled 👎 = not fulfilled ? = unknown — = not applicable