

# Social and Environmental Impacts of Maryland Oil Palm Plantations in Liberia

February 2023



Liberia's efforts toward land reform through legislation and policies recognize communities' rights to own and manage their customary lands and resources. These include the National Forestry Reform Law of 2006<sup>1</sup>, the Community Rights Law Concerning Forest Lands of 2009<sup>2</sup>, and the Land Rights Act of 2018<sup>3</sup>. They also affirm communities' rights to provide or withhold their free, prior and informed consent (FPIC) for any development on their customary lands. The expansion of concession areas, including land acquired for palm oil plantations, has exacerbated tensions between local communities, companies, and the State. Around 10% of the land area of Liberia is allocated for palm oil concessions and 17% is covered by all concession agreements<sup>4</sup>.

The Land Rights Act of 2018 provides legal certainty regarding customary land rights. Communities with land in concession agreements legally still have their land rights protected in line with the constitution, even if it was licensed by the state to a company.

Those areas need to be brought into legal compliance through:

- ◆ Establishing community ownership and community organising to make a collective decision on whether or not to negotiate a new lease with the concession company
- ◆ Damages paid for abuse of rights and/or taking control of (parts of) the customary land
- ◆ Community entitlement to a minimum of 5% undiluted Free Carried Interest in the rights of concession leases or permits in addition to any other benefits



## Maryland Oil Palm Plantation (MOPP)

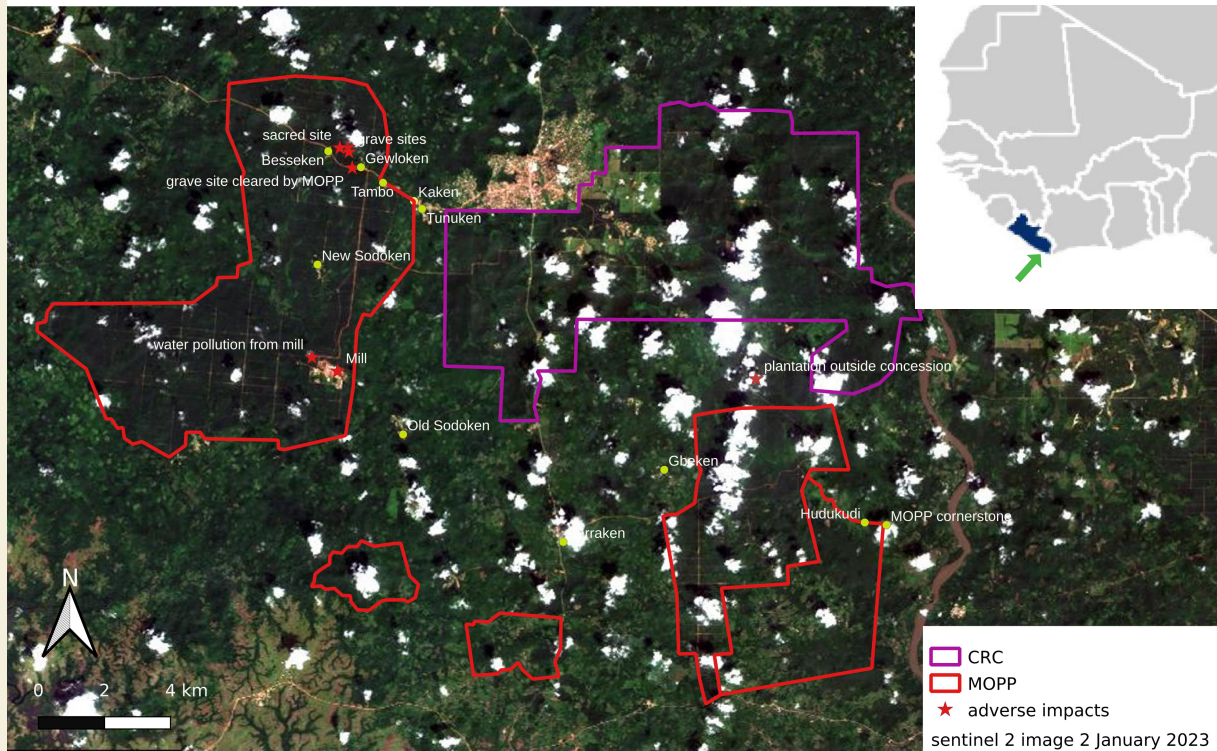
MOPP is one of the four large scale industrial palm oil plantations in Liberia. Situated in Maryland county, it has a palm oil mill in joint venture with Golden Veroleum Liberia (GVL). Its 2011 concession agreement includes 8,800 hectares for industrial palm oil plantations as well as 6,400 hectares of outgrower plantations<sup>5</sup>. Community Development Fund documents show that by 2018 MOPP developed 7714 hectares of plantations. MOPP is obliged to rehabilitate the Decoris Oil Palm Company plantations that were abandoned in 1990 due to the onset of Liberia's civil war. MOPP went beyond that to also plant on the abandoned Libsucos sugar cane plantation and community customary lands. The agreement is for 25 years with an extension of ten years if all obligations are fulfilled. The government ensures the land is free of encumbrances (land claims), which is the root of land conflict over Liberia's concessions as customary claims are thereby disregarded. After nine years, 100% of the concession area shall be planted.

MOPP is 100% owned by SIFCA, a leading Ivorian Agribusiness group. Wilmar, a Singapore-based palm oil giant, owns 27.06% of SIFCA and almost half of SIFCA's refinery (Sania) in Ivory Coast<sup>6</sup>, where MOPP palm oil products are being processed. Through this ownership structure, several global financial institutions are exposed to risk due to the adverse impacts on the MOPP plantation. These are Wilmar's investors, including US pension funds BlackRock and Vanguard and banks such as DBS in Singapore, Cr dit Agricole in France, Barclays in the UK and various US and Asian banks<sup>7</sup>. In 2018, communities affected by MOPP's operations called on financiers to halt a USD 1.5 billion syndicated loan to Wilmar over human rights abuses and were harassed as a result.<sup>8</sup>

Wilmar is a member of the Roundtable of Sustainable Palm Oil (RSPO) but resigned as a High Carbon Stock Approach (HCSA) member in 2020. Neither MOPP nor SIFCA are RSPO or HCSA members, but they do have to comply with the Wilmar 'No Deforestation, No Peat, No Exploitation' policy. The African Development bank provided USD 20 million in 2015 to SIFCA for MOPP's plantation, nursery and mill projects. A consortium of European development banks (FMO, Proparco) and the bank Soci t  G n rale provided a EUR 90 million term facility signed in 2018. FMO visited MOPP in November 2018 and provided technical support as well as formulating an environmental<sup>9</sup> and social action plan for SIFCA, with a high focus on MOPP<sup>10</sup>. The International Finance Corporation and ECOWAS Bank for Investment and Development are also identified as investors<sup>11</sup>.



## MOPP Plantation Liberia



## Research on adverse impacts

In May 2022, the Sustainable Development Institute (SDI) - Friends of the Earth Liberia team conducted 23 Key Informant Interviews and 10 focus group discussions in seven communities in and around the MOPP plantation. They included farmers, (contract) workers, MOPP staff, local authorities, women and youth leaders, the Environmental Protection Agency (EPA) Inspector, Civil Society Head and Gender Coordinator of Maryland County. The team cross-checked information with formal documents as much as possible and took photographs and GPS locations of areas of deforestation, pollution and conflict.

The results were sent to MOPP for their right to respond. Community respondents were kept anonymous for security reasons unless they wished to be named. The research leads to the findings below (in many cases aligning with 2015 research from Forest Peoples Programme (FPP) and Social Entrepreneurs for Sustainable Development - SESDev).<sup>12</sup>



## Labour Rights

A clear pattern can be identified from the individual and focus group testimonies on various alleged labour rights violations and bad practices:

1. Contractors receive no payment for the day if production goals are not met. Production goals include the number of palms cleared of weeds as well as harvest volumes. This results in below minimum wage for contractors.
2. Employees' salaries are low because of deductions for rice and other items. Legally the deductions need to be agreed in the contract beforehand and can only be up to 1/3 of the salary. We have copies of one pay slip from April 2022, which indicates the day salary is slightly above minimum wage but the net pay is USD 76 for 22 days of work because more than half is deducted from total earnings of USD 163.
3. Contractors are not made permanent employees even after working for more than three years with MOPP.
4. If the employee or contractor is sick or even if he/she is hurt at work it will be noted as an 'absence' and the day salary is not paid - or employees receive only half of their due payment.

Furthermore, interviewees have said that there is a practice of bribing company staff with money or a goat in order to secure a job or even for young women to have sex in exchange for employment.

Due to the lack of formal agreements with host communities fixed employment rates and the number of job opportunities offered to local people are not agreed upon. Many communities complain there are too few employment opportunities available:

A woman from Old Sodoken said: *"My son now works. When we talk and talk then once a while they come here and say let Old Sodoken send seven people from that village. You have more than 300 people here and you want seven persons. Is that anything?"*

In Hudukudi a respondent said: *"There is not one single person employed here because the company said we are not part of the affected communities."*

Employees seem to be somewhat better off than contractors as they have access to benefits such as free school for their children and health care.

## Harassment and criminalisation

The multiple allegations that women have to have sex with company staff to get or keep a job could not be confirmed with victims, despite several efforts to reach out. The issue is sensitive and women do not speak out for fear of losing their jobs, stigmatisation and cultural norms and tradition.

A woman from Old Sodoken said: *"For sexual harassment, people can be talking in the corner, but those it can happen to, they can be scared to talk [as they might be] targeted by the company big people."*

Interviewees state that MOPP management researched the allegations initially but because they were denied by the staff no further action was taken.

At the start of the land conflict between MOPP and affected communities in 2010 the Emergency Response Unit (ERU), a paramilitary unit of the Liberia National Police, was called in. Sixteen persons from the Gbolobo clan were jailed for 3.5 months. These arrests were arbitrary according to the victims as they were protesting against the landgrab of their customary lands.





Saturday Wilson from Gewloken was among them. He has resisted giving up his family farmland ever since, facing constant harassment and criminalisation as a result. He states:

*“I am being threatened again and again repeatedly for the small piece of land owned by my family on which I planted palm. MOPP still wants to use the LLA agents and the court to take it away from me. As I speak, they are still after me. I cannot move freely in my own community again. The presence of armed police is seen everywhere every day. My families and friends are advising me to turn over the only piece of land I have left on which I planted palm to sustain my family. If I do that, how will I survive? I am scared.”*



MOPP takes the Police Support Unit (PSU), located in towns such as Pleebo, to the villages when they want to deal with a situation. The government usually assigns police to the company, who are meant to protect companies' assets and staff. MOPP also has their own security guards, who are said to be increasingly beating and harassing people over accusations of palm theft, with Barraken a common target. MOPP targets people as if they are thieves of palm oil and enters houses for checks, opens bags and beats people who are found with palm oil fruits, even if they come from their own farms.

A female leader said: *“Sometime ago they saw small palm with my granddaughter. They started beating her. I had to pay LRD 3000 to the MOPP security to free her.”*

Community members testify they are afraid to speak out about their land rights for fear of losing their jobs or arrest and intimidation. The civil society leader in Maryland County is concerned: *“There is always police brutality against our people in the name of palm theft. Police go to villages and towns and beat our people and say they have information that there is palm theft in the community.”*

## Land conflict and deforestation

The 2015 Forest Peoples Programme (FPP) and SESDev research finds that the old Decoris plantation had several negative impacts on communities: Decoris did not respect land tenure rights or follow Free Prior and Informed Consent (FPIC) standards, including resettlement without reparation and destruction of farms and old towns without (sufficient) compensation or restitution.

Since the plantation was abandoned, communities reclaimed their land and resumed farming on land previously developed by Decoris<sup>13</sup>. Communities then lost their farms again when MOPP came in. On the rudimentary map with the lease agreement, villages are identified as 'village de squatters', which is a clear indication of how MOPP disrespects communities and their land rights.



The consultants that conducted the Environmental and Social Impact Assessment (ESIA) for the African Development Bank noted that there are High Conservation Value areas that are important for biodiversity. When MOPP started rehabilitation of the old plantations, it destroyed secondary forest regrowth and diminished biodiversity, also through fragmentation of bird and animal habitat. The ESIA and the FPP / SESDev research clearly point out that communities had no choice regarding the arrival of MOPP. Maryland is already one of the most densely populated counties in Liberia and, with increasing population, the tension between communities and conflicts with the company is rising.

Key issues identified include:

1. Communities do not have a formal Memorandum of Understanding or any other agreement that shows they have given consent for their customary land to be leased to the plantation. In Gbolobo five families have a tribal deed certificate for their land but MOPP took their land and cleared it.
2. Hudukudi, Baraken and Gbaken communities as well as the Gbolobo clan (comprised of 5 towns: Gewloken, Kaken, Besseken, Tunuken, Tambo) state that MOPP took their land without their consent. MOPP has not compensated them for the land or only with very low payments for community farm crops that were destroyed by MOPP in the process of developing the plantations such as cassava or cash crops like rubber trees. One farmer said: *"MOPP cut my rubber trees and never paid for them. We were ten persons altogether that were demanding our money. MOPP in November, 2010 jailed ten of us. And up to now we have not received our payment."*
3. Local authorities were involved in convincing communities to give up their land. They argued that the government had given it to MOPP, stating: *"You cannot refuse because the president gave the land to MOPP"*. This was perceived as a threat by the communities. A political representative also failed to act after community complaints, thereby effectively facilitating the landgrab.
4. According to the contractual agreement, the government of Liberia and MOPP are obliged to work together to develop 6,400 hectares of outgrower plantations. MOPP promised smallholder plantations to Barraken and Hudukudi, which allowed MOPP in. The company then took all their land for industrial plantations and said the outgrower plantations would come later. That proposed area however sits inside the village of Hudukudi, who are refusing the resettlement. Hudukudi sees no alternative but to hold on to their last remaining piece of land. This has created tension between the two communities. Playing out 'divide and rule' tactics, MOPP has still not developed any smallholder plantations.
5. MOPP does not recognise land claims from people in Hudukudi who are former workers of the Libsuco plantation that were resettled after the company ceased operations.
6. MOPP operated on former Decoris plantation land, but when that was not enough they also moved into former Libsuco plantations and community land. MOPP cleared forests, sacred places and shifting cultivation sites or bush. The area between Barraken and Hudukudi was forest previously, not plantation. Also, near Old Sodoken, Pedebo and Kaken communities claim that forest and farmland was cleared. A farmer from Gbolobo clan said: *"My family land they took was a forest. We used to farm there and practice our culture there too. They cleared everything and today we do not have food. We have to buy rice from the market and other places. MOPP destroyed five of our ancestral graves while they were clearing our lands."*

## Pollution

To prevent water pollution, soil erosion and forest & biodiversity loss, MOPP's ESIA requires buffers along all permanent rivers and creeks, the planting of timber and woodfuel sites, proper waste treatment from the mill and prevention of runoff. Affected communities and the Environmental Protection Agency inspector for Maryland state that:

- ◆ MOPP does not leave buffer zones around water bodies and plants inside the wetlands, which goes against the Environment Protection and Management Law of 2002. A paramount chief said: *"They planted palms in all the swamps around here. And when the palm started growing, they used to apply fertilisers and it really used to affect our water."*
- ◆ Previously there was pollution in water bodies from chemical runoff, while currently the issue is waste from the mill: A member of the Community Development Fund committee said: *"They are still dumping the palm butter in the Swanpken river and people downstream are finding it difficult to use the water now."* Several people talk about fish dying after pollution events.



◆ MOPP has not provided functioning water pumps to Kaken, Gewloken, Hudukudi and New Sodoken. Where the Gbolobo clan live, there was only one pump which was not functioning. According to its contractual agreement, MOPP must provide running water to its employee housing and an “uninterrupted supply of clean and safe drinking water” in all its plantation subdivisions.

## Livelihoods

MOPP’s ESIA identifies a risk of loss of access to land and fallow for local communities as well as an increase in land conflicts as land for communities has decreased. MOPP was advised to support agriculture with increased productivity to mitigate this impact, but we have not found any evidence of this. Instead communities testify that their livelihoods have been heavily compromised due to forest degradation, pollution, land conflict and shortage of land:

◆ Reduced access to farmland increases food insecurity and less cash crops to support family incomes. Villages literally find the oil palms on their doorsteps. They have no living space or only degraded or poor areas where they can try and provide for their families. A farmer from Hudukudi said: *“This has increased hunger and poverty because we were pushed from the lands while our crops are damaged. MOPP has left us with swamps and we cannot plant in the swamps.”* and *“the little farmland that we secured is no longer good because we have used it over and over again.”*

◆ A current issue is the cattle MOPP uses to control weeds in the plantation, which destroy community farms. Those affected say they are not compensated for the damage.

◆ Less access to hunting, fishing, firewood and medicinal plants due to deforestation and water pollution are mentioned as further negative livelihood impacts. In addition, people face reduced access to clean drinking water because of pollution and changes in hydrology.

◆ According to its concession agreement, MOPP must pay USD 5 per hectare of developed area into a community development fund. According to the members administering that fund, MOPP has not paid for four years, claiming it is going through tough times and has a shortage of money. In line with the Land Rights Act of 2018, MOPP should pay communities a minimum of 5% of its net profits along with providing other benefits, however there is also no evidence of this.

## Recommendations

There have been some halfhearted attempts by MOPP to appease communities, including organising communities into a SASI group. This seems to have been an attempt to satisfy financiers, but we could not identify any results. MOPP told SDI they are in the process of developing a Memorandum of Understanding with 15 affected communities, but we found no awareness about this at the community level.

With the Land Rights Act providing legal clarity on customary lands, the communities affected by MOPP plantations rightfully demand that MOPP adhere to the law and comply with the investors’ policies, including:

- ◆ Respect our land rights and FPIC, accept and support us in formalising our customary land and start a new process of legally binding land lease agreements between communities and the company
- ◆ Develop and finance community palm oil plantations where requested
- ◆ Provide due repair and compensation for lands grabbed and farms destroyed in the past
- ◆ Stop the harassment and criminalisation and remove the police units from the area
- ◆ Ensure community payments are made in line with the Land Rights Act of 2018
- ◆ Begin a process of active communication and engagement with the communities through quarterly meetings involving key stakeholders
- ◆ Review and ensure that all labour practices for employees and contractors respect legal norms and provide a living income to families
- ◆ Stop expansion until all of the above requests are met





Milieudefensie and the Sustainable Development Institute further demand that Wilmar, the Dutch (FMO) and African (AfDB) development banks as well as other international financiers take the community grievances seriously, acknowledge the violations of their corporate policies and bring their investments in line with the OECD and UN guidelines on business and human rights. Financiers and buyers should use their combined leverage to push MOPP to comply with the community requests. In the meantime, financing and buying from MOPP must be suspended.



## Endnotes

<sup>1</sup> <http://www.fao.org/forestry/16151-05fd47b845599b5d3a594a9b0240dacff.pdf>

<sup>2</sup> <http://extwprlegs1.fao.org/docs/pdf/lbr143892.pdf>

<sup>3</sup> <https://ekmsliberia.info/document/signed-land-rights-act/>

<sup>4</sup> <https://new.sdiliberia.org/index.php/node/310>, page 13

<sup>5</sup> <https://www.scribd.com/document/157619497/Maryland-Oil-Palm-Plantation>

<sup>6</sup> <https://www.groupesifca.com/en/organization.php>

<sup>7</sup> <https://forestsandfinance.org/data/>, accessed 2 January 2022

<sup>8</sup> [https://www.banktrack.org/article/liberian\\_communities\\_harassed\\_after\\_calling\\_on\\_banks\\_to\\_halt\\_1\\_5\\_billion\\_loan\\_to\\_wilmar\\_over\\_landgrabbing\\_concerns](https://www.banktrack.org/article/liberian_communities_harassed_after_calling_on_banks_to_halt_1_5_billion_loan_to_wilmar_over_landgrabbing_concerns)

<sup>9</sup> <https://www.fmo.nl/project-detail/54763>

<sup>10</sup> Meeting notes, March 2019, FMO, Milieudefensie and SDI.

<sup>11</sup> <https://www.afdb.org/en/documents/document/liberia-maryland-oil-palm-plantation-project-esia-summary-33870>

<sup>12</sup> <https://www.forestpeoples.org/en/topics/agribusiness/publication/2016/respecting-rights-assessing-oil-palm-companies-compliance-fpi-0>

<sup>13</sup> <https://www.forestpeoples.org/en/topics/agribusiness/publication/2016/respecting-rights-assessing-oil-palm-companies-compliance-fpi-0>

