Community Complaint against Equatorial Palm Oil

Background

1.0 Equatorial Palm Oil plc and Related Investment Agreements

1.1 Equatorial Palm Oil plc (EPO)

Founded in 2005, Equatorial Palm Oil plc (EPO) is a crude palm oil company publicly listed in the United Kingdom.\(^1\) The company claims it holds a land bank of 169,000 hectares in Liberia.\(^2\) The company applied for membership to the Roundtable on Sustainable Palm Oil (RSPO) on August 13, 2007 and its application was approved on September 13, 2007.\(^3\) EPO claims its policies and procedures are designed in line with RSPO Principles and that it has key personnel on the ground to ensure that it meets all the Principles of the RSPO.\(^4\)

EPO acquired LIBINC Oil Palm Inc in January 2008. According to EPO’s ‘Placing and Admission to AIM’\(^5\), EPO owns LIBINC Oil Palm Inc 100%.\(^6\) EPO lists LIBINC Oil Palm Inc and Liberia Forest Products Inc as subsidiaries.\(^7\) Given that EPO acquired LIBINC Oil Palm Inc after it had joined the RSPO and that LIBINC Oil Palm Inc is a wholly owned subsidiary of EPO, the operations of LIBINC Oil Palm Inc must be compliant with the RSPO Principles and Criteria.

1.2 “CONCESSION AGREEMENT BETWEEN THE REPUBLIC OF LIBERIA AND LIBINC OIL PALM INC” dated December 21, 2007

On December 21, 2007, the Republic of Liberia and LIBINC Oil Palm Inc entered into a Concession Agreement. This agreement incorporated a Concession Agreement signed between the Republic of Liberia and the Liberian Operations Inc (LIBINC) on December 14, 1965. The agreement was for

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\(^1\) Equatorial Palm Oil Plc background information at: [http://www.epoil.co.uk/aboutus.aspx](http://www.epoil.co.uk/aboutus.aspx) [Accessed: 26.09.13]

\(^2\) Ibid.


forty (40) years, with an option for extension for another 40 years. The agreement in 2007 was the result of the LIBINC Board of Directors exercising their option for a 40 year extension. The Concession Area is situated within New Cess, Grand Bassa County. The area covered by this agreement is 34,500 acres.

The area covered by this agreement is 34,500 acres. The coordinates of the Concession Area is said to be in Appendix 1 of the Agreement, but there is no Appendix 1 in the published agreement. Mr. Joseph H. Jaoudi signed the agreement on behalf of LIBINC Oil Palm Inc in his capacity as President.

1.3 “INVESTMENT AGREEMENT BETWEEN THE REPUBLIC OF LIBERIA AND LIBERIA FOREST PRODUCTS INC” dated December 21, 2007

The National Transitional Government of Liberia (NTGL) signed a Management Agreement with the Liberia Forest Products Inc on October 26, 2005 for the rehabilitation, development and management of the Butaw, Decoris, and Fendell Oil Palm Plantations. The agreement was later reviewed and renegotiated, and restricted to the Butaw Oil Palm Plantation in Sinoe County. The agreement was for fifty (50) years including seven years for Rehabilitation. The area covered by the agreement is 19,795 acres. The coordinates of the Concession Area is said to be in Appendix 1 of the Agreement, but there is no Appendix 1 in the published agreement. Mr. Michael Frayne signed the agreement on behalf of Liberia Forest Products Inc in his capacity as Chairman of the Board of Directors.

The two agreements mentioned above were signed on the same day, December 21, 2007, published into handbills on the same day, August 6, 2008 and both companies reported their addresses as Hardrock Compound, Mamba Point, Monrovia, Liberia.

For clarity, we will henceforth refer to Equatorial Palm Oil plc and LIBINC Oil Palm Inc as EPO.

2.0 Recent Developments

2.1 Plantation expansion and community objection

EPO says it has planted a total of 13,837 acres (5,600 hectares) of the 34,500 acres (13,961 hectares) it acquired under the concession agreement with the Republic of Liberia in 2007. Towards the end of 2012 and continued into 2013, when EPO began clearing new areas to expand its plantation, affected communities came together to demand that the company stop the expansion. The company

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9 Section 3.1(c) of the Concession Agreement between the Republic of Liberia and LIBINC Oil Palm Inc, dated December 21, 2007.

10 Ibid.


13 Section 2 of the Investment Agreement between the Republic of Liberia and the Liberia Forest Products Inc.

14 Section 3.1(c) of the Investment Agreement between the Republic of Liberia and the Liberia Forest Products Inc.

15 Ibid.


17 The clearing started in the last quarter of 2012.
ignored the affected communities and continued with its land clearing and planting. According to villagers from the affected communities, they have since met more than twenty (20) times with local government officials and legislators from the county about EPO’s activities and have consistently expressed their objection to the company’s expansion on their customary land. They claim, and documentary evidence suggests that EPO has attended several of these meetings.

An internal memo to other directors of EPO from Mr. Wesseh Weah Bestman, EPO Government Liaison Manager, as far back as 2011 substantiates claims that indeed the company is aware of their opposition. In that memo, Mr. Bestman reported that the citizens had warned against LIBINC carrying out a re-survey of the land.18

For example on May 20, 2013 Mr. Wesseh Weah Bestman, EPO Government Liaison Manager, attended a meeting with members of the affected communities in Bugbor Town. He also attended a meeting with affected communities at EPO main office in Buchanan along with Attorney Arthur O. Williams, EPO’s Human Resource/ Legal Officer on May 27, 2013. Another meeting was held the following day at the EPO palm mill in the current estate on May 28, 2013.

Members of the Grand Bassa Legislative Caucus, local government officials, EPO executives including Allen Yancy, Director of Corporate Affairs also attended this meeting with the affected communities in Buchanan and at the palm mill in the current estate. In all of these meetings the communities clearly communicated their objection to the company’s plan to expand onto their customary land.

In disregard of the affected communities’ objection to its expansion, the company cleared and planted some of the communities land with oil palm in 2013. The remaining portion of the land that was cleared has not yet been planted. (See attached photos of nursery and oil palm trees planted in 2013)

2.2 Community complaint Liberian authorities

As the company continued its land clearance and planting, the affected communities lodged a complaint with the Grand Bassa Legislative Caucus in 2013 asking them to intervene in the situation. On May 28, 2013 members of the Grand Bassa Legislative Caucus, local government officials, EPO executives including Mr. Allen Yancy, Director of Corporate Affairs and Mr. Wisseh Weah Bestman met with the affected communities at the EPO oil palm mill in their current estate. After a follow up meeting between the affected communities, the Grand Bassa Legislative Caucus and EPO executives on June 3, 2013 at the Capital Building (National House of Parliament) in Monrovia, the caucus recommended that EPO first survey the planted area and after that survey, the stakeholders would convene to discuss next steps.19

The National Investment Commission (NIC) of the Republic of Liberia, following another meeting with the Grand Bassa Legislative Caucus, the Superintendent of Grand Bassa County, Representatives of the Ministry of Agriculture, and the Land Commission of Liberia, on July 29, 2013 also communicated to the EPO the need to first survey the planted area and thereafter the government will determine how the remaining quantity of land would be identified.20

18 Internal memo from Wisseh Weah Bestment to Mr. Allen Yancy dated December 30, 3011 (Exhibit 1)
19 Report from the Investigation of a Complaint: The Resurvey of LIBINCO (Exhibit 2)
20 Letter dated July 29, 2013 from the Executive Director of the NIC to Executive Director of EPO with ref. NIC/ED-CAB/070/13 (Exhibit 3)
2.3 Land survey and plantation expansion

On September 3, 2013 EPO began surveying the communities customary land area, contrary to the recommendations of the county legislators who had asked for a survey of the old oil palm plantation. The affected communities then came together and demanded that EPO stop the land survey as they feared that that was the beginning of the company’s expansion onto their customary land.

The company’s map of the proposed expansion area\textsuperscript{21}, as contained in its Environmental and Social Impact Assessment (ESIA) to the Environmental Protection Agency (EPA), shows that eight (8) of the affected villages are situated entirely within the proposed expansion area and the other three fall just outside of the expansion zone. The three towns that fall outside the expansion area will however be affected by the expansion as they are just on the fringes of the expansion zone.\textsuperscript{22} The towns that fall within the expansion area, that are parties to this RSPO complaint include Taykpelleh, Geezay 1/ Geezay, Nnuhn/ Nohn, Welesayemai, Blayah, Tarloe, Geewroe/ Neegbor and Zehmartar. The three towns that fall outside the expansion zone are Borbor, Gorzohn and Qwrahkpojlain.

2.4 Community resistance and deployment of paramilitary unit

When the survey commenced on September 3, 2013 the communities objected to the survey. The Police Support Unit (PSU), a paramilitary unit of the Liberia National Police was deployed to the area. On September 4, 2013 when SDI staff visited the district, the EPO securities denied them access to the villages. The EPO Chief of Security Henry G. Freeman, a former general of the defunct National Patriotic Front of Liberia rebel army and his Deputy Daniel Payne informed the team that they would not be granted access to the villages for security reason.

After leaving the EPO security checkpoint at the entrance of the estate, the team encountered PSU officers in a truck heading into the direction of the affected villages. Residents of Tarloe town and other nearby villages reported that on the night of September 4, 2013 PSU officers entered their villages.

On September 16, 2013 as the surveyors resumed work closer to the affected towns, the men from the various towns gathered together and went to the survey site. They requested the surveyors to stop the survey. The team stopped work and left the area. They returned on September 17, 2013 and again the villagers came back to the survey site and asked the surveyors to stop.

2.5 Harassment, intimidation and violence against villagers

As tension began to heighten in the area, the villagers decided to travel to the provincial capital of Grand Bassa County, Buchanan, to lodge a complaint with County Superintended.\textsuperscript{23}

On September 18, 2013 as the citizens began their march to Buchanan, members of the PSU including the Liberia National Police Commander for Grand Bassa County, E. Weeks Drumwillie and EPO security officers including their Commanding Henry G. Freeman, intercepted one of the group of villagers in Moyeeta town and arrested some of the men while others fled into nearby bushes. The villagers that were arrested claim they were beaten and manhandled, and then loaded onto the EPO security and PSU vehicles.

\textsuperscript{21} See map extracted from the company’s ESIA (Exhibit 4).
\textsuperscript{22} See illustrative map showing affected villages (Exhibit 5)
\textsuperscript{23} Personal interview with members of affected communities on September 19, 2013 in Buchanan, Grand Bassa County
While en route to Buchanan, the officers of the PSU and the EPO security again intercepted a second group of villagers in Kobeddor town. Again the combined team of the PSU and EPO securities arrested some of the men. These men also claim they were beaten and manhandled before been transported to Buchanan.

In total 27 men were arrested and transported on PSU and EPO security vehicles to Buchanan. They were detained and later released following intervention of the County Attorney. Prior to the intervention of the County Attorney, the men claim they were subjected to humiliating treatment including being made to sit on the floor of the police station while waiting for the County Attorney.  

2.6 Destruction of crops and sacred areas

During the land clearance in 2012 and 2013, EPO destroyed farms and crops in Jogbahn Clan, specifically in Nuuhn, Gbeni and Wesseh towns. No compensations were paid to those who crops were destroyd. Additionally, the forest reserve hosting the traditional bush school for boys in the area was also destroyed. The bush school was located near Morr Town.

Following a meeting (reportedly) with Chief Zarzar Karwor in his capacity as head of the Traditional Council of Liberia, the company paid a total of United States Dollars Five Thousand (US $5,000). Of this amount US $1,000 was to pay for a bull and beverages for the traditional leaders.

2.7 Most recent meeting with senior government officials

On September 21, 2013 the communities met with the Acting President of Liberia, Justice Minister Christina Tah, Deputy Speaker of the House of Representatives of the Republic of Liberia, Hans Barchue, The Vice Chairman of the Land Commission of Liberia, Walter Wisner, the Superintendent of Grand Bassa County, Etweeda Cooper, and Grand Bassa Senator Nyonblee Karngar. The affected communities presented a petition to the Government of Liberia again stating their objection to EPOs proposed expansion onto their customary land.

3.0 The Specific Instance

This section details specific instances of violation of RSPO Principles and Criteria.

3.1 Principle 7: Responsible development of new plantings

Criterion 7.5 states: “no new plantings are established on local peoples’ land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions”. EPO did not secure consent from communities before clearing and planting new areas in Jogbahn Clan in 2012. According to the RSPO 2011/12 compilation of Annual Communications of Progress Reports, EPO did not file a New Planting Procedure notification for the period July 2011 to June 2012. Also, as the company did not post a New Planting Procedure

24 Personal interview with victims in Buchanan on September 19, 2013 in Buchanan, Grand Bassa County.
25 Personal interview with members of affected communities on September 15, 2013
26 Personal interview with members of affected communities on September 15, 2013
27 Petition from the aggrieved citizens of District number four (4), Grand Bassa County, who are threatened with eviction by the LIBINC/ EPO’s ongoing survey, September 21, 2013.
notification stakeholders did not have an opportunity to comment on their plan to clear and plant new areas in 2012 and 2013.

As noted above, when EPO began clearing new areas to expand its plantation in 2012, affected communities came together to demand that the company stop the expansion, a request the company ignored and continued with its land clearing and planting. This was in violation of Principle 7 on responsible development of new plantings especially Criterion 7.5 which requires the company to secure the free, prior and informed consent of local communities prior to new plantings.

Criterion 7.6 states: *local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements*. As noted above, under Criterion 7.5 EPO neither sought community consent nor did it acquire community consent for the new planting in Jogbahn Clan in 2012 and 2013. As such, EPO did not pay compensation for any agreed land acquisition, as no agreement was reached between the company and the communities.

3.2 Principle 2: Compliance with applicable laws and regulations

Criterion 2.2 states: *the right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights*. As have been noted above, the affected communities objected to land clearance and planting of oil palm on community land. The affected communities contested the company’s expansion onto the customary land area, but the company did not respect the affected communities’ objection. The company’s action was in violation of Principle 2 on compliance with applicable laws and regulations specifically Criterion 2.2 which requires EPO to ensure that the right to use the land is not legitimately contested by local communities with demonstrable rights.

Furthermore, Criterion 2.3 states: *use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent*. Fundamentally, all EPO plantation development that has taken place on the communities’ customary land has diminished their customary rights without their consent, and therefore places the company in violation of Criterion 2.3.

The company had destroyed the cultural sites and damaged farms without the free, prior and informed consent of the affected communities. EPO’s action was therefore in violation of Principle 2 on compliance with applicable laws and regulations specifically Criterion 2.2 which requires that the use of the land for oil palm does not diminish the customary rights of other users without their consent.

As well as losing farm and other customary land areas of importance to the community, the company has also set up check points with barriers on vital access roads to communities’ towns and villages. The affected communities and SDI staff have on occasions been questioned at these check points about their reasons for accessing the plantation area, thereby curtailing access and freedom of movement.

3.3 High risks of irreparable damages

In 2013 EPO submitted an ESIA to the EPA of Liberia for approval. The map of the proposed expansion area in the ESIA shows that eight (8) of the affected villages are situated entirely within the proposed expansion area, and the other three fall just outside of the expansion zone but parts of

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29 See map extracted from the company’s ESIA (Exhibit 4).
their land area fall within the expansion zone. The towns that fall within the expansion area, that are parts of this complaint include Taykpelleh, Geezay 1/ Geezay, Nnuhn/ Nohn, Welesayemai, Blayah, Tarlo, Geewroe/ Neegbor and Zehmartar. As outlined above, the communities have objected to the company’s plan to expand further onto their customary land.

Given the high risk of severe social and environmental damages that may result from further expansion onto the customary land of the affected communities, the communities are proactively taking steps to avert the irreparable damages that may occur. In this respect, they have stated their objection to any and all actions that they consider to be steps towards further expansion onto their customary land. As mentioned above, they have met several times with their local leaders and legislators to express their objection. They have also risked conflict with the paramilitary unit of the Liberian National Police by visiting the survey sites and asking surveyors to stop the survey.

Instead of respecting the communities’ decision not to allow further expansion onto their customary land, the company seems to be collaborating with the paramilitary unit of the Liberia National Police to harass, intimidate, molest and perpetuate violence against the affected communities. The action on the part of the company to impose the expansion on the affected communities would therefore violate the following criteria of the RSPO:

a) Criterion 2.2 which states that “the right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights”.

b) Criterion 2.3 which states that “use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent”.

c) Criterion 7.5, which states that “no new plantings are established on local peoples’ land without their free, prior and informed consent…”

4.0 Proposed remedial actions and corrective measures

To remedy the damages and eliminate the threats to the eleven towns that have filed this complaint, the complainants proposed the following remedial and corrective measures. These include immediate actions that the company should take in order to reduce the current levels of tension in Jogbahn Clan, and to reassure the complainants that their safety and freedom of movement will not be curtailed. Additional measures are also proposed to eliminate all threats of eviction or displacement, now and in the future. These measures are further elaborated below.

4.1 EPO should immediately halt the land survey in Jogbahn Clan

The SDI has taken steps to reassure communities that their complaint will be accorded due process by the RSPO. However, as these communities have no experience with the RSPO process, they continue to express concerns that once the survey is completed EPO will aim to lay claim to their land that will fall within the surveyed area. While the earlier acknowledgement of receipt did help to ease the level of anxiety and apprehension, amongst the complainants, it has not reduced the tension to an acceptable level. The potential for violent confrontation remains as surveyors continue their work.

To eliminate the risk of any violent confrontation or further heightening of tension in the Jogbahn Clan, the RSPO should urge EPO to immediately halt the survey and withdraw its surveyors from the Clan.
4.2 EPO to dismiss its security commanders

The acts of intimidation and violence, against peaceful villagers, involving EPO security personnel is unacceptable. The attack and violence meted out to the villagers on September 18, 2013 was totally unwarranted and unprovoked. As such, the EPO Chief of Security and his deputy should be dismissed from the EPO security force as their continued presence on the EPO security force threatens the safety and security of the victims of the September 18, 2013 incidences.

4.3 No more expansion onto customary land

The complainants emphasize that they do not want EPO to expand any further in the Jogbahn Clan area. They therefore do not wish to engage in any discussion or mediation regarding conditions under which the company could be allowed to expand onto their land. The complainants emphasize that they do not have other areas to which they could relocate and would continue to resist any and all attempt for EPO to expand on their land.

4.4 Dialogue on the future of land cleared and planted in 2012/2013

As noted above, in 2012 and 2013 EPO cleared land in Jogbahn Clan and planted oil palm in some of the areas, without the communities consent. The complainants would like to conduct a participatory survey of the land that was cleared and planted with oil palm in 2012 and 2013. Once the total acreage of land is established, the complainants are committed to dialogue to determine the future of the oil palm on that land.

4.5 Return unplanted land to communities

As noted above, not all the land that was cleared in 2012/13 have been planted with oil palm. Therefore, given the limited quantity of land in the clan and the ever increasing population of the clan, the complainants request that the land that was cleared but not planted yet with oil palm should be returned to their community land pool. This will reduce the risk posed to the complainants’ livelihoods and food security.

4.6 Legally binding commitment that EPO will not expand on their land

To ensure that the complainants are free from fear of future encroachment by EPO, and to eliminate any risk of displacement and relocation in the future, the complainants request that EPO commit itself, in a legally binding agreement, that it will not pursue land acquisition in Jogbahn Clan now or in the future. This will bring absolute closure to this matter and the complainants will live a life free of fear of future displacement or relocation.

5.0 Conclusions

In this brief we have demonstrated that EPO is a member of the RSPO and that the company is therefore bound by the Principles and Criteria of the RSPO. We have also demonstrated that EPO wholly owns the LIBINC Oil Palm Inc concession in District #4 Grand Bassa County. Using the company’s documents as our primary sources, we have demonstrated the company was a member of the RSPO when it acquired the LIBINC Oil Palm Inc concession in District #4, Grand Bassa County. As a member of the RSPO, the company is therefore under obligation to abide by the RSPO Principles and Criteria.
We have also demonstrated that EPO did clear and plant new areas in Jogbahn Clan in 2012 and 2013. The company did not file a New Planting Procedure notification and the objections of the communities to the new planting were not respected. Furthermore, we have demonstrated that the affected communities in Jogbahn Clan have actively objected to the company’s proposed expansion onto their customary land and have taken steps to communicate this to the Government of Liberia and EPO. Instead of respecting the rights of the communities to object to the proposed expansion, EPO seems to be collaborating with a paramilitary unit of the Liberia National Police to intimidate, harass and perpetuate violence against the affected communities.

Additionally, we have demonstrated that the new planting and expansion carried out by the company in 2012 and 2013 violated two RSPO Principles and several criteria. Additionally, we have demonstrated that the affected communities object to any further expansion on their customary land as that would lead to irreparable damages, a situation they would rather avert than complain after the fact.

Finally, we have demonstrated the need for EPO to take steps to reduce tension and the risk of violent confrontation in Jogbahn Clan. Given that Liberia is a post-conflict country, and the EPO security force includes individuals that participated in the Liberian civil war, the possibility of escalating conflict is high. It is therefore important that the RSPO urge the EPO management to immediately halt the survey until this complaint has been resolved. This will help to reduce the current level of tension and apprehension within the community.