

**\*\*PRESS RELEASE - For Immediate Release\*\***

## **Harmful Social and Environmental Impacts of Liberia Palm Oil Project Exposed**

*Golden Veroleum and Golden Agri-Resource's palm oil operations in Liberia are compounding poverty and food insecurity by taking land without community consent and making hollow promises of development benefits, says new report*

London, April 1st 2015: Several years of fieldwork by the [Forest Peoples Programme](#) (FPP) and civil society partners in Liberia has revealed the extent to which palm oil company [Golden Veroleum Liberia](#) (GVL) and its lead investor [Golden Agri-Resources](#) (GAR) are continuing to operate without the free, prior and informed consent (FPIC) of local communities within their concession area, despite the companies' claims to have learned from past mistakes.

The research has uncovered how GVL's company procedures regarding FPIC are still highly inconsistent with relevant standards, including the Principles and Criteria of the [Roundtable on Sustainable Palm Oil](#) (RSPO) and GAR's Forest Conservation Policy (FCP). Despite its commitments to meeting high social and environmental standards, GVL's track record of engaging with communities in its concession area shows a continuing disregard for FPIC and other social obligations in practice. More worryingly this report suggests that given that the dominant palm oil business model relies on a vast undervaluation of community land, it is questioned whether such palm oil projects can ever be FPIC compliant.

The report '*Hollow Promises: An FPIC assessment of Golden Veroleum and Golden Agri-Resource's palm oil project in Liberia*' reveals how the companies have caused community division and conflict, have profoundly misled communities who have little or no access to independent legal advice, and have benefited from local government coercion and intimidation of communities, with a variety of poor socio-economic and cultural outcomes evident.

Liberia is one of the poorest countries in the world, having emerged in 2003 from 14 years of civil war. Despite ample natural resources Liberia is also food insecure, importing up to 60% of its food. The development aspirations of Liberia's government are clear and urgent following the civil war and particularly so in light of the Ebola crisis.

However, large-scale palm oil investments such as that of GVL and GAR are still following a business model that in Indonesia's experience has shown to contribute very little to GDP, has failed to increase the number of rural jobs, increases reliance on food imports, and relies on cheap land and cheap labour.

Government intentions to boost revenue are undermined by low rent (USD 1.25 to USD 5 per hectare paid by GVL to the Government) and by a catalogue of tax breaks, exemptions and deductions. The situation could well be even worse for the Liberian treasury if GVL adopts commonly-used measures to further minimise its local tax liability by the use of companies in tax havens such as the Cayman Islands, where the chief investment vehicle for GVL is registered.

Land clearance of GVL's 2,200 km<sup>2</sup> concession in Liberia's south east commenced in December 2010 before being halted by a December 2012 freeze on plantation expansion requested by the RSPO in response to community complaints. Plantation expansion then recommenced during 2013 and 2014 during which time further community complaints were registered with the RSPO Complaints Panel. Presently, several thousand hectares of land have been cleared and planted, including lands that are the subject of long-standing dispute between neighbouring communities and in previously heavily forested areas. Liberia's forests are globally significant, with populations of chimpanzee, leopard, pygmy hippopotamus and forest elephant surveyed in the vicinity of GVL's planned concession.

Locally, communities stand to lose land and livelihoods. This in return for vague, inadequate and unenforceable promises of development benefits. A 2012 food security assessment found that Liberian communities affected by such large-scale oil palm plantations have poorer diets, greater debts, and are less able to invest in education and agricultural development, when compared with unaffected communities.

Information from communities indicates that serious procedural flaws are widespread. Productive lands and forests are still being cleared and wetlands drained or diverted with communities denied a fair deal proportionate to the lands and natural resources they are losing, or the opportunity to properly give or withhold their informed consent. Valuable water, food and livelihood resources are being lost or heavily disrupted and grave sites or sacred forest areas have been lost or at best left as small islands surrounded by cleared plantation land. One community member who agreed to comment, on condition of anonymity, said:

*"GVL is negotiating with us for land, and we are not agreeing to their taking our land but they have forcibly entered our land and damaged some of our sacred areas."*

It is FPP's assessment that the experiences of affected communities point to serious gaps and flaws in GVL's FPIC Standard Operating Procedures (SOPs). These reflect similar flaws in GVL's concession agreement with the Government of Liberia which fails to properly meet applicable legal, RSPO and FCP standards including FPIC.

GVL and GAR must urgently make a paradigm shift in their whole approach, to avoid future human rights violations and to rectify past mistakes. The immediate step GVL and GAR must take is to properly recognise community ownership rights over their lands and natural resources and ensure that community concerns, priorities and preferences are fully accommodated in project development processes and outcomes.

In the words of one elderly community member from Sinoe county: *"The land is for our grandchildren. If we don't get it right it will be our downfall"*.

====ENDS====

Notes to editors

## Report:

1. Executive Summary:  
<http://www.forestpeoples.org/sites/fpp/files/news/%5Byyyy%5D/%5Bmm%5D/Golden%20Veroleum%20Summary%20FINAL.pdf>
2. 'Hollow Promises: An FPIC assessment of Golden Veroleum and Golden Agri-Resource's palm oil project in Liberia' (2015, FPP):  
<http://www.forestpeoples.org/sites/fpp/files/news/%5Byyyy%5D/%5Bmm%5D/Golden%20Veroleum%20FINAL.pdf>

## Background Documents:

Food and Agriculture Organisation of the United Nations (2014) Respecting Free Prior and Informed Consent - Practical guidance for governments, companies, NGOs, indigenous peoples and local communities in relation to land acquisition, at <http://www.fao.org/docrep/019/i3496e/i3496e.pdf> .

'Human rights-based analysis of the agricultural concession agreements between Sime Darby and Golden Veroleum and the Government of Liberia' (2012, FPP) at: [http://www.forestpeoples.org/sites/fpp/files/publication/2012/12/liberiacontractanalysisfinaldec2012\\_0.pdf](http://www.forestpeoples.org/sites/fpp/files/publication/2012/12/liberiacontractanalysisfinaldec2012_0.pdf)

'Statement and Declaration by Affected Community members from Sime Darby and Golden Veroleum Concessions on Oil Palm Development in Liberia' (November 2012, FPP) at: <http://www.forestpeoples.org/topics/palm-oil-rspo/news/2012/12/statement-and-declaration-affected-community-members-sime-darby-an>

Balachandran, L. et al (2012) '*Everyone must eat? Liberia, Food Security and Palm Oil*', (Columbia University, School of International and Public Affairs)., at [http://www.earth.columbia.edu/sitefiles/file/students/showcase/2013/Report\\_Everyone%20Must%20Eat\\_Liberia%20Food%20Security%20and%20Palm%20Oil.pdf](http://www.earth.columbia.edu/sitefiles/file/students/showcase/2013/Report_Everyone%20Must%20Eat_Liberia%20Food%20Security%20and%20Palm%20Oil.pdf)

Rhein, Matthias, (2015) '*Industrial Oil Palm Development: Liberia's Path to Sustained Economic Development and Shared Prosperity? Lessons from the East*' (Rights and Resources Initiative: Washington DC), at [http://www.rightsandresources.org/wp-content/uploads/RRIReport\\_Liberia\\_web2.pdf](http://www.rightsandresources.org/wp-content/uploads/RRIReport_Liberia_web2.pdf)

Liberia Extractive Industries Transparency Initiative (LEITI) audit report (2013) conducted by Moore Stephens LLP (see <http://www.scribd.com/doc/151344593/LEITI-Post-Award-Process-Audit-Process-Report>)

RSPO Principles & Criteria, available at: [http://www.rspo.org/files/resource\\_centre/RSPO%20Principles%20&%20Criteria%20Document.pdf](http://www.rspo.org/files/resource_centre/RSPO%20Principles%20&%20Criteria%20Document.pdf) (2007) and <http://www.rspo.org/file/revised-PandC2013.pdf> (2013) respectively

Golden Agri-Resources Forest Conservation Policy (Feb 2011), available at: [Http://www.goldenagri.com.sg/pdfs/sustain\\_policies/GAR\\_Forest\\_Conservation\\_Policy.pdf](Http://www.goldenagri.com.sg/pdfs/sustain_policies/GAR_Forest_Conservation_Policy.pdf)

‘The State of Food and Nutrition Insecurity in Liberia: Comprehensive Food Security and Nutrition Survey’ (2010, Republic of Liberia) at:

<http://home.wfp.org/stellent/groups/public/documents/ena/wfp231357.pdf>

### **Relevant Images**

Click [here](#) to access images and captions. Photo credits: Justin Kenrick / FPP

### **Press Enquiries:**

(UK): James Harvey, Communications Manager, Forest Peoples Programme: +44 (0)1608 652 893 [james@forestpeoples.org](mailto:james@forestpeoples.org)

**Forest Peoples Programme** works with forest peoples in South America, Africa, and Asia, to help them secure their rights, build up their own organisations and negotiate with governments and companies as to how economic development and conservation are best achieved on their lands. The vision of the organisation is that forests be owned and controlled by forest peoples in ways that ensure sustainable livelihoods, equity and well-being based on respect for their rights, knowledge, cultures and identities. For more information, please visit [www.forestpeoples.org](http://www.forestpeoples.org)

Best regards,

Forest Peoples Programme, 1c Fosseyway Business Centre, Stratford Road, Moreton in Marsh GL56 9NQ, UK Tel: +44 (0)1608 652893 [www.forestpeoples.org](http://www.forestpeoples.org) Charity Registration Number: 1082158 A company limited by guarantee (England & Wales) Reg. No. 3868836