

Position statement from SRC plantation

In view of the CAO report to be released

Within the context of the popular initiative "For responsible multinationals", many non-governmental organizations are actively denouncing multinationals' activities through the Swiss media. For example, the NGO Bread for All, an organization that actively participated in the launch of the "For Responsible Multinationals" initiative in 2015, is now denouncing so called negative impacts of our natural rubber production activities in Liberia.

Bread for All (supported by a Liberian NGO "Green Advocates") released a report on the 21st of February 2019 denouncing the impact of the Socfin Group's activities in Liberia. This report barely takes into account the answers and documentation we have sent them, ignores the measures we take on a daily basis and our commitments to ensure that our employees in Liberia enjoy decent working conditions and a quality of life above the national average, ensuring access to training, medical care and community education. It is therefore regrettable that Bread for All's approach was probably aimed only at promoting the "For Responsible Multinationals" initiative during debates in the federal chambers.

***N.B.** On the 20th of February 2019, the Swiss German Television Rundschau, directed by Bread for All and based on their report, produced a documentary on our activities in Liberia. It is important to note that in September 2019, after a Team from Socfin visited the producer and Director of the Swiss documentary with evidence that the Bread for all report was full of false allegations accusing Socfin, the Swiss TV removed the documentary concerning Socfin activities from their [online platform](#) (27m05s to 43m20s reportage deleted).*

At the same time, we note that Bread for all [removed its report](#) from its website as well and only on the 18th of December the report reappeared in a new version ([some reference to one allegation against SRC was removed](#)) but no mention in the methodology section or on the [website](#) is made by Bread for All.

Based on this report, the NGO Green Advocates International submitted [a complaint](#) to Compliance Advisor Ombudsman (CAO) of the International Finance Corporation (IFC) regarding its client SRC on the 27th of May 2019

***N.B.** In 2008, the SRC plantation obtained [funding from the IFC](#) to [modernize its social and agro-industrial infrastructure](#)).*

The complaint against SRC was accepted by the World Bank's Compliance Advisor Ombudsman (CAO) for assessment. It was written by a consortium of NGO's, led by Green Advocates International and supported by Bread for All.

***N.B.** Green Advocates International claims to defend the rights of local communities, but this does not seem to be the opinion of the communities. [See communities' position statement](#).*

It is clear that the complaint is not limited to a "2008 IFC project" to rehabilitate and expand a rubber plantation. Instead the document lists a wide range of unproven allegations against the establishment of the plantation in 1959 and its subsequent impact on communities, within a historical concession area.

Although SRC cooperated fully with the CAO, the company has significant misgivings with the CAO's conduct during the assessment. Despite several attempts to resolve the issues, SRC has no confidence in the CAO's ability to oversee an impartial dispute resolution and therefore, has

decided to enter into a compliance review with the IFC. The key reasons behind this decision are as follows:

1. **Conflict of interest** - Both mediators selected by the CAO to assist with the assessment process had prior links to Green Advocates International and its founder, Alfred Brownell, in violation of the CAO's Operational Guidelines. *Section 1.3 states: "The credibility of CAO staff and consultants under its employ is critical to CAO's work. If a CAO staff or consultant has a conflict of interest in relation to a particular case, that person will withdraw from involvement in that case."* Evidence of the lack of mediator impartiality was provided [in written testimony by community members](#) and presented to the CAO after the assessment visit. However, the CAO failed to recognize the evidence and produced 2 draft assessment reports, which included sections from a 'Company Perspective' that were in the words of one IFC observer, "*written with a definite slant*".

2. **Representation** - The NGO's claimed that they represented 22 communities within the 'concession area'. However, the CAO was presented with evidence that as early as 2014, community members were complaining about Green Advocates' claim to representation.

Furthermore, the leaders of the communities presented the CAO with [a position statement dated 30th September 2019](#), which included the statement: "*Please note that NGOs including Green Advocates International, Alliance for Rural Democracy and the Youbamah National Congress for Human Rights do not represent our communities and we are aware that their representatives attempt to raise false accusations among our people.*" At no point in the draft assessment reports did the CAO acknowledge the communities' objections to the allegations and support of SRC.

3. **Scope** - The CAO did not limit its assessment to the SRC plantation or the communities that were directly impacted by the IFC project. Instead the CAO accepted the NGOs allegations against the establishment of the original plantation in 1959 and the historical concession area of 155 square miles. Despite the company's request for clarity, both of the CAO's draft assessment reports referenced the concession area, which has no relevance to the SRC plantation. The plantation covers 23 square miles, including the 6 square mile expansion project that was [financed by the IFC in 2008](#) (page 48).

From our point of view, the CAO failed in its objective to act as an "independent mechanism of accountability", having failed to give due weight to the evidence provided by SRC and the community members.

Background

Let us recall the history of SRC's concession in Liberia. It was created by the State of Liberia in 1959. Between 1990 and 2000, it was completely destroyed by the civil wars that ravaged the country.

In 2007, Agrifinal merged Weala's factory and Salala's plantation. The Socfin Group subsequently acquired the SRC plantation and invested to optimize the plantation and improve social infrastructure, in full compliance with the applicable regulations in the country at that time.

The communities surrounding the plantation have benefited undeniably from the Group's significant investments to rehabilitate the plantation, but also from collective facilities such as roads, schools and hospitals. Today, 700 people work on the plantation, ensuring a standard of living above the Liberian average.