

**To whom it may concern:**

## **Introduction**

---

The conclusions of a study made by the NGO “Bread for all” accuses the two Socfin operations in Liberia, LAC and SRC, of abuse of human rights and irregularities in the management of their respective concessions.

Herewith the Socfin observations, through detailed answers and documental proof, on the preliminary observations of “Bread for all”.

### **1. Historical background**

---

In an effort to open up and develop isolated areas (population density less than 10 pers/km<sup>2</sup> practicing shifting agriculture) and to modernize infrastructure and agriculture in Liberia the Government granted several concessions to different local and international operators in the period 1950-1960.

The creation of the rubber concessions of LAC and SRC fitted in this development scheme of the GOL and the operators (resp. Uniroyal and Vredestein) developed 12.000 ha and 4.500 ha of rubber plantations accompanied by industrial, social and road infrastructure.

During the successive civil wars in Liberia (1989-1996 and 2001) the concessions were heavily attacked and houses, schools, clinics, mills and part of the plantations were completely destroyed.

At the end of the first civil war Socfin was approached by the development agencies to help with the reconstruction of the economy of Liberia (World Bank through IFC and French Development bank through Proparco): at that moment Liberia depended for 100% on foreign aid and there was 100% unemployment!!!

In this context Socfin invested in the two concessions. In a first instance schools, clinics, houses were rebuilt and the plantation were rehabilitated. A new milling unit was installed in LAC and in Weala the completely destroyed mill was rebuilt. These units treated their own production and also bought rubber from smallholders (their only cash revenue).

The horrible situation in which all the estates were at the end of the war can still be observed in Cocopah and Sino wherefore no investors came.

### **2. “Bread for all” observations**

---

Twenty years later Socfin is now accused by “Bread for all” accompanied by a local NGO “Green Advocates” of human rights abuses and irregularities in its management of the estates.

The main accusations concern (see preliminary conclusions study “Bread for all” (not documented)) :

- the legality of the concession and saving more than 440.000 US\$ at the cost of the Liberian population,
- violation of land rights (no consulting of local populations, no compensation, destruction of villages, holy places and graveyards),

- violence against local population and abuse and rape of women,
- provoking hunger and starvation because of lack of land for the local population,
- abuse of local rubber planters with obligation to sell to the respective companies,
- water and environmental pollution,
- schools,...

### 3. Socfin's considerations

---

Socfin is shocked by these accusations.

Herewith documented reactions and observations on these accusations.

#### 3.1. *The legality of the concessions*

The concessions are the property of GOL. The observations that the Government COULD have illegitimately and illegally used its fore to take the concessions is for the account of "Bread for all" but cannot be substantiated. This is hardly likely: the population density in 1959 was extremely low (less than 10 pers/km<sup>2</sup>). IFC and Proparco conducted an audit on this aspect, a prerequisite before investing in the reconstruction of the concessions.

During the twenty years of operating of Socfin, no complaint was formulated on this matter by the populations: nor to the Government nor to the company. Socfin considers that this is an issue that should be addressed to the Government rather than to Socfin.

It should be noted that after the war the density of population around the concession increased as it were the only places where food, schooling and medical care were present as well as a market for the farmers to sell their rubber (ex. Compound 3, LAC : became a township).

The companies indeed pay taxes and rent to the Government of Liberia. We consider that it is up to the Government to decide how these funds are redistributed.

Additionally is must be pointed out that hardly 10% of the concessions are occupied by plantations!

#### *Documents:*

- [Concession map LAC \(document 1\)](#)
- [Concession map SRC \(document 2\)](#)
- [IFC disclosure: land acquisition \(document 3\)](#)

#### 3.2. *Violated land rights*

##### 3.2.1. *Eviction*

LAC and SRC never evicted any community nor did they destroy any structures since the concessions were taken over and have always operated within the concession boundaries granted by GOL.

In the case of SRC, the villages mentioned in the report, apart from Kolleh, Ansarta, Gorbor, Penneh and Massaquoi are situated outside the concession borders. The villages inside the plantations are still existing and have a green belt around them for subsistence farming. As such the eviction of the named communities is simply not true.

*Document: Concession map SRC (document 2)*

### 3.2.2. *Encroachment and Land claims*

The encroachment accusation is not correct. Before any planting, consent from concerned persons was sought and compensation was paid as per Government rates prevailing at the time. Relevant commissions of GOL were part of the discussions and compensation was given in the presence of local Government officials. We are a bit surprised as the documents were shown to the visiting team of "Bread for All".

When there were claims of communities the cases were resolved in a peaceful way (see for example the documents related to the claims of Dorkai).

The entire crop survey and enumeration exercise have been communicated to all relevant parties well in advance and has been conducted in a transparent way in a participatory manner!

#### *Documents:*

- *Documents related to the claims of Dorkai (document 4)*
- *Examples of crop compensation consent and payment LAC (document 5)*
- *Examples of crop compensation consent and payment SRC (document 6)*

### 3.2.3. *Graves and sacred sites*

The EPA guidelines for the preservation of sacred sites, protected forests, graves and other structures which affected the sentiments of communities were respected. These structures have been mapped and preserved. In the case of SRC, the management assisted with animals and items to perform rituals and sacrifices to these sites: 12 acres ancestral burial grounds are preserved in the concession, 26 acres was conceded to the Massaquoi Town to conserve a shrine and expand the village.

#### *Documents:*

- *Concession map SRC (document 2)*
- *IFC disclosure: land acquisition (document 3)*

## 3.3. *Food and water*

It is hard to believe with only 10% of the concessions developed and vast stretches of land remaining undeveloped inside and outside the concessions that there is food shortage.

Additionally, people from the communities working inside the concession have, apart from their salaries and other advantages, 50 kg of rice allocation per month. Communities inside the planted areas have a substantial green belt for subsistence farming.

The allegation of water contamination is not true. The EPA guidelines are respected. Samples are collected from the various water bodies surrounding the plantations and various parameters are monitored as per Government regulations.

Additionally, LAC and SRC installed handpumps (+200) in the communities. Clinics and hospitals did not report any complaints or any health issue related to water pollution.

LAC had in its history one complaint of pollution of water: this was adequately treated.

#### *Documents:*

- *Concession map LAC (document 1)*
- *Concession map SRC (document 2)*

- [Examples of water analysis LAC \(document 7\)](#)
- [Environmental permit SRC \(document 7b\)](#)
- [Environmental audits SRC \(document 7c\)](#)
- [Community Development Plan SRC \(document 7d\)](#)

### **3.4. Pesticides**

Use of pesticides and chemicals is restricted in the plantation. Chemical usage and handling is strictly following the MSDS guidelines, PPE's are provided. No spraying in rainy season.

[Document: Ministry certificates LAC \(document 8\)](#)

### **3.5. Violence and rape**

These accusations seem to be unfounded: there is a Liberian National Police station at LAC and also a Magisterial Court to deal with matters of this nature. It is the same for SRC.

LAC and SRC have only contractors registered with GOL and do not use middlemen. To our knowledge, there is no report of violence by contractor heads registered with SRC, local administration or any law enforcement body. Sexual assault accusations have not been reported, this has been confirmed by the law enforcement agencies.

The declaration of "Bread for all" and the human right activists are not correct and give the impression that the justice system in Liberia is non-existent. Liberia is a free country and people have the freedom to exercise their rights. When "Bread for all" came to our concessions we gave them all freedom to move as they wanted.

[Documents:](#)

- [Response to allegation of violence and sexual violence \(document 9\)](#)
- [Document from Magistrate Baypolu Town \(document 9b\)](#)
- [Document from Solicitor Kakata City \(document 9c\)](#)

### **3.6. Treatment of smallholders**

SRC and LAC developed only a small percentage of the concession awarded since 1959. There are enough fertile land all around for communities to farm and indulge in other activities of their choice. In fact there are hundreds of small to medium rubber farms that have developed all around the planted area of the concessions. The communities are better off than when the concessions were not developed. You can yourselves observe pockets of prosperity all around as the LAC and SRC offer a local and outside market for the farmers.

Farmers are free to deliver their harvest at LAC or not. There are no binding agreements. Buying agents are registered with the Government of Liberia but farmers and cooperatives are free to deliver directly to LAC or to another mill.

[Document: Letter from LAC smallholder \(document 9d\)](#)

### **3.7. Schools and clinics**

#### **3.7.1. Schools**

The statistics are talking for themselves.

Both companies spend enormously on social infrastructure. LAC and SRC have respectively 21 and 6 schools, 86 and 51 teachers payed for by the companies, 6044 and 2243 students.

The first graduate from our secondary school at LAC after the civil war has been studying agronomy in France and is now employed as an Assistant Agricultural Trainee on our plantation in Sierra Leone.

*Document: Fayiah Bouquet success story (document 9e)*

#### **3.7.2. Clinics and hospitals**

Again the statistics are self explanatory: 2 hospitals and 6 health outposts, close to 60.000 consultations, access for the communities, 85 trained health staff.

It must be noted that during the Ebola crisis the staff of our clinics was specially trained and equipped, preventive measures were taken, and in the regions where we were operational, the number of cases were at a minimum.

*Documents:*

- *Schools and hospitals statistics LAC (document 10)*
- *Schools and hospitals statistics SRC (document 11)*

### **3.8. Poor jobs**

The concessions offer a stable working environment. Employees work under the conditions of a collective bargaining agreement

It is not correct to state that LAC and SRC offer only small jobs and limited employment. Apart from land labour we give employment and training to technical, administrative and managerial staff.

As such we give opportunities to local educated youngsters, giving a future in a country still suffering from the civil war where job opportunities are scare.

*Documents:*

- *Staff conditions of service LAC (document 12)*
- *Collective Bargaining Agreement (CBA) LAC (document 13)*
- *Teachers list LAC included in schools and hospitals statistics LAC (document 10)*
- *Teachers list SRC included in schools and hospitals statistics SRC (document 11)*

#### 4. Conclusion

---

A detailed study of the accusations formulated by “Bread for all” seems to be greatly exaggerated in its context if not incorrect.

Socfin appreciates the protection and guidance “Bread for all” wishes to offer to the local population however it should not be at cost of reputation of other economic actors that bring real economic growth and social advance in a country ruined by war.

A straight forward cooperation would be more fruitful instead of a blunt and unfair approach to the work done by Socfin.