

Earthworm Foundation's (EF) Deep Dive Grievance work - Liberian Agricultural Company (LAC)

Investigation of allegations relating to Liberian
Agricultural Company.

Public summary of EF Findings & Recommendations
June 2024

CONTEXT

Liberian Agricultural Company (LAC) is a subsidiary of the Socfin Group in Liberia. The Socfin group published its responsible management policy in March 2017 and subsequently became a member of EF. This responsible management policy of the Socfin group, which was revised on March 30, 2022, is articulated around the following pillars: (i) commitment to local and rural development in Africa and Asia, (ii) commitment to employees and communities, (iii) commitment to our planet and (iv) transparency.

Despite the progress made so far in implementing its responsible management commitments, Socfin continues to receive environmental and social grievances from the international media and NGOs, even in cases where the Socfin group believes that it has published analysis and documented responses.

In order to better understand the allegations made by ReAct Transnational and the International Alliance of Local Communities of Socfin Plantations, Earthworm Foundation was engaged by Socfin to carry out investigations on LAC's operations. Socfin has pledged to develop an action plan to credibly respond to any allegations that are supported by evidence.

The work at LAC in Liberia is part of a broader piece of grievance investigation that Earthworm Foundation is undertaking across Socfin operations, which is split into two main phases:

- ✓ **Phase 1**, March to June 2023: Investigations focused on grievances raised against Salala Rubber Corporation (SRC) in Liberia and SOCAPALM Dibombari in Cameroon.
- ✓ **Phase 2**, beginning in August 2023: Additional investigations into the grievances raised regarding Socfin operations SAFACAM and SOCAPALM (Edéa, Mbongo & Mbambou) in Cameroon, LAC in Liberia, SAC in Sierra Leone, OKOMU in Nigeria, Socfin-KCD and Coviphama in Cambodia.

This executive summary presents the synthesis of findings and recommendations related to the investigation done by Earthworm Foundation (EF) in LAC, Liberia.

The field visit was conducted from 6-14 September, 2023 with the following objectives:

1. To investigate all allegations made against LAC's operations in Liberia.
2. Highlight factual evidence relating to each allegation (founded or unfounded).
3. To develop recommendations for how to responsibly address allegations that are supported with evidence, and how to prevent similar incidents in the future.

METHODOLOGY

1. Document review

EF reviewed several documents provided by LAC and CSOs, as well as publicly available information, related to the following aspects:

- Crop compensation;
- LAC workers and contractor's database;
- Water testing and analysis reports;
- Supporting documents on each allegation.

2. Meetings and discussions

In order to collect information in relation to the various allegations, EF exchanged with the following key actors:

2.1. LAC management and workers

Discussion and interview sessions were held with LAC's Sustainability team, HR team, Plantation team, Health Administration, head of smallholder program and some employees from various departments including tappers and rubber factory workers.

2.2. Local civil society organizations

The document review enabled EF to identify some key local civil society organizations and platforms like MSP, LAC-DistfAC, ABLOJAY, etc. EF contacted them via phone or email and was able to discuss with most of them either through phone calls or physical meetings. Some members of the CSOs also joined the field visit, especially the community engagement components.

2.3. LAC's neighbouring communities

The EF team, with the support of local civil society contacted and informed LAC's neighbouring communities about the investigation to get their consent. A program was then set up with communities in all the districts where LAC operates. EF met with around 200 people in 10 communities.

In order to collect appropriate information, the following approaches were implemented at the community level:

- Focus group discussions with the entire community;
- Individual interviews.

2.4. Field visits

The EF team visited both workers' camps and local communities to see projects implemented in the community either by LAC or other organizations, but also to appreciate some issues raised by the community during the meetings. The following facilities and activities were visited: schools, hand pumps, old towns, camps, graves and nine worker's camps.

Note:

- 1) For investigations on allegations related to gender-based violence and sexual harassment, interviews were guided by a questionnaire complying with international sexual harassment investigation standards. 87 women were interviewed both in the communities, workers' camps and in the plantation.
- 2) A public announcement on the start of phase 2 of the investigation was made on the Earthworm Foundation website to enable stakeholders to contact the investigation teams via the following email address: socfin.investigation@earthworm.org



Summary of Findings against Allegations

N°	Allegations relating to LAC's operations	STATUS	EVIDENCE
1	Insufficient engagement with communities who resided and depended on the land during the land expansion in 2003	Partially Founded	<ul style="list-style-type: none"> ▪ The Assessment and Eviction Notice was the only information that communities reported they received from LAC. The notice did not give any specific dates or time the assessment or eviction was due. Crops and structures payment were given on humanitarian considerations. ▪ Experiences of communities revealed that people were still in the villages and towns when bushes around their villages were cleared by LAC. Most people left their villages due to the sound of the bushing, fear of attack and lack of farmland. <p><i>To note that at the time of the visit LAC had implemented the following community mapping and engagement processes:</i></p> <ul style="list-style-type: none"> ▪ All the villages and towns surrounding the plantation have been identified and GPS coordinates taken. ▪ Stakeholder engagement strategy has been developed. Key stakeholders including communities are mapped and analyzed and contact details of each stakeholder are documented. ▪ LAC has initiated discussions with some key CSOs in the areas and Monrovia including MSP, LACDISTFAC, etc. ▪ Current community engagement has resulted in the initiation of development projects, with four new hand pumps constructed in 2023. In response to community requests, LAC provides tuition free schooling for children from some community villages; 78 children benefited from the LAC School System in 2023.



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2	Physical relocation	Founded	<ul style="list-style-type: none"> ▪ Lack of clear and comprehensive information about the assessment and relocation plan. The assessment and eviction notice (AEN) did not include the objective, detailed, scope, or outcome of the assessment. It did not explain when and where to relocate. Town people did not give their consent. Multiple people reported they did not want to relocate but they did not have a choice. ▪ The 2005 Action Plan of the Special Executive Committee mentioned a relocation plan for the displaced citizens but did not explain the process, beneficiaries and timeframe. Town people were excluded from the Special Executive Committee and they are not signatories to the Action Plan.
3	Destruction of sacred sites and graveyards	Partially Founded	<ul style="list-style-type: none"> ▪ LAC has identified demarcated and fenced some gravesites within the plantation. ▪ LAC initiated regular monitoring of grave sites especially those in workers' camps. ▪ However, although LAC has mapped burial sites within the camps; there are still graves inside the plantation which are yet to be mapped.
4	Compensation is either insufficient or non-existent	Founded, but not LAC's responsibility	<ul style="list-style-type: none"> ▪ LAC has paid its portion as required based on the Special Executive Committee report, which says that the company will pay US\$3 per economic tree to crop owners. ▪ Some have received 6USD per economic tree as crop compensation, especially the Seven Towns. ▪ Some have received 3USD per economic tree as crop compensation, especially the Four Burnt Spot. ▪ Records of crops and structures are available at the company and community level. Crops were counted. LAC has compensated everyone for their crops and structures. ▪ However, the Special Executive Committee report also indicated that the Government of Liberia will pay an additional US\$3 per economic tree to crop owners. The Government of Liberia has not completed the payment of the US\$3 to date.
5	Sexual harassment and gender-based violence	Founded	<ul style="list-style-type: none"> ▪ Direct (first-hand accounts) victims of sexual harassment at LAC reported the following experiences: <ul style="list-style-type: none"> ○ Instances of termination and denial of job opportunities due to refusal to engage in sexual acts, provide money, or give gifts for themselves or their relatives (i.e. husbands) to secure employment.



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			<ul style="list-style-type: none"> ○ Unwanted and inappropriate physical touches from male LAC workers. ○ A constant fear that their jobs are at risk by refusing continuous inappropriate demands. ▪ LAC has an established Gender Committee. The current members of the Gender Committee are all full-time employees. ▪ However, the Committee has not received any training (s), the committee has not commenced work, and office space has not been set up for the committee. ▪ Due to the committee not being fully established, and yet to commence activities, there are gaps in responses to issues of gender as it relates to sexual harassment and abuses within camps and community within the plantation.
6	Reprisals, threats, and intimidation of activists	Founded, but not LAC's responsibility	<ul style="list-style-type: none"> ▪ There are ongoing arrests of community members by security apparatus of Liberia, most of which are linked to rubber tapping cup theft and latex theft. Most arrestees are detained in the Liberian National Police office infrastructure within the plantation and jailed for 1 to 3 months for stealing rubber, a punishment that multiple people felt was too harsh. Some people have been jailed without charges, which led them to leave their villages. ▪ Following the murder of an expatriate LAC manager, many community residents were arrested in the native towns, detained and taken to jail by the Liberian National Police with support of LAC Security and some workers of LAC. Accounts from people who were arrested mentioned they were detained for 7 days in the Liberian National Police office infrastructure within the plantation and transferred to Buchanan where they were jailed for 3 to 7 months before they were released from prison. ▪ Although LAC is not responsible for these incidents, they nonetheless are a source of strife and conflict with key communities because the punishment is linked to LAC operations and LAC is perceived as supporting the police actions. It is in the company's interest to explore using its leverage to improve human rights protections in communities.



N°	Allegations relating to LAC's operations	STATUS	EVIDENCE
7	Restriction of movement	Partially founded	<ul style="list-style-type: none"> ▪ Firsthand accounts reported that LAC Security guards request bribes to pass through gates, they are quoted as saying “no money, no pass”. ▪ Our team was also asked for a bribe of US\$10 to pass one gate. ▪ On two occasions, the EF team was stopped from passing a security gate where only identification should have been required. We were only allowed in once the guards got confirmation from Top Management.
8	Limited access to schools and health facilities	Not founded	<ul style="list-style-type: none"> ▪ The LAC school system is open to communities since 2022. The schools are tuition and registration free for all community children who wish to attend. Beneficiaries are mainly from District 3 and 4 areas. Free schooling was one of the communities demands for education of LAC District Three and Four Affected Communities. ▪ 186 children from local communities did register in the LAC School Systems for 2022-2023 school year. ▪ Unfortunately, some parents didn't provide their children with school uniform and books. ▪ 99 children from local communities have registered for 2023-2024 school year. ▪ When asked, none of the communities indicated that they have been denied access or treatment to LAC Hospital, however, they have to pay the relevant charges.
9	Water Pollution	Not founded	<ul style="list-style-type: none"> ▪ There is a lagoon system in place that treats effluent from the plant. There is also ongoing internal water analysis on the water in the lagoon. ▪ There is no discharge from the lagoon. ▪ LAC commissioned an HCV assessment in 2023. At the time of the visit, the report was under peer review. ▪ The draft HCV study found very rare biota in the rivers, which is an indication of good health. ▪ There is ongoing mapping and demarcation of riparian buffers around rivers and creeks inside the plantation. ▪ There is a draft of an HCV management plan and working instruction SOP in place. ▪ There are sign posts planted at rivers buffers with descriptions “no washing”, and “no swimming”.



N°	Allegations relating to LAC's operations	STATUS	EVIDENCE
			<ul style="list-style-type: none"> ▪ However, there are instances of washing rubber and rubber buckets in rivers by LAC workers and community members. Rivers are main source of drinking water for communities that lack hand pumps. ▪ There is ongoing regular water quality testing and analysis on hand pumps in the camps and communities.
10	Access to drinking water	Partially founded	<ul style="list-style-type: none"> ▪ LAC has completed construction and rehabilitation of hand pumps in some communities. A total of 20 hand pumps have been constructed or rehabilitated to date. Some are working well. ▪ There is ongoing water quality testing, analysis and chlorination on hand pumps. ▪ However, some villages lack safe drinking water. Some villages' hand pumps were unusable, others lack hand pumps entirely (for example: Korkor David and Wonwulu). ▪ Rivers and creeks are the main water source for drinking and domestic use in some villages.
11	Poor employment conditions, work safety and labor rights violations of subcontracted workers	Partially founded	<ul style="list-style-type: none"> ▪ LAC offers housing to workers, both employees and contractors. ▪ Renovation of camps is ongoing; some have been renovated. ▪ There is ongoing construction of new housing in the camps with improved doors, windows, and toilets. ▪ LAC provides housing, education for workers' dependents and rice subsidy to workers, including some contractors. However, at the time of the visit, the costs of tools and PPE was still being deducted from some contractors' wages. ▪ LAC has started to monitor contractors. However, some subcontracted workers stated that they paid the contractors to secure their job.
12	Abuse from middlemen purchasing from smallholders	Founded	<ul style="list-style-type: none"> ▪ Agents receive bribes before they issue the yellow sheets (receipt of goods) to smallholders. It is called "bank knock". Either you bribe the agent or you delay your yellow sheets and payments. Smallholders also pay the agents when the agent hand them their rubber money. It is called "what's my own?" The amount paid to the agents ranges from 5USD to 40USD, depending on the tons of rubber.



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			<ul style="list-style-type: none"> ▪ LAC security guards receive bribes before the gates are open to allow the truck to pass. It is called “drop gate” either you pay the bribe or they delay you and the truck. All those who have rubber on the truck need to pay bribes before the gate is dropped. The amount paid ranges from USD\$2.50-\$5. ▪ The Quality Check team also receive bribes before the rubber can be qualified for purchasing at LAC. The amount paid ranges from US\$5 to US\$30, depending on the tonne of rubber. ▪ To note: LAC has taken action against an agent who was found soliciting bribes from smallholders after receiving a complaint letter from a group of smallholders.
13	Food insecurity	Undetermined	<ul style="list-style-type: none"> ▪ LAC supports and purchases rubber from smallholder farmers, the majority of whom are from surrounding communities, Districts 3 and 4. ▪ Some community members are hired or employed by LAC. ▪ Some villagers have been either employed or contracted by LAC, some of which are entitled to housing and rice subsidy, nevertheless, most displaced villagers reported that they do not have sufficient land for farming activities, and there are no clear employment policies or SOPs in place that give preferences and priorities to displaced villagers for jobs. ▪ Most town people are engaged in rice production through slash and burn subsistence farming. ▪ In the absence of a detailed study on the impact of LAC operations on food security, EF team does not have sufficient information on which to base a decision on the status of this allegation.
14	Unsolved death case	Not founded	<ul style="list-style-type: none"> ▪ LAC has taken all necessary steps to ensure that the funeral goes smoothly, including signing of MOU with the family of the late employee to support the children’s education, commitment to the terms and conditions of the MOU and recruitment of the late employee’s wife.



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15	Non-fulfillment of promises related to plantation extension	Not founded	<ul style="list-style-type: none">▪ Communities confirm that the Framework for the resettling of Grand Bassa County citizens who may be impacted by expansion activities of the Liberian Agricultural Company at Division 3.3 in the north-western part of the Sloh river was not for communities already affected. It was for new expansion in the northwestern part of the Sloh river. The Framework document was rejected by the people of northwestern part of Sloh river as a result of the poor relationship between LAC and the Seven Communities, so the framework document was cancelled.▪ Communities confirm that the list of demands developed through the LAC Districts Three and Four of Impacted communities was based on the fact that, if LAC could commit to provide benefits for new expansion, then they should provide benefits to already affected communities.▪ LAC has committed to some of the requests from surrounding communities including demands for education and providing safe drinking water. The company has constructed/rehabilitated 20 hand pumps in 19 communities. Schools are accessible and there is sufficient space for all students.

Recommendations

ALLEGATIONS	RECOMMENDATIONS
<p>1. Insufficient engagement with communities who resided and depended on the land during the land expansion in 2003</p>	<p>1.1 Develop SOP for community engagement that respects FPIC principles. 1.2 Develop participatory mapping SOP and implement. 1.3 Develop a comprehensive workplan for the implementation of the stakeholder engagement strategy. 1.4 Update existing program for LAC’s support for education, taking into account community needs. Clarify LAC’s role and communicate to communities. 1.5 Update the external grievance SOP, share and implement. 1.6 Update the external grievance trackers and ensure to capture all grievances ongoing and not done and follow up to resolution. 1.7 Consider having an MoU with communities that documents what has been agreed and how agreements will be implemented.</p>
<p>2. Physical relocation</p>	<p>2.1 If further expansion is planned, develop relocation plan according to international requirements and implement in case of any future development.</p>
<p>3. Destruction of Sacred sites and grave yard</p>	<p>3.1 Finalize the process of graves / graveyards identification and set up a management plan with communities (activities, roles, responsibility, monitoring).</p>
<p>4. Compensation is either insufficient or not existing</p>	<p>4.1 Compile summary of all who were entitled to crop compensation from LAC and the government. 4.2 Compile summary of all who have received crop compensation. 4.3 Engage the government (through National Bureau of Concession for example) to assess pending payment / compensation options (deduction of taxes, etc.). 4.4 Once the government has completed the assessment of pending payment/compensation options, engage the communities in collaboration with the government and local CSOs to validate and pay pending government compensation.</p>
<p>5. Sexual Harassment and Gender-based violence</p>	<p>5.1 Develop and implement policies and effective training programs on sexual harassment and gender-based violence that covers all levels of workers, including long-term and short-term workers. 5.2 Provide all necessary logistical support to the Gender Committee to enable them to reach and cover all towns within the plantations, LAC school(s) and camps effectively. 5.3 Develop safe and confidential reporting mechanisms for workers to report incidents of sexual harassment or gender-based violence and ensure that there are sufficient resources available to investigate and respond to complaints. 5.4 Establish a hotline for reporting sexual harassment at the workplace.</p>

	<p>5.5 Provide regular awareness and training for all employees, contractors, and contract workers on the policy and procedures for reporting incidents of sexual harassment and gender-based violence.</p> <p>5.6 Ensure pictorial communication warning signs within the plantation that indicate zero tolerance of sexual harassment and corruption.</p>
6. Reprisals, Threats, and Intimidation of activists	<p>6.1 Discuss with the towns through the communities’ representatives if there are any better ways to handle common security incidents, especially rubber theft and cup theft.</p> <p>6.2 Share information with towns on law related to penalties for rubber theft.</p> <p>6.3 Carry out training for LNP operating in LAC’s premises and as well as LAC security guards on Human Rights and no intimidation.</p>
7. Restriction of movement	<p>7.1 Develop and implement policy on restriction/regulation of movement, train security guards on the policy.</p> <p>7.2 Carry out awareness-raising with communities on the policy.</p> <p>7.3 Conduct further investigations with towns related to requests for bribes from security guards, in order to set up a participatory approach to settle disputes.</p>
8. Access to drinking water	<p>8.1 Assess communities’ drinking sources and establish a phased priority programme to provide safe drinking water for communities.</p> <p>8.2 Improve renovation and construction of hand pump by hiring qualified companies.</p> <p>8.3 Put in place a monitoring system for hand pumps and implement.</p>
9. Poor Employment Conditions, Work safety and Labor Rights Violations of subcontracted workers	<p>9.1 Document workers’ community of origin and give priority and preference to surrounding communities.</p> <p>9.2 Document all workers irrespective of contracts or jobs.</p> <p>9.3 Ensure all workers irrespective of the type of contract are paid at least the minimum wage in accordance with the Decent Work Act of 2015.</p> <p>9.4 Supply tools and PPE to all workers free of charge and monitor their use.</p> <p>9.5 Reinforce the monitoring system of subcontractors to ensure that the responsible management policy is being implemented</p>
10. Abuse from middlemen purchasing from smallholders	<p>10.1 Develop and implement a comprehensive smallholder strategy and approach that includes SOPs and policies for how middlemen deal with smallholders.</p> <p>10.2 Conduct investigations into all bribes reported against agents, security guards and Quality Assurance team and take appropriate disciplinary action.</p>
11. Food insecurity	<p>11.1 Finalize participatory mapping with communities to assess whether or not they have sufficient farmland.</p> <p>11.2 Conduct a food security assessment and design, implement, and monitor a food security strategy based on its results.</p>

Conclusion and priorities

This in-depth assessment of allegations relating to LAC operations involved consulting various stakeholders, putting together statements, documents/evidence, and field visits to define the status (founded, partially founded, founded but not LAC's responsibility, undetermined, or not founded) of each allegation. The mission also made it possible to identify actions planned in progress that could contribute to resolving the substantiated allegations. The issue of compensation for crops and structures, access to drinking water, and community engagement are central concerns for communities. The involvement of stakeholders in the construction of solutions remains a fundamental factor in their success, especially as they have demonstrated willingness.

With a view to continuing the transformation process, and given the context in which LAC operates, EF has identified the following priorities:

1. Validation of past crop and structure compensation.
2. Provision of safe drinking water.
3. Management of sub-contractors/service contractors.
4. Address the issue of sexual harassment.
5. Communication / community engagement.
6. Participatory management of gravesites.