

---

## Liberia: Uncertain futures. The impacts of Sime Darby on communities

Liberia, a small West African country with a population of approximately 3.5 million people, has a predominantly agrarian economy, with high dependency on land and land based resources. The majority of the population lives in rural areas and is engaged in subsistence agriculture and forest-based trade for income generation. Healthcare facilities are poor and in some places non-existent, and the majority of children lack access to safe drinking water. They also lack decent education. The country ranked 182 out of 187 countries on the UNDP Human Development Index in 2011. However, the abundance of fertile farmlands has enabled people in rural Liberia to survive and thrive even in these very difficult circumstances, much to the amazement of outsiders.

As in many West African countries –like Ghana, Ivory Coast, Cameroon, DRC, etc- the oil palm industry is expanding at alarming rates and negatively impacting on local communities' livelihoods.

The Malaysian Sime Darby –one of the world's largest oil palm producer- entered into a 63-year lease agreement with the Government of Liberia on July 23, 2009, for a total of 311,187 hectares of land, which is referred to as the Gross Concession Area. This Gross Concession Area is to be located within four counties: Gbarpolu, Grand Cape Mount, Bomi and Bong.

When the government signed the contract with Sime Darby, the agreement was hailed as another milestone in Liberia's drive towards economic recovery, a critical step towards sustainable development. The company promised to provide tens of thousands of jobs and to contribute to the government's economic recovery agenda.

The company's current plantation development activities are situated in Bomi and Grand Cape Mount Counties. In Bomi, the company is clearing old rubber trees to start planting oil palms in the area. In Grand Cape Mount, within the Garwula District, the company has established a nursery and started planting its first 5,000 ha.

But it is now the case that often, when people in the area talk about Sime Darby, they are not commenting on the development benefits that have been generated. Instead they are critical of the company's impacts on communities where it has cleared forest and planted oil palm.

The situation facing communities impacted by the expansion of Sime Darby's oil palm plantation in Garwula District, is dire: the plantation is on their doorsteps, and their farms and farmlands are being swallowed up by it. There are very few alternative livelihood options.

According to locals, Sime Darby did not pay them any compensation for their farm lands. They also claim that the compensation paid for crops that had been destroyed was inadequate and that forest areas used for cultural practices had also been destroyed and replaced by oil palm.

“We did not have a choice in the matter. The company was here, the government had given them the land, they were ready to clear your farm and destroy your crops – what more could you do. The situation was that either you take whatever amount they were giving you or they take the money back

---

and still clear the land anyway” said one of the villagers from Baka and Kenemah towns.

Most of the men and women in the affected villages are now out of work, and their children are hungry. There are very few alternative livelihood options.

The Government of Liberia and Sime Darby share responsibility for the negative situation facing these communities, since they negotiated a contract that clearly cannot be implemented without violating the rights of third parties. These third parties include communities that have traditionally occupied and used the land, communities that hold collective titles and private property rights to their land, individuals that hold private property rights to their land, and all those who have estates and other forms of assets on lands that fall within the Concession Area. The contract obliges the government to allocate land free of encumbrances to Sime Darby. This is impossible: there is no land free of encumbrances in the counties targeted for the development.

To lease customary lands and private properties to Sime Darby without the consent of those living on and using the land and the landowners, or following due process, is an invitation for conflict. As such, it is highly likely that communities and private landowners in the affected areas will continually challenge implementation of the current contract. This might lead to Sime Darby and the government using aggressive tactics to ensure that the company continues to expand, or it might result in Sime Darby accepting that it cannot implement the contract and asking for a renegotiation of the terms. The former approach could generate conflicts that might easily deteriorate into violence, but the latter could provide an opportunity for the government to rectify the mistakes that were made during the negotiation of the current contract. This would also allow for proper consultations with private landowners and communities and for those with an interest in oil palm development on their land to negotiate a fair deal that takes into account their livelihoods and the overall environmental health of their communities.

However, regardless of how well the contract is negotiated, and how much incentive the government and Sime Darby are able to offer, there will inevitably be private land owners, families and communities who will not want to give up their land for oil palm plantation. The government and Sime Darby would do well to recognize and respect the rights and interests of these groups. This would not only demonstrate a genuine desire to uphold the rule of law on the part of the government, it would also demonstrate that the government puts the interests of its citizens above all other considerations.

Source: The above has been excerpted from a new publication “Uncertain Futures. The impacts of Sime Darby on communities” recently published by WRM and SDI (Sustainable Development Institute) from Liberia, written by Silas Kpanan’Ayoung Siakor. The book can be accessed at: [http://worm.org.uy/countries/Liberia/uncertain\\_futures.pdf](http://worm.org.uy/countries/Liberia/uncertain_futures.pdf)