

SGSOC'S SOCIAL INVESTMENTS: A CEMETERY OF BROKEN PROMISES



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Summary

In 2009, Sithe Global Sustainable Oils Cameroon (SGSOC) signed an agreement to develop an oil palm plantation in Cameroon's Southwest region. At the time, the project was known as Herakles Farms – the name of the US investor which withdrew in 2015.

SGSOC was granted a three years temporary grant by Presidential Decree on 25 November 2013. In Memoranda of Understanding (MoUs) and common commitments, the company promised to implement a range of social investments in the villages whose customary lands are included in the concession. The company would, amongst other things, provide long term sustainable employment, build schools and hospitals, provide access to water and electricity, pay taxes to the government and “stipends” to local communities. Lack of transparency by the company and government bodies seriously limits the possibility to independently assess the performance of the company.

Despite these limitations, in September 2016, Greenpeace Africa led a field investigation in the concession area to find out whether local communities believe if SGSOC honored its promises.

What we found was a cemetery of broken promises.

SGSOC claims it obtained Free, Prior and Informed Consent (FPIC) from the communities. It is likely that various other communities are in the same situation. However, members of 12 local communities told Greenpeace Africa that no formal agreement has ever been reached.

Several sources indicate that SGSOC did not respect its land rent payment obligations. Neither did it pay the monthly amounts promised to villages whose land it was granted.

SGSOC promised long term sustainable employment for local people. In 2012 the company wrote it would require approximately 8,000 employees once fully operational, but by October 2016 it employed only a couple of hundred people. In the majority of villages community members reported employment by the company was limited or inexistent.

Moreover, dozens of them were terminated before their term, without notice or compensation.

SGSOC did not construct schools or hospitals, nor did it sustainably improve roads or provide access to water or electricity.

In this report, Greenpeace Africa exposes the stark contrast between SGSOC's promises, and the reality on the ground. Discontent is growing amongst villages in the concession area: last October, seven chiefs wrote to the President of Cameroon to announce the withdrawal of their support for and consent to the project. Moreover, 244 farmers recently filed a complaint against the company for trespass to land.

Greenpeace Africa adds its voice to these communities to put an end to an oil palm project that has used fake promises and, allegedly, bribery since it started operating, as exposed in the Greenpeace Africa report published last September: The chaotic history of destructive palm oil project in Cameroon.

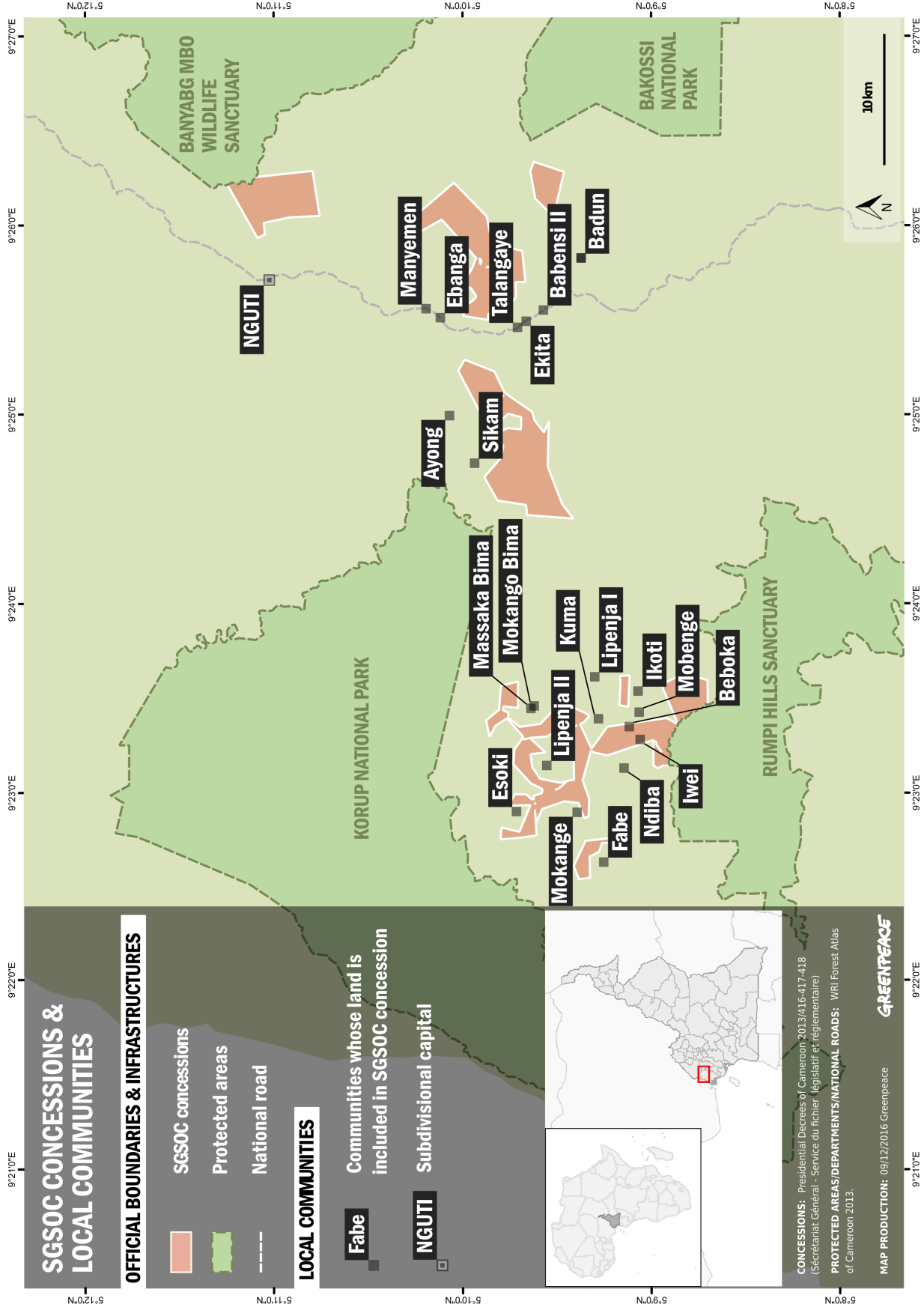
The period of SGSOC's temporary grant has now expired. The Cameroon government has the power to put an end to SGSOC's six year history of illegal logging, disdain for community rights, failed investments and forest destruction, to make way for real development that contributes to the well-being of communities.

Greenpeace calls on the government of Cameroon to:

- not issue a long lease to SGSOC and stop this wrong project in the wrong place;
- ensure justice is done for ex-workers by pushing SGSOC to compensate them equitably;
- ensure that a legal investigation is carried out to determine SGSOC's responsibilities in all the illegalities;
- listen to communities fighting to secure their access to their ancestral lands.

Greenpeace Africa has shared the content of this briefier with SGSOC and the Cameroon Ministry of Economy, Planning and Regional Development (MINEPAT) with a request for comment. However, both declined to comment.





1. Introduction

On 25 November 2013 the Cameroon government awarded a temporary grant for the development of an oil palm plantation to Sithe Global Sustainable Oils Cameroon (SGSOC), then a subsidiary of the US based company Herakles Farms (HF).¹ Amounting to a total of 19,843 hectares, the leased area is dispersed over three subdivisions and overlaps with the customary land of 22 communities,² located in a biodiversity hotspot.

SGSOC claims it obtained the Free, Prior and Informed Consent (FPIC) from these communities during its land acquisition process,³ yet this claim has been disproved both by community members and by experts who investigated the case.⁴ For one thing, prior to any meaningful stakeholder engagement and certainly without informed consent of local communities, in 2009 the company and the Cameroon government signed an agreement defining the nature of the project and granting it broad rights for a period of 99 years.⁵

From its early days, SGSOC has been promising a bright future of development unseen in the area surrounding its plantation. “[...] *this Company will give employment to our sons and daughters, improve the standards of living of the village communities in providing public utilities, clinics, schools, access roads, scholarships and above all, pay taxes to Government and the Councils*”, to quote the minutes of a 2008 introductory meeting held in Mundemba, an area where SGSOC was planning to develop a palm nursery.⁶ These and other commitments were later included in various documents signed with local communities and the government.⁷

Article 3 of the presidential decrees awarding the temporary grant required SGSOC to pay annual land rent sums totaling XAF 198,430,000 (EUR 302,505).⁸ Article 4 of the same decrees states that the State of Cameroon has the right to cancel the grant if at the end of the three year probation period the company has not realized the investments stipulated in the *cahier des charges*.⁹

On 25 November 2016 SGSOC’s temporary grant expired. Rumour has it that the government extended or intends to extend SGSOC’s temporary grant. Such extension risks to be reversed by a judge, as Cameroon land tenure law bars foreign companies from obtaining extensions to temporary grants. In fact, the government has only the choice between awarding a long lease and drawing a line under the project.¹⁰

In the run up to the end of SGSOC’s probation period, Greenpeace attempted to take stock of the company’s contributions to the treasury and its realizations in terms of social investments and community development. Six years after the company initiated its operations in Cameroon, what we witnessed was a cemetery of broken promises. As one villager of Lipenja II put it during a community meeting in September 2016: “*Just promises, promises, promises. Promises until the elders here will have all died, without eating, without even a drink from SGSOC. So we can say this is a promising company, not SGSOC. We were waiting for the fattest bone. Now we are dying, and the fattest bone is not coming.*”¹¹



2. Broken promises

SGSOC says:

“Direct communication and negotiation with land owners and local population when securing land bank.”¹²

A villager in Ndiba says:

“The concrete agreement has not been made by us here. There is no agreement made with the villagers, it is only made by other people up there, in their offices.”¹³

“We know the land which we have to give them. But we have not given them. We showed them the land, but we have not yet given it to them.”, adds a villager in Mobenge.¹⁴

SGSOC says:

“[...] existing farms and communities will remain, and land is being set aside for their expansion.”¹⁵

A villager in Ebanga says:

“They entered into people’s farms and they started making their traces. [...] They destroyed even some farms. And up till now I think they have not paid the compensation for those farms.”¹⁶

SGSOC says:

“Provide thousands of jobs for decades – in a region with currently very high unemployment.”¹⁷

Chief Lordson Asek Akum of Ayong, says:

“As a result of financial difficulties, SGSOC cut down their workforce 2 years ago. Initially they had close to 600 workers, but that number has actually dropped.”¹⁸

SGSOC says:

“Extensive social programs include college scholarships and community development programs.”¹⁹

Chief Motto Divine Ngoe of Ndiba, says;

“They gave scholarships to some children, but I don’t know whether those children are from villages involved in the concessions area. In my own village, I haven’t seen any child that has been given a scholarship.”²⁰

SGSOC says:

“Building public infrastructure including roads, hospitals and schools.”²¹

Chief Okanda Alex Ekpeni of Esoki, says:

“They made a promise of the road and they decided to give our own children employment, which they have never fulfilled. Nothing.”²²

SGSOC says:

“Contributions to community schools, hospitals, clean water facilities and community programming.”²³

Chief Philip Wangoe of Fabe, says:

“They started with some of the conditions, like digging a water borehole. Water came out for a few times and after that it is no more coming out.”²⁴



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Man wearing a tee-shirt against HF/SGSOC during a demonstration in Mundemba on November 14 2012



3. Lack of transparency



© Greenpeace / Jonas Hulsens
Cocoa tree in Lipenja II

What exactly are the investments and other obligations laid down in SGSOC's *cahier des charges*? Greenpeace contacted SGSOC and asked.²⁵ In its reply, the company avoided the question, but repeated an earlier invitation to meet and discuss the issues raised instead.²⁶ Subsequently we shared a list of Memoranda of Understanding and Common Commitments related to the project and asked the company to indicate the ones applicable and to add any that might have been missing.²⁷ Despite several reminders,²⁸ we received no further reply to our questions.

The Cameroon Ministry of Economy, Planning and Regional Development (MINEPAT) presides an inter-ministerial committee in charge of monitoring SGSOC's activities. Media reports indicate the committee visited the project sites in March 2014, February 2015 and January 2016.²⁹ Thus, Greenpeace also filed a request for information with MINEPAT.³⁰

In addition to the content of SGSOC's *cahier des charges*, we asked for relevant documentation about the activities of the monitoring committee, in particular mission reports, meeting minutes, analyses, maps and decisions. The Ministry did not reply in writing. During a meeting with a Greenpeace staff member, the official presiding the committee refused to share the requested information.

Other official bodies involved in the assessment of SGSOC's activities, in particular its investments, are the land consultative boards created at the subdivisinal level.³¹

The land consultative boards are presided by the Divisional Officer (DO). Besides a number of local government officials, they should include the chiefs and two elites from each village or community where the land conceded to a company is situated. The land consultative board is supposed to assess the development of the land and draw up a report specifying the amount of investments made, which is to be transmitted to the minister in charge of lands by the Senior Divisional Officer (SDO).³² Greenpeace copied the SDOs and DOs in its request for information to the SGSOC and MINEPAT. However, no information on the proceedings of the consultative boards or its assessment of SGSOC's activities was received.

Finally, an association called SGSOC-Project Affected Villages (SGSOC-PAV) was created in 2013 "[...] to have oversight and ensure effective implementation of the commitments in the Memoranda [sic] of Understanding, Common Commitments and future agreements entered into between Herakles Farms (SGSOC) and the project affected villages".³³ The Board of Governors of SGSOC-PAV comprises the company's senior management and 19 village representatives. There are four committees: infrastructure, legal and administration, employment and finance.

The latter is led by SGSOC itself.³⁴ In a 2013 HF "Frequently Asked Questions" document, the company claims SGSOC-PAV has about 100 members, including chiefs, women, youth, religious and community leaders.³⁵



Interviews with community members and chiefs sitting on SGSOC-PAV's Board of Governors bring into question the organisation's legitimacy, independence and performance. The chairman and secretary of the Board are alleged to have been bribed with money and a vehicle by SGSOC. One chief who asked to remain anonymous told Greenpeace: *"Information came out that the chief of Talangaye and the chief of Lipenja were on the SGSOC payroll for 700,000 francs per month. SGSOC was paying them, and so they rallied behind them and tried to convince the rest of the people."* Another one, also anonymously, said: *"Since they [the chairman and secretary, GP] are working with the company, the other communities they are not profiting anything, so we want them to step down, as per the other board members, because their mandate has expired."*

Given SGSOC-PAV has no independent source of revenue, SGSOC covers the costs of the meetings. As a result, no board meeting can be convened without pre-authorization from the company.³⁶

There are also complaints that invitees are informed very late about meetings and don't receive meeting reports afterwards. In the words of one chief: *"They only tell us the meeting is tomorrow."*

*This does embarrass us. What do we have in our mind? We are not able to express ourselves in the meeting! We are informed too late and that is why we are always embarrassed on their meetings."*³⁷

For more than one and a half years now, there has been no activity of SGSOC-PAV. The most recent meeting took place in February 2015 and included only the Board members. At that occasion, Jonathan Johnson-Watts, the new British investor, introduced himself and informed the Board that most of the investors had withdrawn and the company was in financial trouble.³⁸ A SGSOC-PAV meeting to be organized a couple of months later never took place.³⁹

SGSOC's lack of transparency seriously limits any attempt to independently assess its performance, not least because the precise nature and scope of its obligations remain unknown. Lack of transparency is a broader issue that pervades virtually all aspects of land allocations for large scale agricultural development in Cameroon.

Local communities, whose interests and rights are directly affected by such projects, are often groping in the dark.⁴⁰ The SGSOC oil palm project is a case in point.



© Environmental investigation agency
Aerial of SGSOC's concession near Babensi II



4. SGSOC's flawed FPIC process

International law requires companies to obtain Free, Prior and Informed Consent (FPIC) from local communities affected by their projects. FPIC is the principle that a community has the right to give or withhold its consent to proposed projects. It implies informed, non-coercive negotiations between investors, companies or governments and affected communities prior to the development and establishment of large-scale land deals.⁴¹

FPIC is not recognised in Cameroonian legislation. The existing laws and regulations refer to 'consultation' and 'participation' and never mention 'consent' of communities.⁴² In SGSOC's Environmental and Social Impact Assessment (ESIA) the acronym FPIC refers to Free, Prior and Informed *Consultation* instead of *Consent*.⁴³

The standards for participation implied in Cameroon national law and SGSOC's definition are significantly lower than the internationally accepted principle of FPIC. The primary mechanism for community consultation is the procedure involving the consultative boards mentioned in the previous section. These procedures only involve the chiefs and a couple of village elites. They neither guarantee nor require the effective representation and participation of the affected communities.⁴⁴ According to an analysis by the Cameroon NGOs Centre for Environment and Development (CED) and Network for the Fight against Hunger (RELUF), even the minimal consultation requirements set out by Cameroon law were violated by SGSOC when holding meetings of the land consultative board in Nguti Subdivision.⁴⁵

SGSOC's claims to have obtained FPIC have been completely disproved by experts who visited the project area to investigate the case. Dupuy and Achankap Bakia report that negotiations involved intimidation and bribery, targeting chiefs and influential decision-making members of the communities.⁴⁶ Nelson and Lomax from the UK-based NGO Forest Peoples Programme (FPP) claim that the company used communities' fear of confronting government authorities to force through decisions on the ground, even when there was widespread local disagreement and dissent.⁴⁷ They also point out that concrete actions by the company, such as demarcating land or clearance of community forest, were rarely preceded by previous information, discussion and consent.⁴⁸ They conclude: *"The assessment found that almost no communities in the Herakles/SGSOC development area have given their Free, Prior and Informed Consent to the development of a commercial palm oil plantation on their customary lands."*⁴⁹

Through targeted and well-timed gifts, SGSOC appears to have bought acquiescence of local communities. During interviews conducted by Greenpeace in September 2016, representatives of several communities mentioned how company staff repeatedly offered food and alcohol when it undertook actions on community's land.⁵⁰ In January 2013, the company even sent out a press release to inform that it "had [...] donated food to 1,700 households in 38 villages located in the Nguti subdivision of Kupe-Muanenguba and in Mundemba and Toko in Ndian. In total, 11 tons of rice and 10 tons of fish were distributed to more than 8,000 individuals in the Nguti, Mundemba and Toko areas".⁵¹ Some community members describe these kinds of gifts as manoeuvres to influence decision making: *"What I saw was just influence, they were influencing the community members, by giving those gifts, so that they can convince some of them to sign for them that they have given the land. That is the means they use."*⁵²

As we'll see in the following section, several communities in the concession area claim they never agreed to cede land to SGSOC. Moreover, on 25 October 2016, seven chiefs of Nguti subdivision wrote a letter to the Cameroon president informing him about their decision to withdraw support or consent for the project. They write: *"[...] the company's method of land acquisition and approach to the ceaseless complaints of the communities since it came on our land has left a very bad taste in our mouths."*⁵³



© Greenpeace / Jonas Hulsens
Water borehole in Lipenja I



5. SGSOC's social investment obligations

As mentioned in section 3, SGSOC and MINEPAT refused to share with Greenpeace the content of the cahier des charges referred to in the presidential decrees. But HF's 2013 FAQ mentions the existence of Memoranda of Understanding (MoUs) and Common Commitments (cahiers des charges) between SGSOC and the state respectively.⁵⁴ A number of such documents are available in the public domain, either because at some point HF published them on its website or because they were leaked and published by others:⁵⁵

- **“Memorandum of understanding between the indigenes [sic] of Nguti sub division and SG Sustainable Oils Cameroon LTD”,** dated 27 July 2010, signed by representatives of 21 villages;⁵⁶

- **“Memorandum of understanding between the indigenes [sic] of Mundemba and Toko subdivision and SG Sustainable Oils Cameroon LTD”,** dated 30 July 2010, signed by the representatives of 30 villages;

- **“Common Commitment (Cahiers des Charges) concluded by the State of Cameroon represented by the Senior Divisional Officer for Ndian and SG Sustainable Oils Cameroon Ltd, hereinafter referred to as the Company, for the exploitation of parcels of national land in Ndian Division”,** dated 31 August 2011, signed by the Senior Divisional Officer;

- **“Common Commitment (Cahiers des Charges) concluded by the State of Cameroon represented by the Senior Divisional Officer for Kupe Muanenguba Division and SG Sustainable Oils Cameroon Ltd, hereinafter referred to as the Company, for the exploitation of parcels of national land in the Kupe Muanenguba Division”,** dated 15 September 2011, signed by the Senior Divisional Officer. The MoU of 27 July 2010 is an integral part of this Common Commitment;

- **“Common Commitment (Cahiers des Charges) concluded by the State of Cameroon represented by the Senior Divisional Officer for Ndian and SG Sustainable Oils Cameroon Ltd, hereinafter referred to as the Company, for the exploitation of parcels of national land in Ndian Division”,** dated 6 June 2013, signed by the Senior Divisional Officer. A MoU of 3 February 2012 is an integral part of this Common Commitment.⁵⁷ The latter appears not to be published, so we requested SGSOC to share it with us, to no avail.⁵⁸

Apart from the names of the respective subdivisions and a couple of formulations, the 2010 Memoranda of Understanding are identical. They state the community representatives accept the investment by SGSOC in their subdivision and agree the project shall begin immediately after a joint demarcation of the project area. They spell out what the company will do in return:

- conduct a **Social and Environmental Impact Assessment (SEIA)**;
- set up a **joint demarcation** of land between SGSOC, administration and communities;
- **avoid damaging existing farmland** and provide compensation in case of resettlement;
- respect a **buffer zone** between the plantations and local farmlands, community forests, council forests and protected areas;
- leave out concession land for a local **outgrower scheme** and purchase the resulting fruit;
- provide **technical assistance** to local farmers;
- create long term **sustainable employment**;
- pay each of the villages a **monthly “stipend”** of XAF 50,000 (EUR 76) starting the first year of operation and XAF 200,000 from the start of production to each of the villages, subject to review;
- contribute **corporate taxes** to the relevant tax authorities;
- pay **land rental fees** to the local government treasury or as instructed by the government;
- contribute to local **schools**;
- provide **scholarships** for higher education starting from the first year of operation;
- provide **medical clinics** for employees and make these available to local communities (the 2013 common commitment even states that the company will provide medical facilities such as **hospitals**, health centers, pro-pharmacies);
- provide modern wells and portable pipe-borne **drinking water** to the communities;
- generate **electricity** and where practicable make the surplus available to communities at low cost;
- invest in farm **roads**.

The MoUs underscore the intention of the parties to prepare a formal agreement. Nelson and Lomax report that the MoUs were understood primarily as agreements between the participating parties to continue to talk together and negotiate.





© Greenpeace / Jonas Huilens
Cocoa farmer in Mopako

“Few local people believed that such documents constituted agreements by communities to hand over land to Herakles/SGSOC, since people had not yet been informed of the company’s exact plans for the places where they lived”, they write.⁵⁹ During interviews conducted by Greenpeace in September 2016, community members and chiefs told Greenpeace that SGSOC was expected to engage in negotiations with each of the communities individually. Several informants pointed out that any acceptance of the project they may have expressed was conditional upon further negotiations, the conclusion of a formal agreement at the village level and participative demarcation of the land to be ceded. To date, the large majority of villages does not have a formal agreement with the company. Some examples:

A villager in Ikoti: “Right up until today we don’t have any document according to which we, the community members here, have signed that we have given our land to these people.”⁶⁰

A cocoa farmer in Mobenge: “We have no agreement with SGSOC. We never got any paper with them. We know the land which we have to give them. But we have not given them. We showed them the land, but we have not yet given it to them.”⁶¹

A villager of Lipenja II: “We have never sat and agreed for a thing they have to do in this forest or for this village. We have never had an agreement with them. We have never sat together [...]. They only come and say: ‘We have done this and done this’, but we have not gone to an agreement with them, for what they have to do.”⁶²

A farmer in Ndiba: “The concrete agreement has not been made by us here. There is no agreement made with the villagers, it is only made by other people up there, in their offices.”⁶³

Except for the monthly “stipend”, the MoUs and Common Commitments contain no further specifications with regards to the timing, quantity or location of SGSOC’s social investments.⁶⁴ Thus, we assume other, more specific documents exist. The Cameroon government’s and SGSOC’s lack of transparency prevented us from obtaining confirmation on this point. Field investigations did not result in obtaining such documents either. As a result, which part of the aforementioned obligations SGSOC had to realize before the end of the three year grant, i.e. by 25 November 2016, remains unclear.



6. Compliance assessment

“In addition to reducing dependence on imports for this food staple, the plantations will deliver a whole range of benefits for the local population, including jobs, housing, health clinics, clean water and schools, while safeguarding the incredible biodiversity of this part of the world”, SGSOC wrote in a June 2011 press release.⁶⁵ The company has pushed out many more press releases and other documents highlighting its good deeds, in an apparent attempt to convince the world that its project is beneficial for local communities. In September 2016, the managing director wrote Greenpeace: “Please be aware that the company is fulfilling its obligations as per the contract.”⁶⁶

Based on HF/SGSOC’s own publications, our observations made on the ground and interviews with community members conducted in September 2016, this section attempts to assess SGSOC’s compliance with its social investment obligations as described above.

6.1. Rents, taxes and “stipends”

The 2013 presidential decrees requires SGSOC to pay an annual land rent totaling XAF 198,430,000 (EUR 302,505). The company appears not to have respected this obligation. In September 2016 Greenpeace contacted the treasurer at the Department of Lands in Bangem, the capital of Kupe Muanenguba division. Although in charge of revenue collection, the treasurer admitted he was not aware that SGSOC was supposed to pay land rent. Only after the treasurer sent out a notice of recovery, SGSOC reportedly paid XAF 10,000,000, only a fraction of the amount due.

In an October 2016 letter to the Cameroon president, seven local chiefs of Nguti subdivision, four of which sit on the Board of SGSOC-PAV, wrote in a letter to the president of Cameroon that the company has not paid the agreed amount for the past three years.⁶⁷

According to the illegal Establishment Convention signed between SGSOC and the Cameroon Government in 2009, “For a period of 10 years from the Initial Production Date of the Production Area, Investor shall enjoy a total exemption from any and all existing and future Taxes and Duties whatsoever”.⁶⁸ Despite this clause “payment of corporate taxes” was included in the list of commitments in the MoUs. SGSOC’s 2011 Environmental and Social Impact Assessment (ESIA) also foresees an annual benefit for the government of XAF 840,500,000 (EUR 1.2 million) in payroll taxes starting year one.⁶⁹ It is not known whether the company has paid any taxes.

SGSOC started operating in August 2010.⁷⁰ However, for the past six years, it has not paid the XAF 50,000 per month to each of the villages whose land it was granted. Representatives of fourteen villages told Greenpeace they have never seen this money. One chief and Board member of SGSOC-PAV (see chapter 3) said at one point chiefs threatened to boycott future Board meetings unless the company started paying the “stipend”. The company then reportedly paid a one time XAF 50,000 to the villages.⁷¹ At least two communities were given cheques but were surprised when they tried to cash them in vain.⁷² “We went to the bank and felt like fools. The people said that SGSOC has not deposited any money. We’ve never collected even a 5 francs”, the chief of Esoki told Greenpeace.⁷³

In Fabe, where SGSOC operated a nursery from 2011 to 2014, in 2015 SGSOC reportedly paid XAF 600,000, the sum for one year, in arrears. The community was still waiting for the unpaid “stipends” for the remaining period.⁷⁴

The chief of Ebanga, one of the villages that have recently withdrawn their support and consent with the project (see chapter 4), said his village simply refused to take any money from SGSOC: “They have promised that they would be giving some money to project affected areas. Other villages have collected. We of Ebanga we have refused to collect, because by collecting you show that you are aligning with them, so we have not collected”.⁷⁵

6.2. Employment

“The project will employ several thousand full time permanent employees once fully operational [...]” one reads in the MoUs.⁷⁶ In 2012, the Herakles Farms CEO wrote: “Once fully operational, the organization will require approximately 8,000 employees [...]”.⁷⁷ The company declared it was committed to hire people from the local villages wherever possible and said its lowest wages were twice the national minimum wage.⁷⁸

SGSOC started its operations with the creation of a 10 hectare nursery at Talangaye in August 2010. By July 2012, the company had developed two more nurseries in Lipenja I and Fabe and the area amounted to 30 hectares.⁷⁹ Another nursery was created soon after in Nguti and by December that year, SGSOC had planted four nurseries and cleared over 60 hectares of forest.⁸⁰ By October 2016 the company had reportedly planted 800 ha of palms.⁸¹



Asked in September 2016 how many villagers work or have worked with the company, representatives of nine villages said none.

Another five gave numbers between one and three. Some of the communities said they are still hoping for the company to come: *“We are wanting [...] the employment of the people of Ndiba with SGSOC. It’s not that we are too late to be employed, we can be employed, why should we not be employed then? We need employment. We need everything possible for Ndiba”*.⁸²

To the extent that local people were employed, employment was concentrated in and around the villages where the company created its nurseries. Chiefs estimate about 80 people worked in Fabe,⁸³ about 100 in Lipenja I.⁸⁴ No estimations were obtained for Talangaye and Nguti. Much of this was temporary employment for general labour like clearing and planting during the creation of the nurseries. Several chiefs underlined that this was not what they had in mind when they signed the MoU:

*“It’s not one of the reasons I wanted to get SGSOC for, to get planters. No, the kind of employment I wanted was employment on technician level and management level. So that my people would see that this project is their project. Now if you go and ask my community members to become planters, labourers? No! They have their farms to do that.”*⁸⁵

- May 2013: reduction of workforce due to suspension of activities

In a press release of 18 May 2013, SGSOC announced it was reducing and furloughing its workforce of 690 full-time employees, in response to a Ministry of Forestry and Wildlife (MINFOP) order suspending the company’s logging activities.⁸⁶

- May 2015: halt of activity in Ndian division

Shortly after the signature of the 2013 presidential decree, the CEO of Herakles Farms committed suicide.⁸⁷ While SGSOC appears to have been facing financial difficulties before, according to the chairman of SGSOC-PAV from that moment investors started to pull out: *“All the investors believed in Bruce Wrobel. They left when he died. When he was alive, money was available for the project”*.⁸⁸ Financial difficulties continued. On 29 May, 2015, the company decided to halt all activity in Ndian division, where the majority of the villages is located.⁸⁹ Many workers were awarded certificates of appreciation and asked to go to the Divisional Office of Labour in Mundemba to receive compensation.

“Some of us received an amount around 300,000 francs plus 70 plants of palm oil”, said one of the ex-workers in a December 2015 interview with Greenpeace.

However, many laid-off workers were not paid outstanding salaries, let alone compensation. Due to this, complaints were filed with the Delegate of Labour in Mundemba.

One local villager explained to Greenpeace that: *“[...] before SGSOC, I had my farm and at the end of the year, I had enough money to live and even enable me to send my child to school. What SGSOC brought was promises of security and monthly paychecks. But now I lost my job, and lost my farms, what am I to do now?”*

In September 2016, only a handful of employees remained stationed in Ndian division to guard the Fabe and Lipenja I nurseries.⁹⁰ Communities had no clue as to whether the company intended to come back or has left definitively. During an October 2016 meeting with the administration and community representatives, SGSOC’s Managing Director said the company now employs 189 workers and about 168 contractors in Nguti. He also announced the intention to restart operations in Ndian division in 2017.⁹¹

6.3. Access to water

SGSOC’s ESIA provides for the installation of one well in each village during the first 4 years of operation,⁹² but this has not been done. By 2016, the company had installed a water borehole in three of twenty villages mentioned in the 2013 presidential decree. A fourth village, where the company has its headquarters, was given money to improve its water system.

Villagers of Ebanga complain that the existing water catchment of Manyemen, Ebanga and Betock were damaged by SGSOC practices. Reportedly, when the company bulldozed the area, run-off polluted the water catchment. According to the villagers, since then, several people got sick from drinking the water.

- September 2011: drilling of a water borehole in Fabe

In a press release, the company claims that it finished a borehole in Fabe and will continue to develop wells in communities in need throughout its concession.⁹³ When Greenpeace visited the area in September 2016, the borehole was defunct. According to the chief it worked a few times and then water stopped coming out.⁹⁴

One more defunct borehole drilled by SGSOC was pointed out by community members in Lipenja I. In Mokango Bima, another SGSOC borehole still worked, but villagers complained that the water coming out is “oily” and not fit for consumption.⁹⁵

Representatives of Manyemen, the village where SGSOC has its headquarters, told Greenpeace the company has twice given money to improve their water system.⁹⁶



6.4. Access to education

SGSOC has not constructed a single school.

- 11 March 2012: one time distribution of school books in Ndian division

SGSOC donated a set of textbooks and workbooks to 35 secondary schools of Ndian division.⁹⁷ This action was never repeated or extended to Kupe Muanenguba division. In Manyemen, Kupe Muanenguba, the village where the company currently has its headquarters, the school support for the school year 2016-2017 was described as follows: *“We expect the company to come and bulldoze the field to prepare football fields”*.⁹⁸

- 22 October 2012: one time award of scholarships to 26 students

In October SGSOC announced what it calls the “Dr. Isidore Timti Memorial Scholarship Fund”. 26 students received a higher education scholarship covering tuition, books, accommodations, travel and housing expenses, as well as a “stipend” for the full term of their studies.⁹⁹

Almost half of the scholarships were given to youth from the four locations where the company was operating its nurseries.¹⁰⁰ While seven of the beneficiaries are reported to be from villages that did not cede land to the company, from nine of the villages whose land was given to SGSOC, not a single youth received a scholarship.¹⁰¹ According to one media report, SGSOC also decided to fund schooling for one baby from Lipenja II born that year from first class up to a university decree.¹⁰²

In the aforementioned open letter, published a few weeks before the scholarship programme was announced to the press, Herakles Farms’ CEO wrote: *“Next year we will award a similar amount of scholarships. Even more importantly, we will guarantee a job to any one of our scholars upon completion of their degree”*.¹⁰³ However, until today no more scholarships have been provided. Moreover, in all but one case the job guarantee was not complied with.¹⁰⁴ In the words of one chief: *“Our village’s son did accountancy, he has already graduated. But the company has not fulfilled its original engagements: the boy is idle”*.¹⁰⁵

6.5. Access to healthcare

“The development of roads, schools and health clinics is expected to commence in the first half of 2012”, the company wrote in a September 2011 press release.¹⁰⁶

Nothing indicates that SGSOC ever constructed *“[...] medical facilities such as hospitals, health centers, pharmacies [...]”* and made them *“[...] available to the*

local population”,¹⁰⁷ as promised in its MoUs and required by its Common Commitments signed with the State of Cameroon.

- 2012: distribution of 3,000 mosquito nets across the 3 subdivisions (Herakles Farms, 2012; SG SOC, n.d.)

- March-April 2012: one time sponsoring of medical consultations and surgeries

Sponsored by SGSOC, a Cameroon organisation called WecCare Foundation provided during one month medical consultations, medication and operations in government health centres of Talangaye and Ayong in Kupe Muanenguba division and Lipenja I and Meangwe in Ndian division.¹⁰⁸ The former CEO of Herakles Farms wrote that approximately 2,500 medical consultations and more than 250 surgical operations took place.¹⁰⁹ SGSOC’s website provides slightly different figures: more than 3,000 people and 345 operations.¹¹⁰ We have not been able to verify these figures.

None of the members or representatives of 20 communities interviewed by Greenpeace in September 2016 reported any structural improvement in their access to healthcare as a result of SGSOC’s presence in the area. Only in Fabe we were told a former SGSOC employee, who had acted as a nurse, settled in the village and continues to sell medicine today.¹¹¹

- January 2013: temporary supply of electricity to St. John of God Hospital in Nguti

In a 2013 Herakles Farms press release, the company wrote that it had been providing electricity to St. John of God Hospital in Nguti between 6:00 p.m. and 6:30 a.m during an unspecified period.¹¹²



© Greenpeace / Jonas Hulsens
Kids in Esoki



6.6. Access to electricity

Apart from the hospital in Nguti, no community has been offered access to electricity by SGSOC.

“They would bring us light, but we don’t even have a generator”, the chief’s representative of Mokango Bima told Greenpeace.¹¹³

6.7. Smallholder support

The URL <http://mybrandworkz.co.uk> hosts an SGSOC website which has been under development over the past months. On this website, SGSOC claims it registered 52 outgrowers and supplied them with 39,754 hybrid seedlings and provided training and assisted with the creation of three oil palm farmer cooperatives. Another 133 farmers with mature oil palm farms are said to be ready to supply the mill once it becomes operational.¹¹⁴ We have not been able to verify these figures.

According to chief Lordson of Ayong, the smallholder scheme was started early 2015 and provides seedlings to be paid back at a cost of XAF 1,000 per seedling.¹¹⁵ In Ndian division, community members reported seedlings were supplied for free.¹¹⁶

SGSOC started operating three years before it received a temporary grant of land to develop its plantation. By June 2012 it had reportedly 70,000 seedlings ready for transfer to the field.¹¹⁷ Given the slow progress of its own plantation works, selling or giving the seedlings to the local communities was probably the only option to preserve them.

6.8. Road infrastructure

The construction and improvement of roads is cited by many community members and chiefs as a key benefit they expected from SGSOC’s presence. For the company, decent roads are a necessity to be able to transport materials, staff, plants, fruits, etc. In Fabe and Lipenja I we were told nearby roads were maintained and in a better state at the time the company was still actively operating its nurseries.¹¹⁸ Community members in Manyemen said the roads the company created to access its plantation also facilitated some farmers’ access to their farms.¹¹⁹ One media report describes how SGSOC at the end of 2012 once deployed its heavy machines to improve bad spots on the road between Baduma and Mbakwa-Supe.¹²⁰ However, in the majority of villages, when asked whether the company had done anything to improve their roads, the answer was no.



7. Conclusion

An African proverb says that words are like bullets: if they escape, you can't catch them again. This is also true of the promises SGSOC made. In November 2013, SGSOC acquired a temporary land lease which includes customary land of 22 communities. The overwhelming majority of these communities have not given their Free, Prior and Informed Consent (FPIC) to the project. SGSOC's temporary grant was accompanied by a cahier des charges including the company's obligations in terms of social investments and community development. Due to lack of transparency, the exact nature and scope of these obligations remain unclear. Greenpeace Africa's investigation on the ground shows that since 2013, SGSOC has realized hardly any of the social investment commitments included in various MoUs and common commitments signed with local communities and the Cameroon government respectively. The company's poor performance, as well as numerous allegations of bribery, also put into questions the good faith and competence of its management. SGSOC has not lived up to its promises and frustrated expectations of communities while it is destroying the sources of their livelihood. As a result, support is fading away. Last October, seven chiefs wrote to the President of Cameroon to announce the withdrawal of their support for and consent to the SGSOC plantation project. SGSOC's temporary grant has now expired.

The Cameroon government has the power to put an end to SGSOC's six year history of illegal logging, contempt for community rights, failed investments and forest destruction, to make way for real development that contributes to the well-being of communities.

Greenpeace calls on the Government of Cameroon to:

- Not issue a long lease to SGSOC and stop this wrong project in the wrong place;
- Ensure justice is done for ex-workers by pushing SGSOC to compensate them equitably;
- Ensure that a legal investigation is carried out to determine SGSOC's responsibilities in all the illegalities;
- Listen to communities fighting to secure their access to their ancestral lands.



© Greenpeace / Maureen Grisot
Entrance to SGSOC palm nursery in Fabe





© Greenpeace / Jonas Hulsens
Water borehole in Mokango



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- ¹⁰¹ Ibid.; Herakles Farms. Herakles Farms Congratulates the 26 winners of its first annual Dr. Isidore Memorial Scholarship Fund. 22 October 2012. Retrieved from: https://www.google.de/url?sa=t&rct=j&q=&esrc=s&source=web&cd=5&cad=rja&uact=8&ved=0ahUKewj175Lu-vb3QAhUBWhoKHbbuBQEQFggwMAQ&url=http%3A%2F%2Fxa.yimg.com%2Fkq%2Fgroups%2F19139358%2F1959646451%2F-name%2FHF%2BAD%2B1%2BEnglish%2BFinal%2B&usq=AFQjCNGYW7G_iDBFDKsqT6Bx2422Gz3ZA&bvm=bv.139250283,d.d2s
- ¹⁰² s.a. 2012. "Herakles Farms (SG-SOC) Health Initiative Saves Premature Baby". Cameroon Postline. 5 September 2012. <http://www.cameroonpostline.com/herakles-farms-sg-soc-health-initiative-saves-premature-baby/> [accessed 7 October 2016]
- ¹⁰³ See note 77.
- ¹⁰⁴ One of the beneficiaries from Manyemen reportedly was working with SGSOC as an accountant in September 2016. Interview with Bisong John Bisong, Longason Thomas, and Moore John Targang (see note 96).
- ¹⁰⁵ Interview with HRM Chief Njuma Etana (see note 50).
- ¹⁰⁶ Herakles Farms. 2011. Herakles Farms Releases Environmental & Social Impact Assessment, Launches Social Infrastructure Program (see note 93).
- ¹⁰⁷ Common Commitment (Cahiers Des Charges) Concluded by the State of Cameroon Represented by the Senior Divisional Officer for Kupe Muanenguba Division and SG Sustainable Oils Cameroon Ltd (SGSOC), Hereinafter Referred to as the Company, for the Exploitation of Parcels of National Land in Kupe Muanenguba Division (see note 64).
- ¹⁰⁸ Herakles Farms. 2012. Herakles Farms Announces Update on Its Cameroon Palm Oil Subsidiary SGSOC (see note 79); Interview with HRM Chief Lordson Asek Akum (see note 18); Interview with HRM Chief Njuma Etana (see note 50).
- ¹⁰⁹ Wrobel, B. Op. Cit.
- ¹¹⁰ SG SOC. Community. SG SOC. <http://mybrandworkz.co.uk/community-2/> [accessed 26 October 2016]
- ¹¹¹ Interview with HRM Chief Philip Wangoe (see note 24).
- ¹¹² Herakles Farms. 2013. Herakles Farms Initiates Programs To Meet Community Health And Social Needs (see note 51)
- ¹¹³ Interview with villagers of Mokango (see note 95).
- ¹¹⁴ Herakles Farms. Op. Cit.; Interview with Bisong John Bisong, Longason Thomas, and Moore John Targang (see note 96). Thomas Longason is an employee of SGSOC and involved in the coordination of the smallholders scheme.
- ¹¹⁵ Greenpeace. 2016. Interview with HRM Chief Ejuba Ewane Joseph (Babensi II). Limbe. 17 September 2016; Interview with HRM Chief Lordson Asek Akum (see note 18).
- ¹¹⁶ Interview with villagers of Mokango (see note 95); Interview with HRM Chief Philip Wangoe (see note 24).
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- ¹¹⁸ Interview with villagers of Lipenja I (see note 84); Interview with HRM Chief Philip Wangoe (see note 24).
- ¹¹⁹ Interview with Bisong John Bisong, Longason Thomas, and Moore John Targang (see note 96).
- ¹²⁰ Adams, B. "Kumba-Nguti Road Accessible Again". Cameroon Postline. 9 December 2012. <http://www.cameroonpostline.com/kumba-nguti-road-accessible-again/> [accessed 19 October 2016]





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Aerial of forest clearance on SGSOC's concession near Babensi II