



How a U.S. company is breaking laws and grabbing land in Africa

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AlterNet | 14 May 2012

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Editor's Note: Azore Opio is a reporter for the Post in Cameroon. After submitting this article for publication, he never received a response from the paper's editorial board, whether due to intimidation by the government, the company concerned or self-censorship. It is no wonder that Cameroon's press status is rated as "not free" by Freedom House.



(Photo Credit: RELUFA.org)

In recent years, large-scale land acquisitions in sub-Saharan Africa have increasingly attracted the attention of the media, environmental scientists and conservationists. But these acquisitions have come with enormous ecological costs that affect local people by cutting off access to the resources they depend on for their livelihoods.

The current dispute raging between the American-owned SG Sustainable Oils Cameroon PLC (SGSOC) and the indigenous people of Toko and Nguti, in the southwest region of Cameroon, is an extraordinary case in point.

In 2009, SGSOC signed a 99-year contract with Cameroon's government for around 70,000 hectares (over 170,000 acres) in the Ndiang and Kupe-Muanenguba regions of the country. The company plans to develop a large industrial palm oil plantation and refinery on 60,000 hectares of the concession, and produce palm oil and other products. SGSOC insists that the plan will create 7,500 jobs, as well as generate revenues for Cameroon's government, improve road infrastructure and deliver other social services.

However, local and international NGOs are raising concerns about the impact the project might have on the environment and human rights. The company's contract gives it the right to arrest and detain people within their concession. It also practically exonerates the company from paying taxes, and states that all contractual terms are valid even if they are in conflict with Cameroonian law.

SGSOC is a subsidiary of American agribusiness corporation Herakles Farms. In turn, Herakles Farms is a subsidiary of Herakles Capital, a New York-based venture finance firm that specializes in investments in developing countries. Herakles Farms, in partnership with its non-profit, All for Africa, is focused on large-scale sustainable agricultural projects in sub-Saharan Africa.

SG Sustainable Oils Cameroon has also been a member of the Roundtable on Sustainable Palm Oil (RSPO) since March 2008, whereas Herakles Farms was only approved as a member in 2011. RSPO requires its members to use best-practice social and environmental standards when developing new industrial palm oil plantations.

The company has not lived up to those standards.

SGSOC been accused by the indigenous people of the region, as well as local NGOs and environmental conservationists, of "grabbing" communal land, which could dispossess hundreds, if not thousands, of people from their ancestral land and sources of livelihoods. The continuing dispute could lead to conflict, hunger and human rights abuses.

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The government of Cameroon, for its part, doesn't seem to have helped matters.

According to four wildlife and environmental conservation groups, the government of Cameroon approved the company's environmental and social impact assessment (ESIA) in September 2011. But by then, the company had already cleared at least 28 hectares of forest.

This was in blatant violation of Cameroonian laws that lay down what is subjected to an environmental impact assessment.

And last year, the German Federal Minister for Economic Cooperation and Development criticized the lack of transparency SGSOC displayed when interacting with stakeholders during an informal meeting.

Cameroon's government gave no heed to the complaints nor did it react to the German Minister's criticism. Instead, on August 4, 2011, a senior territorial administrator attempted to force stakeholders present at a separate meeting into accepting the proceedings of the meeting as a green light for SGSOC.

A day prior, on August 3, the senior administrator had dispatched an intimidating letter to the stakeholders invited for the August 4 meeting. In it he demanded the names and addresses of the sponsors of the meeting and warned stakeholders not to use the forum to challenge any convention regularly entered into by Cameroon or its representatives. The organizers were informed that the meeting would be shut down unless all the documents requested were provided. The government administrator's presence was also required.

The government's lack of criticism of the palm oil plan, though, hasn't trickled down to the broader population.

Community Anger

Outrage cuts across the villages located in the Nguti region. Chiefs, villagers, environmental scientists and NGOs want SGSOC's plan to be stopped. Community leaders and advocates have been knocking on all possible doors, from local administrations to the courts.

William Ebenkasoh, a New Konye village elder, says he heard about SGSOC three years ago.

"The gentle friends came to the village and said they were bringing development to the village. They made so many promises," said Ebenkasoh.

He said the people of New Konye do not want SGSOC to build its plantations in the village because they would be thrown out of their own land and turned into laborers.

"The company will take many resources like timber, if not destroy things like njangsa, bush mango, bush pepper...and many other important plants on which our people depend very much," said the 83-year-old political economist. "Taking over our land would affect us, our children and their children for a very long time. They would not have any land to farm in the future."

Most of the farmers who grow cocoa, bananas, plantains and more believe SGSOC does not care about how much will be destroyed in the process of building the palm oil plantation.

Helen Awah Bechem, 21, is from Ekita village. She has three children and is pregnant with the fourth. "My late husband and I were farmers. I must tell you that our farm is all we have got in life. Nothing else. We feed ourselves and our children from the crops and sell some to send our children to school and also to hospital whenever they fall sick," said Bechem. "Now SGSOC's demarcation line has passed in the middle of my farm and I don't like the idea. If SGSOC takes away my farm, it will cause me plenty of problems because I won't have any other source of livelihood. It is only through that farm that I and my children can survive."

Benjamin Nzikang Mbuh, another farmer, says SGSOC has traced a line through his farm, which is about the length of five football fields, and cut it off without his knowledge.

Nzikang says he doesn't know what he would do without his farm if SGSOC ever takes it away. "It is part of my life," he said.

Most of the chiefs in the affected areas also don't agree with SGSOC's "frivolous" manner of carrying out activities in the villages.

"Communities involved with SGSOC are very unfortunate. SGSOC is playing hide and seek with the people. It has disrespected an agreement to inspect village and farmland boundaries. We want SGSOC, the government and the villagers to sit at a round table and discuss this plantation issue," the Chief of Baro, Napoleon Tabi, said.

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Despite SGSOC's claim of a "sustainable and environmentally friendly" oil palm project, surreptitious demarcation of land by the company has become a burning issue. And outrage over its "opaque" activities has also grown recently, as irregularities in its environmental and social impact assessment (ESIA) has been uncovered.

A report released in March 2012 by the Centre for Environment and Development (CED), in collaboration with RELUFA (Rseau de Lutte contre la Faim), shows that SGSOC has flouted several regulations governing land concessions for large-scale agro-industries.

"First, SGSOC has one project with two ESIA's," says the report. "The original ESIA produced by H&B Consulting USA (Cameroon Division) was not made public. SGSOC modified the impact assessment in secret and then submitted a watered-down version of the document to the Cameroon government for comment and approval."

The report faults SGSOC for bad economics and bad ecology. It says the annual surface rent of 500 Central African francs per hectare, which SGSOC would pay to the government, is extremely low compared to other projects of a similar nature.

"The contract entitles the company (not communities or government) to all the carbon credits generated by the plantation," reads the CED-RELUFA report. "It also exempts the company from paying taxes for a 10-year period to begin when production equals 10 tons of palm fruit bunches on at least 3,000 hectares. In addition, the contract gives SGSOC free access to natural resources such as timber, clay, gravel and the right to use unlimited amounts of water within its land concession."

No Regrets

SGSOC has offered modest mea culpas since complaints about its activities started flowing. But the company has continued to brazenly commit violations.

"SGSOC has misled the [Cameroon] government about the state of the forest to be cleared and has violated rules set by the Roundtable on Sustainable Palm Oil (RSPO), of which it's a member," reads an open letter against the project signed by scientists from a wealth of academic institutions. They argue that the plantation will destroy rich forests, imperil endangered species and sow conflict with local people.

Meanwhile, the central role of the state in land relations has come into question as a result of the SGSOC plans. According to the NGO ACDIC, Cameroon has been importing food while quietly offering tens of thousands of hectares of its most fertile land to a company that has flouted all the rules of the game.

Defying the Court

Beyond bad economics and bad ecology, SGSOC remains defiant on two court injunctions and has gone ahead with its activities.

The report from CDE and RELUFA states that "on August 31, 2011, the Mundemba High Court placed a moratorium on the SGSOC plantation with a penalty of FCFA 500.000 per day if the restraining order is violated."

A second moratorium placed on SGSOC's activities was issued on February 27, 2012. "The prolonged stay by the local indigenes on these lands (Toko and Nguti) gives them customary possessory rights which are predicated on ancestral ownership. This right to ancestral ownership makes it mandatory for anybody...dealing with such land for whatever purpose to take the ancestral rights into consideration. The indigenous people cannot therefore be ignored or disregarded, mindful of their age-old possessory rights on the land."

The injunction goes on to temporarily prohibit the company from moving forward "until the mandatory impact assessment is carried out with a view to evaluate the impact of their acts on the human and environment of these areas."

Still, SGSOC has stubbornly continued carrying out activities on the ground.

Besides the injunctions, the Cameroon Southwest Regional Delegation of Forestry and Wildlife has addressed SGSOC on its intention to clear 2,500 hectares of land in the Nguti Sub-Division.

The delegation reprimanded the company for presenting a different situation plan than the delegation had previously seen. Above all, there are no supporting documents that legally empower SGSOC to proceed with the forest clearings.



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Furthermore, an analysis by the delegation of a Memorandum of Understanding (MoU) established by SGSOC indicates that the company may not have entered into a legal contractual agreement with natives. The MoU, which states that natives release their land rights to economic investors for 99 years, bears no logo, letterhead, names or signatures. It also does not list positions or functions of officials.

"At some point it appeared local representatives were coerced and lured to sign the MoU, even before the results of the social and environmental impact assessment were made public," states the analysis. "Signing the MoU implies permanent surrender of the rights of natives in the land. Considering the amount of land in question and the number of years involved, is it so negligible that the company's officials in the US or representatives here could not witness the signing of the MoU with the natives of the area? Why was the attendance list attached to the MoU without a title and date? Is the MoU, signed largely by the community representatives, a legally binding contract between the local communities and SGSOC?"

The CED-RELUFA report contains some ideas on how to remedy such abuses. The report recommends that Cameroon place a moratorium on the granting of new concessions until a mechanism for contracts has been developed which takes into account already existing land rights.

Meanwhile, a trip to the Herakles Farms head office in the southwest region of Cameroon yielded no further information.

SGSOC environmental manager, Denis Anye, was not willing to grant an interview on their activities because his boss was not around.

"I am the environmental manager of the company, but, you know, I have to respect hierarchy first," said Anye.

 **AlterNet** 14 May 2012

