



Report
Fact finding mission on Herakles Farms (SGSOC) oil palm plantation project, February 2013



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1. Context and justification:

Herakles Farms (SGSOC) is actively negotiating as much land as possible with local communities which are not prepared or neither informed on what they are getting into. SGSOC project compete directly with the livelihood of the local population and the loss of opportunities offered by forest resources can't be compensated by few precarious employments in the plantation. The proposed concession area is occupied by about 56 villages with a population of about 16.000. Furthermore **Herakles Farms (SGSOC)** oil palm plantation project is located within an ecologically vital area, one of the largest surviving

tracts of lowland forest in the Gulf of Guinea. Its development would fragment the regional landscape and completely isolate the surrounding protected areas. Besides **Herakles Farms (SGSOC)** is not respecting anymore the initial proposed concession boundary and negotiate land in areas which are not covered by their ESIA (Mosongiseli and Ngumu blocks/11'000 ha). Communities are clearly pushed to cede as much as possible land to the company without taking into account their own needs.

Herakles Farms (SGSOC) oil palm plantation project as it is planned so far will have considerable negative impact on peoples' livelihood of Ndian and Kupe-Manenguba Divisions and will result in several land use conflicts. PSMNR under result 1 is supporting the Technical Operation Units (TOUs) which have mandate from the Prime Minister to mitigate land use conflicts which are concerning forestry conservation and community development. Besides supporting the management of Korup NP and BayangMbo Wildlife sanctuary, PSMNR is intervening in two council forests and several community forests adjacent to the **Herakles Farms (SGSOC)** proposed project area. It is in this perspective that a fact finding mission was organized to document the situation and propose a conflict management strategy.

2. Objectives of the mission:

The mission objectives were to assess **Herakles Farms (SGSOC)** interventions on the ground (Sambaliba operation site, Talangaye exploitation block, Fabe nursery...) and evaluate how far villagers went into negotiation with SGSOC and in which form of agreements. The mission was also intending to reinforce communities' negotiation capacities and create awareness on alternative development scenarios (small holder schemes, NTFP, community forests, REDD...).

The information collected during the mission shall enable PSMNR through its result 1 to define a strategy to improve conservation issues in the area and at the same time promote alternative development scenarios. PSMNR intends based on the finding of this mission to request for additional funding under result 1 (TOU) of PSMNR-SWR to fully implement the proposed strategy. The proposal for additional funding will be discussed during the next bilateral discussions.

3. Methodology adopted

The fact find mission has been conducted in Kupe-Manenguba and Ndian divisions during the second half of February. The team was composed of the GIS officer of MINFOF SW Regional Delegation and GFA/Forest and Wildlife Expert (FEW). The team was accompanied in Ndian Division by the KN TOU assistant conservator and GFA National Forest Expert (NFE). The mission was initially designed to sample communities' opinion on **Herakles Farms (SGSOC)** project with selected representative panel of villages. Since **Herakles Farms (SGSOC)** was already very actively negotiating land, the team decided to visit each and every village¹(see villages visited in Annex 1) to provide advises on the negotiation process. The team has opted to engage in an open discussion with some community representatives in small groups comprising of at least one member of the traditional council and if possible youth and women representatives. The team explained that PSMNR wasn't against **Herakles Farms (SGSOC)** project but wanted to ensure that the community was fully aware of what they were negotiating.

¹Fact finding mission is still ongoing with remaining villages

These sessions were organized to enable communities to reflect and take a better informed decision towards the **Herakles Farms (SGSOC)** project and better negotiate with the company. For those who have already entered into the negotiation process, the team provided recommendations on what bases to re-negotiate the agreement which can better contribute to their development and to the conservation of their natural and social environment. With the aid of maps the communities were advised to set aside sufficient land for future community development and avoid conflict with neighboring communities. Terms of agreements contained in the MoUs signed between **Herakles Farms (SGSOC)** and the villagers were reviewed with the communities during which they were advised to negotiate meaningful development support from the company, in particular the inclusion of small holder schemes. The team has offered PSMNR technical support to realize alternative land use planning and review their agreements.

4. Findings from the mission:

4.1 Herakles Farms (SGSOC) operations:

In Nguti Sub-Division, **Herakles Farms (SGSOC)** is currently opening the first 2500 ha plantation block negotiated with Talangaye, Ekita, Ebanga and Manyamen. About 600ha of this first block already falls outside **Herakles Farms (SGSOC)** proposed concession limit covered by their Environmental Social Impact Assessment (ESIA) (see annex 2, map 1). Neighboring villages such as Badun and New Konye were never consulted nor associated to the negotiations whereas apparently the first block overlaps with their traditional land. It is worth noticing that these two villages are against **Herakles Farms (SGSOC)**. The situation is clearly a source of potential conflicts among the communities concerned.

The result of the inventory recently conducted by SW MINFOF clearly shows that this first plantation block is being established within a rich secondary productive forest. 57 000 m³ of exploitable timber were inventoried within the 2500ha block which is comparable to the volume that could be found in any other Forest Management Unit (FMU) exploited in South West Region. Based on our field observations **Herakles Farms (SGSOC)** has open around 300ha which is far above the 60ha tolerated by the law if no presidential land lease decree has been signed. **Herakles Farms (SGSOC)** has already planted a portion of the land and piles of timber are waiting to be auctioned (see also annex 3, picture 1).



Picture 1: Talangaye concession block

Herakles Farms (SGSOC) has also opened a 50 meters wide road between Talangaye and Sambaliba whereas they had received an authorization for 15 meters (see annex 3, picture 2). An inventory has been conducted by SW MINFOF for the planned nursery site in Sambaliba. This inventory has identified even more exploitable timber than in the first block with 11 000 m³ inventoried on 225 ha.

Fabe nursery has been opened in an area of less than 10 ha although 45ha was allocated for the nursery. The team was denied access to the nursery site despite explanations from the forestry officials. Nevertheless, the MINFOF staff of the team made their way into the nursery. The seedlings in the Fabe nursery are ready for transplanting, which means the company is targeting the Ngumu-Mosongisele area. It is worth noting here that most of the timber evacuated from the Fabe nursery site was used by the company or allowed to decompose. Some serious evidence of illegal timber exploitation has been noticed close to Fabe village with tracks opened by a caterpillar (see annex 3, picture 3 /GPS reading: 495697, 559880). There are also very active lands clearing in the area with huge portion of land opened with chainsaws (GPS reading: 495297, 560030). This may be a sign of land speculation starting in the area.



Picture 2:
land

speculation around Fabe

Herakles Farms (SGSOC) is not respecting anymore the initial proposed concession boundary and negotiates land far outside the so called “Kupe and Ndian blocks” in areas which are not covered by their ESIA (see annex 2, map 2). **Herakles Farms (SGSOC)** is also currently negotiating huge amount of land completely outside their planned concession around the villages of Mosongisele, Weke, Idibanyanga and Ngumu. A total of 11’000ha has been negotiated with these villages located just at the periphery of the Korup National Park.

4.2 Herakles Farms (SGSOC) land “negotiations” in Kupe Muanenguba Division:

Herakles Farms (SGSOC) is currently actively negotiating land in Kupe Muaneguba, with the Upper Balong, Bassosi and Bakossi communities. **Herakles Farms (SGSOC)** has entered into formal negotiations and signed MoUs with Talangaye, Ekita, Sikam, Sambaliba, Manyamen and Ebanga villages. The other neighboring villages of Betock, Badun, New Konye, Mungo Ndor, Bombe Konye and Ntale have so far adamantly refused to enter into any negotiation for land with **Herakles Farms (SGSOC)**. Most of these villages claim that they have no land to concede to **Herakles Farms (SGSOC)**. They have their own vision for the development of their community and want to keep some land aside for other uses or future opportunities. These villages are located along or close to the Kumba-Mamfe road axe which is a road of economic importance and is planned to be tarred as from this year.

Herakles Farms (SGSOC) has negotiated and signed MoUs for 3'147ha of land with Manyamen and Ebanga villages. Betock village found within the area under negotiation was not involved in the exercise. **Herakles Farms (SGSOC)** has also signed MoUs with Sikam for 4500ha and with Sambaliba for 1000ha of their most suitable village land. All these villages have been left with only few marginal lands and have requested to renegotiate with the company.

4.3 Herakles Farms (SGSOC) intervention in Ndian Division:

In Ndian division, **Herakles Farms (SGSOC)** is actively negotiating for land with the Batanga and Ngolo communities. They have entered formally into negotiation with Fabe, Lipenja 1&2, Bareka, Mokango and Masaka and Bima villages. Villages which have strictly refused **Herakles Farms (SGSOC)** project are include Meangwe, Mokange and Ndiba. **Herakles Farms (SGSOC)** have not yet approached all villages found in the Ndian block since the population is not really welcoming the project. The area is already quite densely populated and the topography not really favorable for their operations. **Herakles Farms (SGSOC)** will certainly enter very soon in negotiation with Babianbanga, Tombe, Banyu, Dienge, Mwangale and Mosanja villages where a big portion of “non permanent forest”² can be found.

Herakles Farms (SGSOC) is currently negotiating huge expand of land around Mosongisele, Weke, Idibanyanga and Ngumu. The “Mosongisele (8000 ha) and Ngumu (3000 ha) concession”³ is found at the direct periphery of Korup National Park. The concession is not leaving a single piece of land for Weke and Idibayanga villages’ expansion (see annex 2, map 3&4). Mosongisele and Ngumu communities are left only with a small portion of the Korup NP 3 km peripheral zone. This new development represents a direct threat to KNP since the only land left aside to the community is within the 3 km peripheral zone of the KNP (see annex 2, map 5). Apparently Mosongisele village is negotiating 1600 ha additional land to be developed by the company as small holder scheme. If this is confirmed, it will be developed within the KNP 3km peripheral zone. The concession is also overlapping with the KNP 3km peripheral zone which in an inter-ministerial meeting on 28/10/2010 between MINFOF, MINEPAT, MINDAF and MINADER was excluded for the SGSOC project.

Most of the Chiefs and village representatives we met expressed their skepticism concerning **Herakles Farms (SGSOC)** project; the scale targeted by the company is far too unreasonable

²The forestry law considers two categories of forests, permanent and non-permanent ones.

³Appellation used in the legend

and will leave nothing to their communities (forest resources such as timber, wildlife, NTFP...). During their first contact with the company, **Herakles Farms (SGSOC)** was proposing the development of out-grower schemes. Later on the company has progressively abandoned this option and **Herakles Farms (SGSOC)** interest is now clearly to get as much land as they can from them. There are other companies such as CDC which propose out-grower scheme for rubber. They have also heard about government programs and grants to support farmers with plantain seedlings, cocoa livelihood Program... They proposed that the GoC and international agencies should support technically and financially their local development.

The team has collected during its fact finding mission in 20 villages a lot of information showing the way SGSOC is operating. The negotiation is done with lot of intimidation and bribery, targeting the chiefs and some few influential decision - making members of the communities (see annex 3, picture 4). The negotiation is not transparent and also differs from one village to another. SGSOC negotiation methods are clearly not respecting “Free Prior and Informed Consent” process (FPIC) principles. “FPIC implies that communities have the right to decide whether they will agree to the project or not once they have a full and accurate understanding of the implications of the project on them and their customary land⁴”. Communities should be informed on what is a large scale plantation, on the positive and negative impacts of **Herakles Farms (SGSOC)** project in the short, medium and long term. Communities should also be made aware of other development models and on the contribution of the forest to their livelihood.

Herakles Farms (SGSOC) land negotiation process principally follows three steps:

- ⌚ Production of a participatory sketch map of the area to be negotiated for showing sacred sites, farmlands, settlement, protected areas, and communal land identified as “unused land” on the maps
- ⌚ Field surveys to geo-reference land use type and
- ⌚ Hold negotiation sessions with the villages and the signing of MoUs

During the negotiation sessions the Communities are convinced to concede as much land as possible without taking into account their own future development needs. The agreed maps showing the surface area conceded are then signed by the village Chiefs on behalf of the traditional council and later on by local government officials. The Communities are obviously neither prepared nor equipped for such technical negotiations with **Herakles Farms (SGSOC)** experts since they don't master land use mapping and land negotiation processes. Some chiefs have declared that they did not realize what they were getting into and are now trying to re-negotiate with SGSOC.

To further illustrate the naiveties of the communities in the negotiating process the terms used in the MoU are very vague and sometime elusive which does not compel the company to anything concrete in particular for instance:

- Small holder schemes: “*SGSOC will leave out land for local out grower schemes for the cultivation of oil palm and purchase the resulting FFB, thereby providing a credit-worthy reliable buyer for local farmers' production*” (no mention of reference to surface area, schedule, finance and technical support...).
- “*SGSOC will produce electricity and where practicable will make surplus available to the communities at low cost*”.
- “*SGSOC will create long term employment*” (for whom, how many, what qualification?).

4 See Forest People Program definition : <http://www.forestpeoples.org/guiding-principles/free-prior-and-informed-consent-fpic>

In fact what has been negotiated locally by the company is sensibly the same for every village (two classrooms, community hall, roads and water). What the company is offering is somehow a prerequisite to their implantation in the area. They will need anyhow road to develop their plantation, electricity and water for their production, classrooms to maintain workers on the site. The MoU mentions that: *“SGSOC will contribute a monthly stipend of 50.000 FCFA per month beginning from the first year of operation and 200.000 FCFA per month from the start of production”*. These already vary from one village to another. Some villages have obtained 200.000 FCFA for the chiefdom and 400.000 FCFA for the village per month.

What **Herakles Farms (SGSOC)** has already negotiated with regards to what the company will generate as revenue is ridiculously low. A well-managed plantation can generate 30 tons FFB per ha and therefore 1000ha can generate 30.000 tons (Personal interview with **Herakles Farms (SGSOC)** expert from Malaysia). At 50 FRS CFA per kilogram of FFB, 1000ha will generate 1.5 billion per year. At 25% extraction rate, 1000ha will produce 7.500 tons of oil. With the current government imposed price of 500 FRS CFA per kg of oil palm, this means 1000ha will produce 3.75 billion FRS CFA. The company gives less than 3 million FCFA per year to communities' which are ceding thousands of hectares of land. This amount is not sufficient to impulse local development and will certainly not compensate all opportunities lost from the suppression of the forest resources (NTFP, timber, water, soil fertility...). Looking at the amount of land concerned, most of the villages would obtain more moneys with REDD+ than what they have been negotiated with the company. While with REDD+, those villages would still enjoy their customary rights and would still benefit from the environmental services provided by the forest.

A company should not be allowed to prospect for land at will and enters into negotiation with communities without consulting local administrations. Councils should be consulted on their development plans. It is also not normal that a company identifies land village by village without identifying and establishing corridors between Protected Areas. High Conservation Value (HCV) areas should not be delineated without first assessing rigorously and at a proper scale what will be the environmental impact of the company intervention. Companies such as CDC, PAMOL and **Herakles Farms (SGSOC)** are now competing to obtain as much as land as possible in the same area. In parallel, a lot of land speculation is occurring at diverse scale.

5. Recommendations:

5.1 Land negotiations with communities:

PSMNR strongly advised that **Herakles Farms (SGSOC)** land negotiations should be stopped in particular outside the proposed **Herakles Farms (SGSOC)** concession to avoid potential land use conflicts. Land negotiation should start once communities have been prepared and properly informed. To be fair and transparent land negotiations cannot be left only in the hand of the company. To take a sound decision, communities should be accompanied by an independent organization/mediator to have a reflection on the way they are currently using their land and how they want to develop it.

Another challenge is to ensure that the negotiation process and decision-making are made in ways that are inclusive of, and accountable to, members of their communities. We strongly advise that each village create a land allocation committee composed of the traditional council, women and youth representatives and some elites. They should be given sufficient time to reflect on their customary land and not push into fast negotiation with crakes of beers, whisky, bags of rice and cows. This land allocation committee should be sensitized and trained on land use planning and negotiation. PSMNR should contribute to reinforce the future vision building of the villages and sensitize them on alternative development scenarios

(small holder schemes, NTFP marketing, community forests, REDD...). It is only after having such reflection that a community should enter into negotiation with **Herakles Farms (SGSOC)**.

5.2 Review of Herakles Farms (SGSOC) agreements with local communities:

Each agreement should be analyzed by a land consultative board composed of government officials, chief and notables from the village and civil society. The consultative board should ensure on the fairness and transparency of the negotiation process. The board should carefully review all the negotiation steps, land use maps, ESIA and local participatory impact assessments and benefit-sharing agreements, in particular clear conditions for the development of smallholder schemes (> 30 % of the area attributed to **Herakles Farms (SGSOC)**, technical and financial terms).

PSMNR should assist in the creation of such board and assist the community in developing a win-win agreement with the company and in particular in negotiating small holder schemes contracts. PSMNR should also provide legal advice to the community regarding their customary land rights, compensation mechanisms and obligations of the company. Communities should not be bound for 99 years to this kind of MoU and agreements. They should have the possibility to review and updated and binding documents with the company periodically.

5.3 Land use planning:

The absence of proper land use planning at Council or Divisional level is the major cause of the situation faced by the communities living in Ndian and KupeMuanemguba Divisions. This vacuum is a source of conflicts between communities, an obstacle to local development and a threat to the integrity of protected areas. After the elaboration of their development plans, Councils should be assisted to spatially defined management sectors in accordance with land suitability, population needs, development priorities and conservation objectives. The realization of such land use plan should assist government officials to better coordinate works of government agencies and contribute in resolving conflict between competing land uses. The Law "N° 2011/008 of 6th May 2011 to lay down guidelines for territorial planning and sustainable development in Cameroon" give some provision for the realization of land use plans at Council level.

PSMNR propose to use the TOU (all relevant sector administrations are represented) to assist in close collaboration with PNDP in the realization of land suitability analysis and land use plan at Council level which identifies management sectors and define management standards⁵. The Council should be able to plan future agro-industrial development with limited impact on other land uses. This land use plan should concerns among others: potential wildlife corridors to be protected, land for settlement and farming expansion, small holder schemes and agro-industry, Community forest...etc. It is also at this scale that should be planned buffers between villages to avoid unnecessary boundary conflicts. A buffer of 3km should be left for common use. A simple management plan and bylaws could be established between communities to protect or develop such areas.

After having established land use plan at Council level, PSMNR should support negotiation of local land use plans at village level. Those local land use plan should fit into the management standards defined within the Council land use plan. After defining land units (settlement,

⁵As the land use planning process engaged by MINEPAT is still not engaged on national, regional and council level and the time is pressing. TOU could develop such a plan at council level together with PNDP as a pilot scheme .Experiences and results could feed the process to be engaged by MINEPAT.

farmland, communal land, important NTFP gathering areas, cultural sites...), the local land allocation committee assisted by PSMNR technical expertise should define local management sectors, where they could accommodate community expansion, local conservation and land for agro-industry development. The local land use plan should present operational issues such as the condition to access land for small holders, the condition to lease land for private companies and the management of communal lands. The proportion of land allocated for private companies should not exceed one third of the communal land surface area to avoid the situation described above where all the most suitable land is given to a company without taking into account basic community needs (access to water, forest resources, land...)⁶.

5.4 Alternative development options:

PSMNR should assist in the implementation of the local land use plan in particular for identified alternatives development measures such as green Income Generating Activities (IGAs such as NTFP marketing, Cocoa farm improvement, cassava, plantain development...) and out grower schemes for rubber or oil palm (with **Herakles Farms (SGSOC)** and/or other companies). PSMNR should liaise with MINADER and PNDP to obtain information on rural development initiatives/plans for South West Region.

Another way to secure community land rights effectively and generate incomes would be to develop community forest network around PAs and along corridors. Since this process is relatively short in time it could be an option to limit **Herakles Farms (SGSOC)** project impact on the buffer zone and corridors. PSMNR should assess the possibility to obtain REDD+ project which would contribute to finance alternative scenarios. With exploitation inventory data consolidated with knowledge of the area it would be possible to make some estimation of carbon credit to avoided emissions and design a Project Intention Note.

6. Conclusion:

Herakles Farms (SGSOC) oil palm plantation project as it is planned so far will have considerable negative impact on conservation and on peoples' livelihood in the area of Korup-Ndongere TOU and adjacent areas of Kupe-Manenguba. It is recommended to the concerned government structures to stop the actual land acquisition process of **Herakles Farms (SGSOC)** and first to review the whole process of land acquisition in order to come up with clear procedures which ensure FPIC principles by involving a professional independent organization to mediate the process. Guiding government strategic options are listed in the law 2011/008 on territorial planning and sustainable development and are between others:

- ① Improvement of key conditions in rural areas and optimization of land use
- ① Environmental protection
- ① Support to some specific areas, namely ecologically sensitive areas
- ① Promoting and sustaining food security
- ① Development of employment and economic growth

6 From what we investigated, SGSOC has obtained from 2/3 to 90% of the communal lands (called unused land by SGSOC) of the villages whom entered into negotiation with the company.

Herakles Farms (SGSOC) shall be attributed a very limited surface area of land right now (<5000 ha); then a land use plan shall be elaborated where more suitable areas are identified and where also other land utilization types are considered (small holder development for different food and cash crops, forestry, conservation etc). Based on **Herakles Farms (SGSOC)** performance and suitable land councils and villages could consider attributing more land to SGSOC. From existing knowledge it is clear that the project area is not the best in terms of suitability (topographic conditions as well as concurrence with High Value Conservation forest). Government shall orientate **Herakles Farms (SGSOC)** already to other more suitable land “basin de production” for oil palm.

**Annex 1: list of visited villages
Nguti Sub-Division**

	Participant
Manyamen	Chief
	Traditional Council Member
	village representatives
Sikam	Chief
	Traditional Council Member
	Villagerepresentative
	Land allocation committee
Ebanga	RegentChief
	Traditional Council Member
Betock	Chief
	Traditional Council Member
	Villagerepresentatives
Badun	Chief
	Traditional Council Member
	Villagerepresentatives
	Elites
New Konye	RegentChief
	Traditional Council Member
	Villagerepresentative
Mungo Ndor	RegentChief
	Traditional Council Member
	Villagerepresentatives
Bombe Konye	Chief
	Traditional Council Member
	Villagerepresentatives
	Elites
Ntale	Chief
	Traditional Council Member
	Villagerepresentatives
	Elites
Ayong	Chief
Sambaliba	Chief

	Traditional Council Member
	Villagerepresentatives
	Elites

Toko Sub-Division

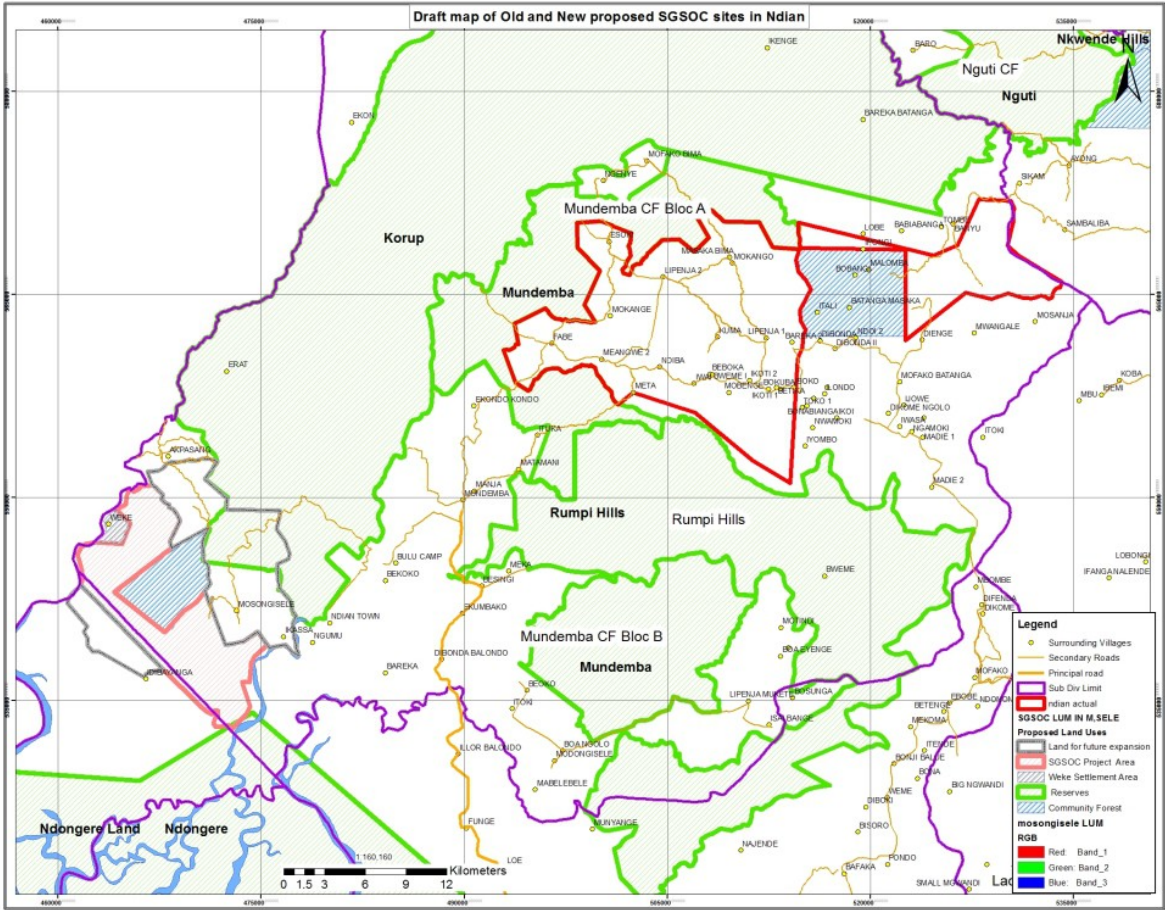
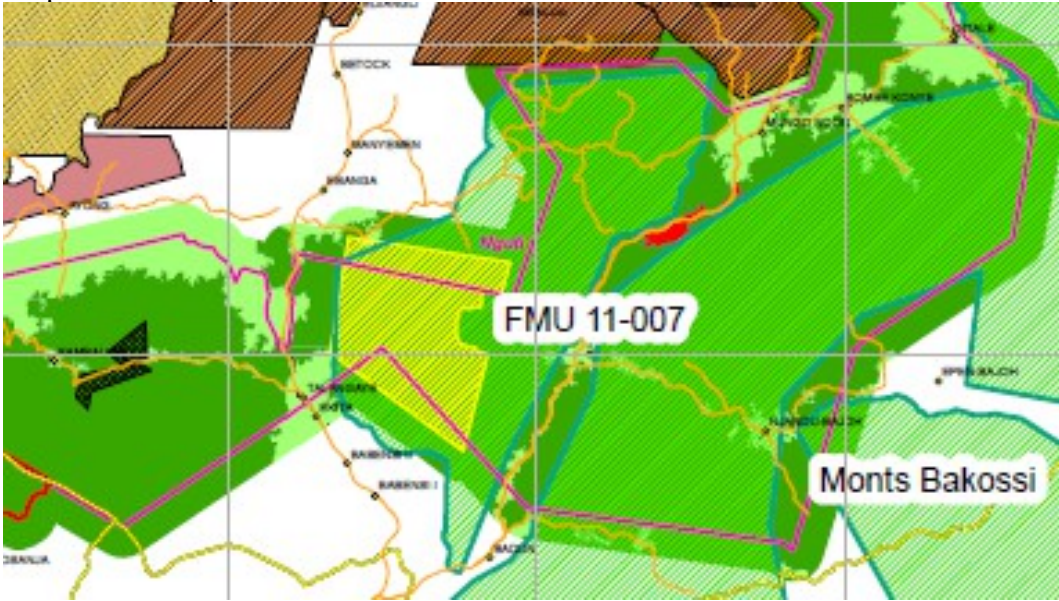
Villages	Participants
Ndoi	Chief
	Traditional Council Member
	Village representatives
Itali	Chief
	Traditional Council Member
	Village representatives
Ikoti	Traditional Council Member
	Village representatives
	Elites
	Chief
Dienge	Traditional Council Member
	Village representatives
	Elites
	Chief
Bobangi	Traditional Council Member
	Village representatives
	Elites
	Chief
Malomba	Traditional Council Member
	Village representatives
	Elites
	Chief

MundembaSub-Division

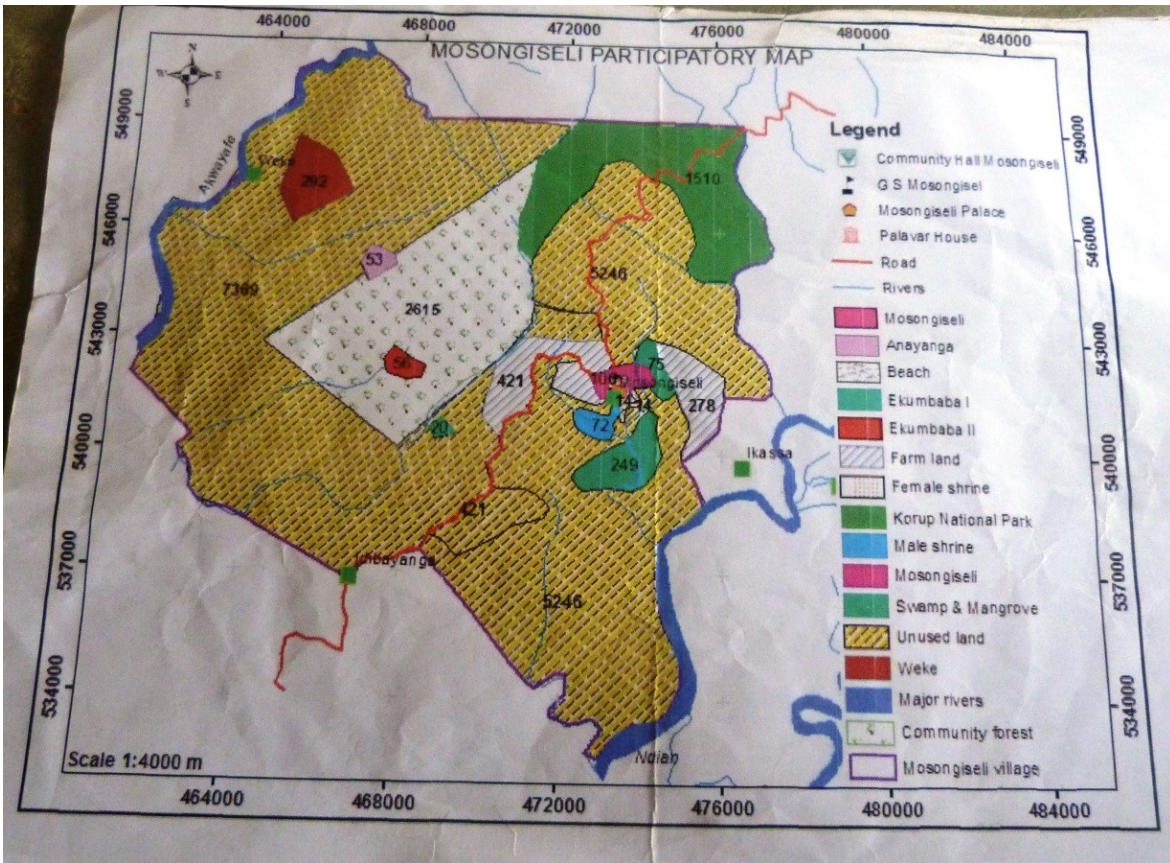
	Participant
Mokango	Chief
	Traditional Council Member
	Village representatives
Fabe	Chief
Meangwe	Chief
	Traditional Council Member
	Village representatives
Ndiba	Chief
	Traditional Council Member
	Womenrepresentative
	Youthrepresentative
Mosongiseli	Chief
	Traditional Council Member
	Village representatives
Idebeyanga	Chief
	Traditional Council Member
	Village representatives
Ngumu	Chief
	Traditional Council Member
	Village representatives

Wete	Chief
	Traditional Council Member
	Village representatives

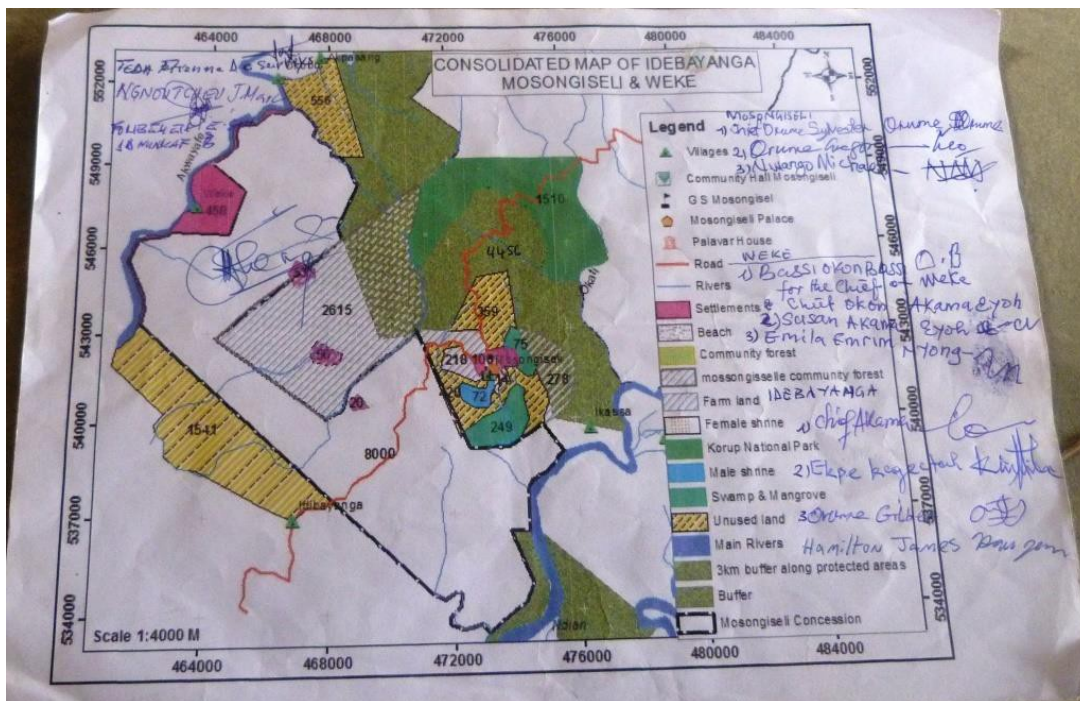
Annex 2:
Map 1 : First exploitation block



Map 2 : New SGSOC developments outside proposed Ndian concession block

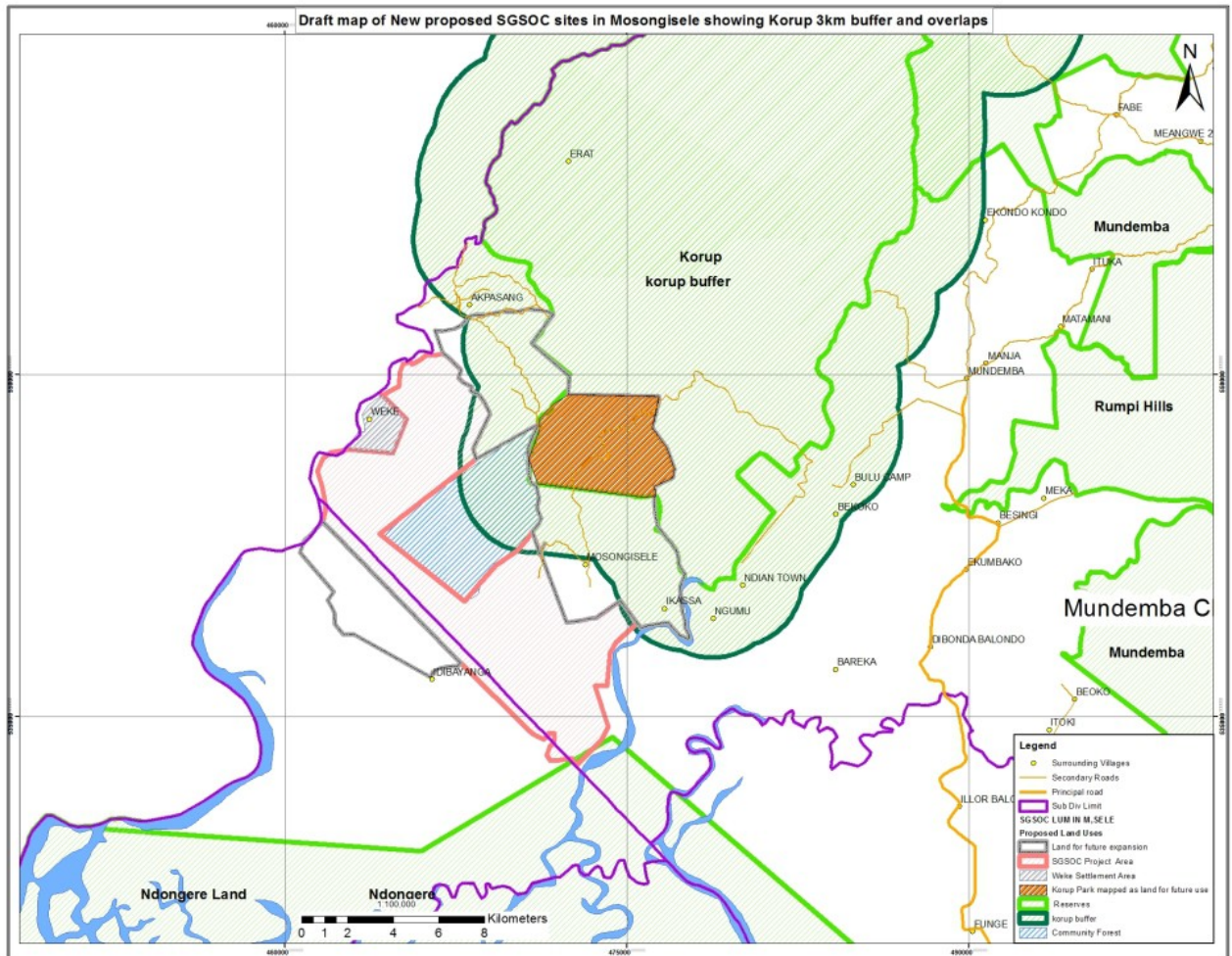


Map 3: SGSOC sketch map identifying land units and in particular “unused land”

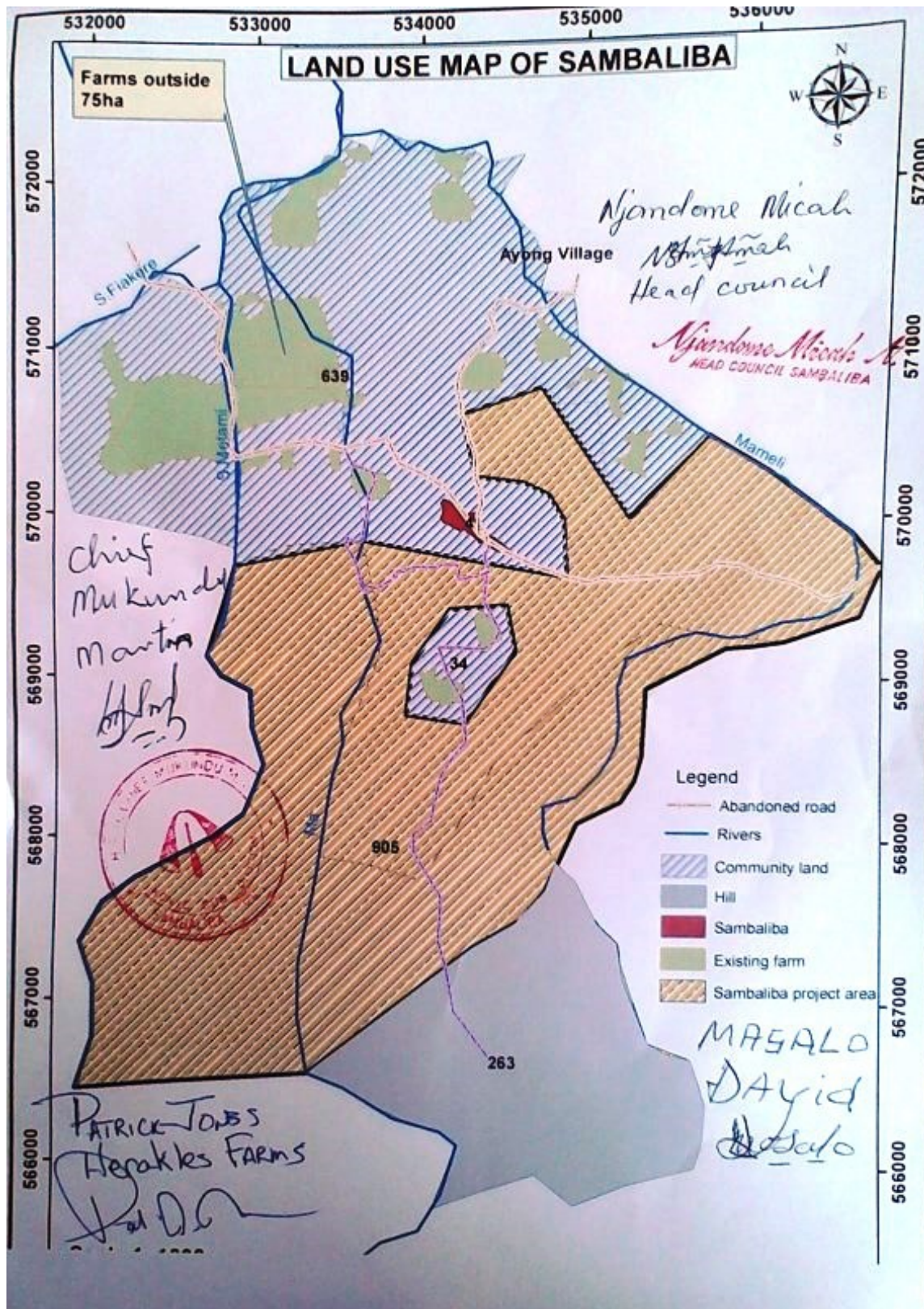


Map 4:

Signed map of Idebayanga and Mosongiseli and Weke concession block, most of community land obtained by **Herakles Farms (SGSOC)**. Community remain only with KNP buffer zone.



Map 5: Overlap of Herakles Farms (SGSOC) concession with KNP buffer Zone



Map 6: Sambaliba project area covers most of the community land. **Herakles Farms (SGSOC)** first obtained 350 ha and finally imposed on the community 905 ha, living 639 ha as community land and 263 ha of marginal land. No land is set aside for out grower schemes for communities.

Annex 3: Pictures



Picture 1: Talangaye concession block



Picture 2: Sambaliba road.



Picture 3: illegal logging at the vicinity of Fabe



Picture 4: Mokango community gathered around food and beer provided by **Herakles Farms (SGSOC)** to settle land negotiation