



global witness

## Global Witness exposé reveals violence, threats, and false promises driving rapid palm oil expansion in Liberia

Urgent reforms needed to protect citizens and regulate plantation companies

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Liberians are reported to have been beaten, threatened, and arrested for taking a stand against one of the world's biggest palm oil plantations as it sweeps across the southeast of the country, a new Global Witness exposé reveals.

As Liberia emerges as a new frontier market for the world's cheapest, most popular vegetable oil, *The New Snake Oil* details how state officials are said to be helping the palm oil company Golden Veroleum (GVL) harass communities into signing away their land and crush dissent. The report also documents the huge foreign investment, state-sanctioned violence, and regulatory black holes that are making this possible.

Global Witness reveals how GVL accelerated its operations at the peak of Liberia's 2014 Ebola outbreak. The company held meetings with hundreds of people and encouraged illiterate citizens to sign away their land rights when community support groups were staying home for risk of contagion. At this time GVL almost doubled the size of its plantation. (1)

This behaviour hasn't discouraged the world's major banks from offering their services. Standard Chartered, HSBC, and Citibank alone hold shares in GVL's parent company – Golden Agri-Resources (GAR) – worth nearly US\$ 1.5 billion. (2)

The case of GVL risks becoming the first chapter of a longer narrative of dispossession and abuse. Liberian President Ellen Johnson-Sirleaf has made agriculture a central pillar of the country's development strategy, making repeated – yet so far unfulfilled – public assurances that palm oil will lift poverty in rural areas. In response to early protests at GVL's plantation she called those who spoke out against the company “unpatriotic” as they risked discouraging future investors. (3)

Global Witness is calling on Liberia's government to investigate acts of violence, pass a law recognising that rural communities own their land, and regulate the country's agriculture sector to bring an end to the impunity enjoyed by plantation companies.

GVL has bought the rights to convert 2,600 km<sup>2</sup> of southeast Liberia into an oil palm estate – an area the size of London and Barcelona combined. Its contract is valid for up to 98 years, affecting some 41,000 people. This is the first time its parent company GAR has expanded outside its home country Indonesia, where it has an appalling track record for human rights abuses, land grabbing, and environmental devastation. (4)

“Liberia is rolling out the red carpet to a company that has swindled communities, forcibly grabbed land and chain-sawed its way through rainforests in Asia,” said Global Witness campaign leader Jonathan Gant. “With the company's first foray into Africa, at the peak of the continent's deadliest Ebola epidemic, it is has manipulated villagers into signing away the lands they depend on. This will affect at least five generations of families who will likely never see their land returned to them.”

Public meetings where landowners were encouraged to hand over their land to GVL were watched over by powerful local officials, and in at least one case armed police. Global Witness also documents several accounts of violent assaults and arbitrary arrests of those who voiced their concerns, events in which the company claims it played no part.

The benefits offered by GVL to communities in return have been negligible. Those willing to work for the company are promised access to free medical support and schools. (5) For non-employees, the most tangible negotiated benefits Global Witness could find evidence of were six toilets. Suspicious payments by GVL to local elites suggest that they are getting a better deal. (6) The full responses of GVL and GAR to the evidence contained in *The New Snake Oil* can be found on the Global Witness website. (7)

“Palm oil risks becoming Liberia’s snake oil. Just as con men in the United States sold fake snake oil as medicine, pretending it had magical healing qualities, palm oil developers are selling Liberians what may turn out to be false promises of a better future. They are tricking communities into giving up the land they rely on for food and livelihoods and giving them very little, if anything, in return,” said Gant.

Ten percent of Liberia is now earmarked for agricultural plantations – an area three times the size Beijing. This rapid expansion is taking place in a legal vacuum. There are no laws in Liberia to govern how agriculture companies should be awarded contracts, how they should operate, or how they will be held to account.

“It is unacceptable to view the well-being of tens of thousands of people as inferior to an investment contract,” said Gant. “Development is not development if it involves robbing the country’s poorest citizens of their land. If Liberians are to benefit from palm oil they must be free to choose for or against it, and have the information and support they need to negotiate on their own terms. Until that time, the government should stop Golden Veroleum from expanding onto new land, and set a precedent for the other foreign companies poised to cash in on Liberia’s vast natural wealth.”

**/ENDS**

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For more, including video and a copy of *The New Snake Oil*, visit [www.globalwitness.org/newsnakeoil](http://www.globalwitness.org/newsnakeoil).

## **Notes for Editors**

(1) Between August and October 2014, when the Ebola outbreak was at its peak, GVL signed MOUs covering 134 km<sup>2</sup> of community land. Prior to the outbreak the company had signed MOUs covering 166 km<sup>2</sup>. Between April and December 2014, GVL used bulldozers to expand its plantation over 54 km<sup>2</sup>. In the three years prior to this, GVL had only cleared a total of 58 km<sup>2</sup>. GVL has stated that its activities in 2014 were part of its long-term plan.

(2) According to GAR’s shareholder listings, Standard Chartered holds US\$ 710 million in GAR stock, HSBC holds US\$ 409 million, and Citibank holds US\$ 358 million – together almost one third of the company’s shares. Representatives of HSBC and Citibank state that these shares are held “in custody” for other ultimate (beneficial) shareholders.

(3) For a copy of this speech, see Government of Liberia, President Sirleaf, on Tour of Sinoe County, Visits Golden Veroleum Oil Palm Nursery, Urges Citizens to Cooperate with Investors, 1 June 2011.

(4) GAR has acknowledged that its operations have experienced “challenges” but that it is working to improve its procedures.

(5) Global Witness has also found evidence that some GVL staffers are reportedly not employed by the company directly, but instead are being subcontracted. It is unclear if such subcontractors will get the same benefits as employees. GVL has stated that it may employ some subcontractors but is not aware of any such arrangements

(6) GVL rents its office space from Milton Teahjay, Senator for Sinoe County as an office, for US\$ 18,000 per year, which is around three times the average rental rate for the region. GVL had a similar arrangement with Teahjay’s predecessor, Senator Mobutu Nyenphan, where the company’s annual rent was US\$ 35,000. GVL has stated that these rents were reasonable.

(7) See [www.globalwitness.org/newsnakeoil](http://www.globalwitness.org/newsnakeoil).