

Summary Report On

WWF Visit to SUDCAM's Rubber Production Operations in Cameroon August 27 – 30, 2018

WWF Team Members

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1. Background

The social and environmental impacts of the rubber producer/processor SUDCAM has been the subject of civil society interest and concern in recent years. In 2015, the Center for International Forestry Research (CIFOR) published the working paper “Socioecological responsibility and Chinese overseas investments: The case of rubber plantation expansion in Cameroon.”¹ The paper examined the impact of large-scale land concessions on forest cover and biodiversity, and on land claims and governance. Specifically, the paper looked at the potential impacts of Sud-Cameroun Hevea SA, which was previously owned by a subsidiary of Sinochem and is now owned by the Halcyon Agri Group (HA). In July 2018, Greenpeace followed up with the report “Halcyon Agri’s Ruinous Rubber”² regarding the environmental and social impacts of SUDCAM’s operations in Cameroon, as a subsidiary of HA, the world’s largest rubber processor and major supplier to the world’s largest tire manufacturers (Michelin, Goodyear, Bridgestone etc.).

In July 2018, Corrie MacColl, the HA subsidiary responsible for marketing, requested a meeting with WWF France to discuss Greenpeace's allegations. At that meeting, Corrie MacColl invited WWF to join a field visit to SUDCAM’s operations in Cameroon so WWF could gain an understanding of the situation on the ground and provide some guidance to SUDCAM on how the company could address environmental and social issues and move towards sustainable natural rubber production.

Norbert Sonne from WWF Cameroon, Jean Bakouma from WWF France and Amy Smith from WWF US participated in a short field visit to SUDCAM’s operations from August 27-30, 2018. The trip was not designed as nor claims to be in any way an audit of HA operations. The simple purpose of the visit was to gather background information from documentation and discussions with SUDCAM, Corrie MacColl, and Halcyon Agri staff and some local communities, and provide some initial recommendations to the company on potential next steps to move towards zero deforestation rubber. WWF recommended that CIFOR and Greenpeace representatives also join the trip, but that did not materialize.

¹ <https://www.cifor.org/library/5474/socioecological-responsibility-and-chinese-overseas-investments-the-case-of-rubber-plantation-expansion-in-cameroon/>

² <https://www.greenpeace.org/africa/Global/africa/Forests/Publications/Greenpeace%20Africa-Sudcam-Report-2018.pdf>

2. Itinerary and activities

The following meetings and site visits were conducted:

Date	Location	Meetings / Activities
08/27/2018	Yaounde	Meeting with WWF Cameroon Country Director, Travel to concession
08/27/2018	Meyomessala	Introductory meeting with SUDCAM (attendance list attached)
08/28/2018	Ekok	Meeting with village chief
08/28/2018	Ndibissong	Meeting with village chief and local population
08/28/2018	Nlobessee	Meeting with village chief and local population
08/28/2018	Nkae	Meeting with village chief and local population
08/28/2018	Djikom	Meeting with village chief and local population
08/29/2018	Bitye	Meeting with village chief and local population
08/29/2018	Concession	Visit of rubber processing unit site
08/29/2018	Concession	Visit of HCV area in the south concession
08/29/2018	Meyomessala	Closing meeting with SUDCAM
08/30/2018	Yaounde	Return to Yaounde

3. Observations

General nature of relationships between local communities and SUDCAM

Each of the six villages visited reported to have improved relations with SUDCAM since HA assumed ownership. However, initially, when SUDCAM began operating the concession (2011-2016), relations were very tense. The primary reasons mentioned by local communities were: lack of communication from the company, refusal to consider local villages' claims, and failure to involve villagers in the delineation of the concession. Since new management took over last year there is open dialogue and the company is more willing to contribute to local development. For example, the company has implemented drinking water improvements, rubber training centers, construction of primary schools and a well-resourced hospital.

The local communities visited by WWF expressed appreciation for the presence of SUDCAM as it is providing an opportunity for local development. Nevertheless, all communities also expressed dissatisfaction with certain aspects of SUDCAM's engagement, such as villagers having limited access to employment with SUDCAM.

Social investment

Through discussions with SUDCAM and direct observation, it is evident that for the last 2 years, SUDCAM has taken actions to contribute to local development. They include:

- Providing some jobs to riverine communities. Currently, 178 out of the 841 workers of SUDCAM are from neighboring villages. In addition, subcontractors employ more than 1,000 workers, of which the majority is from the area;
- Constructing drinking water facilities;
- Providing funding to villagers for access to medical services;

- Supporting villagers in the establishment of small-scale rubber plantations. Though, this is not structured yet in an organized strategy.

However, local communities as well as SUDCAM confirmed these investments are not enough and the two parties should continue collaborating to increase social investments.

In addition, social investments appear not to be guided by a detailed strategy/action plan that is based on a mutual long-term vision.

Land rights

Local communities expressed deep concern about the fact that they have very limited space left for their farming activities and the collection of forest products. SUDCAM is aware of the situation and expressed willingness to engage in dialogue to find a solution.

Local communities said that SUDCAM is not directly responsible for restricting their access to land. Rather, the Government of Cameroon determined the area to be conceded to SUDCAM as a concession without following its own procedures regarding land allocation. The process instituted by the Government in this case is not aligned with Free Prior and Informed Consent (FPIC) as defined by the UN-REDD Programme. Even though the Government was responsible for allocation of the concession, the villages insist SUDCAM should find a solution to this land access issue given that the company is the entity now developing the area.

SUDCAM manages 3 concessions: north (8,200 ha), center (36,998 ha) and south (13,620 ha). The north and south concession were granted by Presidential decree in 2013 following a provisional decree signed in 2008. The south concession was granted in 2015 under provisional decree. All three concessions are in former logging concessions. Before any planting or rubber, according to government regulations, a logging company appointed by government removes from the area all economically valuable timber. The remaining trees are cleared by SUDCAM's operations in preparation for planting rubber.

Food security

SUDCAM anticipates employing approximately 10,000 workers. With their families, this means SUDCAM must have housing and food for 40,00-50,000 people. The company is aware that food security for this many people is a major challenge.

Environmental management

Cameroonian consulting firm "Enviro Consulting" conducted SUDCAM's environmental impact assessment in 2011 for the north and center concessions and is currently revising it. SUDCAM selected Enviro Consulting from a list of assessors endorsed by Government. Two main HCV areas were identified: one in the center concession (about 2,000 ha) and one overlapping the center and south concessions (about 8,000 ha). SUDCAM does not currently have a High Carbon Stock (HCS) assessment for its concessions.

About 45% of the "developed area", riparian areas, wetlands, or slopes, are not planted with rubber. According to SUDCAM, these areas are not planted for environmental considerations. However, the

reason may also be that these areas are not economically viable. It appears from the maps of the north and center concessions that SUDCAM shared with WWF, that “plantable areas” were only mapped after development operations had taken place, rather than based on careful advance evaluation

WWF did not see or review SUDCAM’s Environmental and Social Impact Assessment (ESIA) and High Conservation Value (HCV) assessment.

SUDCAM is considering returning the 13,000 ha south concession to the Government as only 3,000 ha of the concession is economically viable for rubber production. Also, most of the concession was classified as HCV because of its function as an elephant corridor.

Additional information:

- SUDCAM is a member of the Inter-ministerial Committee for the protection of Dja Biosphere Reserve (2015).
- SUDCAM has had an MoU to provide logistical support with the Dja Biosphere Reserve Conservation Service since 2013, following a recommendation from UNESCO).

Conclusions / Recommendations

WWF appreciates the transparency and openness of the SUDCAM/Corrie MacColl team during the field visit and the willingness to explore ways to improve the company’s environmental and social performance. The field visit provided a good opportunity for WWF to get a preliminary understanding of the situation on the ground and provide some initial recommendations. For a better understanding of the concession, it would be helpful if SUDCAM could share the following documents with WWF:

- Establishment conventions;
- Land leases and concession awards;
- MOUs (cahier des charges);
- Minutes of consultation meetings;
- Certificate of environmental conformity;
- Decrees and ordinances granting the company the land it occupies;
- SUDCAM’s Environmental and Social Impact Assessment;
- Social and Environmental Impact Assessment for SUDCAM’s factory;
- SUDCAM’s HCV assessment; and
- Reports of consultation meetings as part of the environmental impact assessment processes.

Based on the field visit, WWF’s recommendations are:

- Maintain a robust database with environmental and social information.
- Make key documents easily accessible to the public. For example, the Environmental and Social Impact Assessment could be posted on SUDCAM’s website.
- Have an independent expert review the existing Environmental and Social Impact and HCV assessments. WWF could recommend HCV/HCS accredited experts.
- Have HCS assessed. WWF could recommend HCV/HCS accredited experts. Both an HCV review and an HCS assessment could be combined.
- Conduct a gap analysis after review of Environmental and Social Impact and HCV/HCS assessments and develop a strategy/management plan to address the gaps.

- Establish a complaints mechanism for local villages and civil society in general to communicate grievances and resolve grievances in a timely manner.
- Prepare a smallholder lands development plan as part of the ESIA to understand and mitigate the environmental and social impacts of smallholder development.
- Develop a food security strategy to ensure the well-being of workers and their families and reduce the incentives for wildlife poaching. WWF's concern is that without adequate food, workers and their families could resort to hunting bushmeat in the neighboring Dja Reserve.
- Plan plantation development at the scale of the whole concession rather than block by block as environmental impacts are best understood and mitigated at a large scale.
- Consider leaving areas undeveloped that are adequate to serve as biological corridors (connectivity of the unplanted areas is critical for biodiversity and provision of ecosystem services).
- Explore the possibility of turning the south concession into a conservation concession given that it is an important area for wildlife and to avoid the likelihood that the Government would hand the concession over to another company, placing this area at risk. Integrate local villages in the approach as much as possible.
- Seek open dialogue with CIFOR and Greenpeace to address CIFOR's and Greenpeace's concerns and identify next steps. This would be best managed by an experienced facilitator.
- Put in place a strategy/action plan for social investments for local communities.

WWF would be happy to discuss these recommendations in more detail with SUDCAM/Corrie MacColl.