

Halcyon Agri’s Ruinous Rubber

Summary

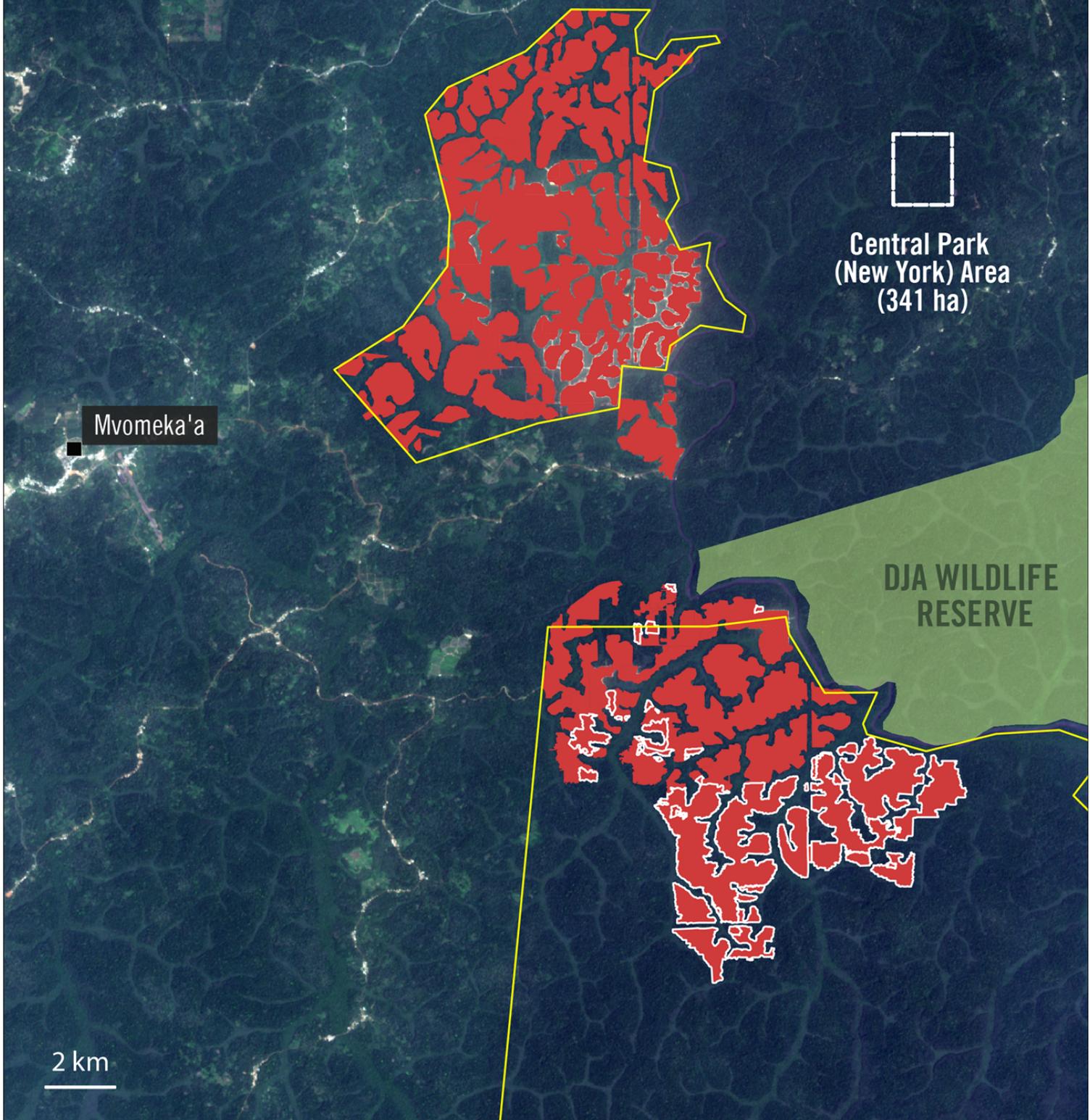
Halcyon Agri Corporation Limited (“Halcyon Agri”) is responsible for by far the most devastating new forest clearance for industrial agriculture in the Congo Basin. Between 2011 and May 2018, its Cameroonian subsidiary Sud-Cameroun Hév a (“Sudcam”) has cleared more than 10,000 hectares of dense tropical rainforest to make way for a monoculture rubber plantation, threatening the Outstanding Universal Value of an adjacent UNESCO World Heritage site. According to Sudcam’s own, severely inadequate Environmental and Social Impact Assessment (“ESIA”), this rainforest is home to endangered chimpanzees, gorillas and forest elephants. In a classic instance of land grabbing, Sudcam demolished villages of indigenous Baka people and violated their right to Free, Prior and Informed Consent (“FPIC”). Affected people have claimed they were displaced without adequate compensation. Concealing basic project and ownership information, the company denies local communities and other stakeholders the right to meaningful consultation. There are strong indications Sudcam’s land acquisition and impact assessment processes also violated Cameroonian laws and regulations.

An “influential member” of the Cameroonian political elite, whose identity we do not know, is reported to own 20% of Sudcam. The plantation lies only seven kilometres from the Mvomeka’s mansion, security compound and airstrip of Cameroon’s head of state Paul Biya, in power for more than 35 years. Serge Baroux Mounier, the French brother-in-law of Biya’s son Franck is a Sudcam director. Despite the project’s devastating impact and apparent illegality, the French taxpayer-financed institute CIRAD, a world leader in agricultural research, partnered with the company’s parent firm between 2014 and 2017. Growing frustration about Sudcam’s practices has led local residents to set up road blocks in an attempt to make their voices heard. Government authorities have reacted with serious intimidation, including threats to treat protesters as terrorists. If Sudcam is not stopped, about 20,000 additional hectares of forest will be destroyed in the next few years. Halcyon Agri is breaching the rubber procurement policies of several of its customers.

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HALCYON AGRI'S SUDCAM PLANTATION (CAMEROON) FOREST DESTRUCTION NEXT TO A UNESCO WORLD HERITAGE SITE

GREENPEACE



FOREST CLEARANCE FOR PLANTATION DEVELOPMENT

-  Between April 2017 and April 2018 : 2 300 ha
-  Total since 2011 : 10 050 ha
-  SUDCAM concessions

CONCESSION : 2013/089 Decree 19th March 2013 (République du Cameroun) & WRI Forest Atlas Of Cameroon 2018. DFR : WRI Forest Atlas Of Cameroon 2015. FOREST CLEARANCE (in the concession and 4 km around) : Greenpeace based on Landsat 7/8 (NASA) & Sentinel 2 (ESA) images. BACKGROUND IMAGE : Landsat 8 - 12/01/2015 - NASA and the U.S. Geological Survey.

1. Destroying great ape and elephant habitat

Since 2011, Sud-Cameroun Hévéa (“Sudcam”), a Cameroonian subsidiary of Halcyon Agri Corporation Limited (“Halcyon Agri”), cleared more than 10,000 hectares of dense tropical rainforest to make way for a monoculture rubber plantation. That’s an area the size of Paris. Over the past 12 months, clearing has accelerated, reaching a rate of almost 10 football pitches a day. If Sudcam isn’t stopped, an additional 20,000 hectares of forest will disappear in the next few years.¹

According to Sudcam’s unpublished and totally inadequate 2011 Environmental and Social Impact Assessment (“ESIA”), this forest harboured significant biodiversity, including endangered chimpanzees, western lowland gorillas and forest elephants.² The ESIA drily notes that their natural habitats would be destroyed by the project.³

In an April 2018 response to what it called “allegations of deforestation” by NGOs, Halcyon Agri refers only to its “clearing and felling of logged landscapes”. The company claimed not to clear any primary forest, High Conservation Value (“HCV”) or High Carbon Stock (“HCS”) areas.⁴ However, Sudcam’s 2011 ESIA failed to identify these areas. In fact, it didn’t even mention the notions of HCV and HCS.

A 2000 land-cover map produced by the European Commission’s Joint Research Centre classified nearly all of the Sudcam concession area as dense tropical rainforest.⁵ Visual analysis of 2011 satellite images confirms the area remained dominated by dense forest until Sudcam started clearing. Viewed from space, the forest shows all the characteristics of HCS forest.

According to Halcyon Agri’s most recent sustainability report, Sudcam performed an HCV assessment only in 2016.⁶ On what basis it claims the 6,000 hectares it cleared between 2011 and 2016 contained no HCV areas, remains a mystery. Like other basic information related to the project, the 2016 assessment has not been published.

¹ This is a conservative estimation, based on the forested concession area in May 2018, reduced with

² Enviro Consulting, *op. cit.*, p. 31.

³ Enviro Consulting, *op. cit.*, pp. 81–82.

⁴ Halcyon Agri, [Halcyon Agri’s response to Greenpeace and Earthsight Reports on our SUDCAM operations next to the Dja Faunal Reserve in Cameroon, West Africa](https://3wzqs91jpe7p450ba71yig1d-wpengine.netdna-ssl.com/wp-content/uploads/2018/04/Halcyon_Response-to-Greenpeace-and-Earth-sight-reports-news-release.pdf), 27 April 2018. <https://3wzqs91jpe7p450ba71yig1d-wpengine.netdna-ssl.com/wp-content/uploads/2018/04/Halcyon_Response-to-Greenpeace-and-Earth-sight-reports-news-release.pdf> [accessed 30 May 2018].

⁵ P. Mayaux et al., [The Land Cover Map for Africa in the Year 2000](http://www-gem.jrc.it/glc2000), European Commission Joint Research Centre, 2003. <<http://www-gem.jrc.it/glc2000>> [accessed 30 May 2018].

⁶ Halcyon Agri, [Sustainability Report 2016](#), p. 15.

Halcyon Agri company profile

Halcyon Agri acquired Sudcam through a 2016 merger with Sinochem International Corporation Ltd. (“Sinochem”): Sinochem took a majority stake in Halcyon Agri and Halcyon Agri absorbed Sinochem’s natural rubber business. Halcyon Agri controls Sudcam through a string of Singaporean and Cameroonian subsidiaries. Halcyon Agri is the parent company of Halcyon Rubber & Plantations Pte. Ltd. (formerly GMG Global Ltd.), Singapore, which is the parent company of Cameroon Holdings Pte. Ltd. (formerly GMG Investments Pte. Ltd.), itself the parent company of Société de Développement du Caoutchouc Camerounais S.A. (“SDCC”) (formerly GMG International S.A.). Sud-Cameroun Hévéa S.A. is a joint venture between SDCC (80%) and the Cameroonian company Société de Production de Palmeraies et d’Hévéa S.A. (“SPPH”) (20%). As of 22 August 2016, Halcyon Agri Corporation Limited operates as a subsidiary of Sinochem International (Overseas) Pte Ltd. Halcyon Agri also controls Sudcam’s sister company Hévéa Cameroun S.A. (“Hevecam”), another rubber plantation company involved in forest clearance and social conflicts.

Head office: Singapore.

Publicly listed company (Singapore exchange)

Top 5 shareholders: Sinochem International Corp. (54.99%), China-Africa Development Fund Co., Ltd. (Invst Mgmt) (10.21%), Gondobintoro Family, Robert Günther Meyer, Credence Partners Pte Ltd.

CEO: Robert Meyer (income 2017: SGD 3,374,455 = USD 2,524,120)

President: Liu Hongsheng

Annual profit: USD 35,251,000 (2017)

⁷ Halcyon Agri, *Annual report 2016*, 2017, p. 12. <https://www.halcyonagri.com/wp-content/uploads/2017/04/Halcyon_Agri_Corporation_Limited_Annual_Report_2016.pdf> [accessed 30 May 2018].

⁸ Halcyon Agri, *Annual report 2017*, 2018, p. 43 <https://www.halcyonagri.com/wp-content/uploads/2018/04/HALCA1001_Halcyon_Annual-Report-2017_6Apr_SGXsecure.pdf> [accessed 30 May 2018].

⁹ GMG Global, *Establishment of a joint venture company*, 12 October 2010. <http://gmg.listedcompany.com/newsroom/20101012_125929_5IM_C78D1EBC3D95FDB7482577BA0013FD03.1.pdf>; Halcyon Agri, *Changes in subsidiary companies*, 7 April 2017. <https://3wzqs91jpe7p450ba71yig1d-wpengine.netdna-ssl.com/wp-content/uploads/2017/04/HAC_Subsiaries_Update.pdf> [accessed 1 October 2017].

¹⁰ Halcyon Agri, *Annual report 2017*, p. 43.

¹¹ Mighty Earth, *Bad Year. Driving deforestation. Goodyear tires, endangered species, and human rights abuse*, 2018. pp. 8–9 <http://www.mightyearth.org/wp-content/uploads/2018/04/2018_April_25_Goodyear_Investigation_FINAL.pdf> [accessed 3 May 2018]; Samuel Assembe-Mvondo, Louis Putzel, and Richard Eba’a Atyi, *Socioecological responsibility and Chinese overseas investments: the case of rubber plantation expansion in Cameroon*, 2015. <http://www.cifor.org/publications/pdf_files/WPapers/WP176CIFOR.pdf> [accessed 31 May 2016].

¹² ‘Halcyon Agri Corporation Ltd (HALC)’, *4-Traders* <<http://www.4-traders.com/HALCYON-AGRI-CORPORATION-12638203/company/>> [accessed 11 January 2017].

¹³ ‘About Us - Who We Are - Board of Directors’, *Halcyon Agri* <<https://www.halcyonagri.com/about-us/who-we-are/board-of-directors/>> [accessed 5 July 2018].

¹⁴ Halcyon Agri, 2018, *op. cit.*, p. 47.

¹⁵ ‘About Us - Who We Are - Board of Directors’, *Halcyon Agri*.

Annual turnover: USD 1,132,851,000 (2017)

Presence: Halcyon has rubber production factories (33) and owns land in Indonesia, Malaysia, Thailand, China, Ivory Coast and Cameroon. It distributes its products through a network of warehouses and sales offices in South East Asia, China, Europe and North America.

Number of employees: 15,000+

2. Threatening a UNESCO World Heritage site

Sudcam's concessions are located in the periphery of the Dja Faunal Reserve, designated a UNESCO World Heritage site in 1987 due to its Outstanding Universal Value in terms of plant and wildlife biodiversity. The Dja Reserve is home to fourteen species of primate, and megafauna including forest elephants, forest buffalos, giant pangolins and bongo antelopes.²⁰ One of the three concessions directly borders the reserve over a distance of approximately 30 km. In its 2018 State of Conservation assessment for the Dja, UNESCO asserts that the development of Sudcam continues to threaten its Outstanding Universal Value.²¹

In 2012 UNESCO's World Heritage Centre and IUCN concluded that the reserve met the criteria for inclusion on the List of World Heritage in Danger.²² They identified Sudcam as a new and serious danger for the Dja. Besides the direct pressure generated by large-scale deforestation in the immediate periphery, they warned that the important influx of plantation workers and their families would result in increased access to the reserve, disturbance of fauna, fishing, gathering, hunting, etc.²³ While Sudcam management told UNESCO and IUCN inspectors that a forest belt of five kilometres would be maintained between the plantation and the reserve, the distance prescribed by its environmental impact management plan, and applied on the ground, is only 100 to 200 meters. The inspectors were refused access to the Sudcam zone "for so-called security reasons".²⁴

In 2016, Greenpeace Africa wrote to UNESCO to express its support for a draft decision to add the Dja reserve to the List of World Heritage in Danger and to highlight the threat posed by

¹⁶ Halcyon Agri, *op. cit.*, p. 72.

¹⁷ *Ibid.*, p. 9.

¹⁸ *Ibid.*, p. 142.

¹⁹ *Ibid.*, p. 20.

²⁰ 'Dja Faunal Reserve', *UNESCO World Heritage Centre* <<http://whc.unesco.org/en/list/407/>> [accessed 24 October 2017].

²¹ 'UNESCO World Heritage Centre - State of Conservation (SOC 2018) Dja Faunal Reserve (Cameroon)', *UNESCO World Heritage Centre* <<https://whc.unesco.org/en/SOC/3761/>> [accessed 19 June 2018].

²² 'UNESCO World Heritage Centre - State of Conservation (SOC 2012) Dja Faunal Reserve (Cameroon)', *UNESCO World Heritage Centre* <<https://whc.unesco.org/en/SOC/78/>> [accessed 5 July 2018].

²³ Leila Maziz, Yousseph Diedhiou, and Hervé Lethier, *Rapport de mission de suivi réactif de la Réserve de Faune du Dja. République Du Cameroun. 27 février – 5 mars 2012, UNESCO World Heritage Committee 36 COM. Item 7 of the provisional agenda: State of conservation of properties inscribed on the World Heritage List and/or on the List of World Heritage in Danger*, 2012, pp. 19–20. <whc.unesco.org/document/117236>.

²⁴ *Ibid.*, p. 19.

Sudcam.²⁵ The draft decision, however, was rejected by the government parties of the World Heritage Committee.²⁶

UNESCO's draft decision for the World Heritage Committee's 2018 session calls for an independent evaluation of the impact of Sudcam on the Dja reserve.²⁷

3. Displacement without adequate compensation

Sudcam's concessions overlap with the customary land of forest-dependent communities, including indigenous Baka people. Its land acquisition clearly amounts to Land Grabbing.²⁸

In June 2017, Baka in Sudcam's project area told Greenpeace Africa researchers their settlements inside the Sudcam concession had been completely destroyed, forcing them to move without being offered either a resettlement plan or compensation. This is a violation of article 10 of the UN Declaration on the Rights of Indigenous Peoples, which stipulates that indigenous peoples shall not be forcibly removed from their lands or territories and that no relocation shall take place without agreement on just and fair compensation and, where possible, the option of return.²⁹ Other affected communities have also complained about lack of proper compensation for economic displacement.

In an April 2018 statement, Halcyon Agri claims: "Agricultural and other developments within the concessions are subject to financial evaluation by the relevant government authorities and compensation is calculated by a valuation scheme established by the government and paid directly to the beneficiaries, after government approval. Due process was followed, and no law was broken."³⁰

However, Cameroon's current legal framework falls short of requiring compensation for all losses resulting from dispossession. Important safeguards and compensation are limited to private land ownership, a condition which applies to few rural people. The sole mechanism to

²⁵ 'UNESCO Fails to Protect Cameroon's Dja Reserve from Multiple Threats Including the Sudcam Rubber Plantation', *Greenpeace Africa*, 2016
<<http://www.greenpeace.org/africa/en/News/news/UNESCO-fails-to-protect-Camerouns-Dja-Reserve-from-multiple-threats-including-the-Sudcam-rubber-plantation/>> [accessed 13 April 2017].

²⁶ 'UNESCO World Heritage Centre - State of Conservation (SOC 2016) Dja Faunal Reserve (Cameroon)', *UNESCO World Heritage Centre* <<http://whc.unesco.org/en/SOC/3454/>> [accessed 28 June 2018].

²⁷ UNESCO, *WHC/18/42.COM/7B. UNESCO World Heritage Committee, Forty-Second Session, Manama, Bahrain, 24 June-4 July 2018. Item 7B of the Provisional Agenda: State of Conservation of Properties Inscribed in the World Heritage List*, 14 May 2018.
<<https://whc.unesco.org/archive/2018/whc18-42com-7B-en.pdf>> [accessed 6 June 2018].

²⁸ The International Land Coalition defines Land Grabbing as land acquisitions or concessions that are one or more of the following: in violation of human rights, particularly the equal rights of women; not based on Free, Prior and Informed Consent of the affected land-users; not based on a thorough assessment, or are in disregard of social, economic and environmental impacts, including the way they are gendered; not based on transparent contracts that specify clear and binding commitments about activities, employment and benefits sharing, and; not based on effective democratic planning, independent oversight and meaningful participation. International Land Coalition, *Tirana Declaration. 'Securing Land Access for the Poor in Times of Intensified Natural Resources Competition*, 2011.
<<http://www.landcoalition.org/sites/default/files/documents/resources/tiranadeclaration.pdf>> [accessed 20 June 2018].

²⁹ Article 10 of *United Nations Declaration on the Rights of Indigenous Peoples*, 2007.

³⁰ Halcyon Agri, *Halcyon Agri's response to Greenpeace and Earthsight Reports on our SUDCAM operations next to the Dja Faunal Reserve in Cameroon, West Africa*

establish private land ownership, registration, is subject to requirements difficult for indigenous and rural people to meet, such as evidence of productive land use. Despite their important economic and other functions, customary land rights are not recognized as real property interests and excluded from the full protection of the law.³¹

Recognizing how classic expropriating systems disregard vulnerable and marginalized groups, international standards go beyond national law. The voluntary guidelines on the responsible governance of tenure of land, fisheries and forests in the context of national food security (“VGGT”), for example, call for the protection of all tenure rights deemed to be socially legitimate in a given context, including rights not currently recognised by law.³²

4. No Free Prior and Informed Consent

Sudcam not only displaced people without adequately compensating them, it also acquired land, cleared the forest and developed its plantation without Free, Prior and Informed Consent (“FPIC”) of the affected communities.

The principle of FPIC means that indigenous peoples and other forest-dependent communities are entitled to give or withhold consent to a project that may affect them or their land. Once they have given their consent, they can also withdraw it at any stage. FPIC enables communities to negotiate the conditions under which the project will be designed, implemented, monitored and evaluated. FPIC is a key principle of international law and jurisprudence, in particular related to indigenous peoples.³³

Sudcam’s 2008 land deal was signed in the capital Yaoundé at a time no project information was available to local communities and long before an Environmental and Social Impact Assessment was even initiated (not “informed”). Community members told Greenpeace Africa they first heard about the company when a meeting of village chiefs was convened by then Defence Minister Rémy Ze Meka, who informed them that “the company of the President” would start operating in their forest (not “prior”), without providing further details. While FPIC requires that affected people not fear reprisal by powerful interests, Sudcam was introduced in a way that discouraged opposition from the very beginning (not “free”).

Rémy Ze Meka, also known as “Bad Boy”, was a key securocrat of the Biya regime until 2009.³⁴ According to a leaked March 2009 cable from the US embassy in Yaoundé, the Director of Cameroon’s financial investigations agency claimed Ze Meka had traded millions of dollars of weapons and explosives throughout the Central African region. He hesitated to denounce him to the Ministry of Justice out of fear for his family. Ze Meka, he said, was “powerful and dangerous.”³⁵

³¹ Brendan Schwartz et al., [Towards fair and effective legislation on compulsory land acquisition in Cameroon](http://pubs.iied.org/pdfs/17450IIED.pdf), IIED Briefing (London: IIED/CED/RELUFA, 2018) <<http://pubs.iied.org/pdfs/17450IIED.pdf>>; Liz Alden Wily, [Whose land is it? The status of customary land tenure in Cameroon](http://www.fern.org/sites/fern.org/files/cameroon_eng_internet.pdf), CED/FERN/RFUK, 2011, p. 11 <http://www.fern.org/sites/fern.org/files/cameroon_eng_internet.pdf>.

³² FAO, [Voluntary guidelines on the Responsible Governance of Tenure of land, fisheries and forests in the context of national food security](http://www.fao.org/docrep/016/i2801e/i2801e.pdf), 2012. <www.fao.org/docrep/016/i2801e/i2801e.pdf>

³³ It is enshrined, amongst others, in Article 32 of the [United Nations Declaration on the Rights of Indigenous Peoples](http://www.unhcr.org/refugees/article/32); and in Article 16 of [ILO Convention C169 - Indigenous and Tribal Peoples Convention \(No. 169\)](http://www.ilo.org/ilolex/ilolex.asp?clpid=169), 1989.

³⁴ Georges Dougueli, ‘La dernière proie de l’Épervier’, [JeuneAfricque.com](http://www.jeuneafrique.com), 21 May 2010 <<http://www.jeuneafrique.com/197042/politique/la-derni-re-proie-de-l-pervier/>> [accessed 4 June 2018].

³⁵ ‘Cameroon’s FIU head says coordination improving, corruption still rampant (Cameroon Yaoundé, 12 March 2009)’ <https://wikileaks.org/plusd/cables/09YAOUNDE246_a.html> [accessed 4 June 2018].

Residents of a village in Meyomessi subdivision told Greenpeace Africa Sudcam never came to meet them. It once delivered a load of fish and it paid FCFA 10,000 (USD 17) to cover transport costs to Meyomessala for local elites to attend an inauguration ceremony of its director.

Responding to NGO allegations that it operates without FPIC, Halcyon Agri wrote: “We did not violate community land rights under Cameroonian law. In the legal procedure of land allocation for socio-economic purposes managed by the local government, the consultation of the local population including village chiefs is mandatory.”³⁶

However, the right to FPIC goes beyond mere consultation as required by Cameroonian law. The UN’s Guiding Principles on Business and Human Rights underline that corporate responsibility regarding human rights exists over and above compliance with national laws and regulations. Human rights include the right to FPIC of indigenous peoples, as enshrined in the UNDRIP.³⁷

While Halcyon Agri claims Sudcam is not currently subject to any form of litigation or disputes,³⁸ there is a non-negligible risk for such claims to affect the company’s operations. In a March 2017 letter to the divisional officer of Dja-et-Lobo division project-affected communities, denounced the “anarchic and illegal occupation of land by the company” and threatened to file a complaint in the administrative court to obtain the withdrawal of Sudcam’s land title due to “serious omissions, administrative faults, intimidation and traffic of influence, fraud and deception and corruption.”³⁹

5. Illegal land titles, illegal convention

In 2008, the government of Cameroon granted Sudcam two 5-year temporary concessions totalling 45,000 hectares.⁴⁰ According to research by the Center for International Forestry Research (“CIFOR”), this land grant seems to have violated Cameroonian law. Article 4 of Decree No. 76/166 of 27 April 1976 to establish the terms and conditions of management of national lands provides that applications to develop these zones can only be submitted for areas that are unoccupied or unexploited. In 2008 the bulk of Sudcam’s concession area was already covered by two logging concessions. The CIFOR-researchers see Sudcam’s land award as an instance of “the use of law for political ends” and suggest it was motivated by the identity – “an influential member of the Cameroonian political elite” – behind the company holding 20% of Sudcam’s capital.⁴¹ A lack of transparency around the company ownership means the identity of this beneficiary is not yet known. Notably Sudcam’s plantation lies only seven kilometres from the Mvomeka’a mansion, security compound and airstrip of Cameroon’s

³⁶ Halcyon Agri, [Halcyon Agri’s response to Greenpeace and Earthsight Reports on our SUDCAM operations next to the Dja Faunal Reserve in Cameroon, West Africa.](#)

³⁷ UNOHCHR, [Guiding Principles on Business and Human Rights. Implementing the United Nations “Protect, Respect and Remedy” Framework, 2011, pp. 13–14.](#)
<https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf>

³⁸ Halcyon Agri, *op. cit.*

³⁹ Letter from Coporisudcam to the Divisional Officer of Dja et Lobo Division, 22 March 2017.

⁴⁰ [Décret N°2008/248 du 24 juillet 2008 portant attribution en concession provisoire d’une dépendance du domaine national de 8.200 ha sise au lieu-dit Nlobesse, arrondissement de Meyomessala, département du Dja-et-Lobo, à la société Sud Cameroun Hévéa S.A.; Décret N°2008/380 du 14 novembre 2008 portant attribution en concession provisoire d’une dépendance du domaine national de 36.998 ha 86a 55ca sise dans les arrondissement de Meyomessala, Meyomessi et Djoum, département Du Dja-et-Lobo.](#)

⁴¹ Assembe-Mvondo, Putzel, and Atji, *op. cit.*, pp. 9–10.

head of state Paul Biya, who has held power for over 35 years. A 2016 company document seen by Greenpeace Africa indicates Serge Baroux Mounier, the French brother-in-law of Biya's son Franck, as a director of Sudcam.

In 2011, Sudcam and Cameroon's Minister of Economy, Planning and Regional Development ("MINEPAT") signed a secret Establishment Convention. This convention took effect on 12 December 2011 and has a duration of 50 years, renewable for further 25-year periods.⁴² Greenpeace Africa has obtained a leaked copy, lacking the annexes.

The Establishment Convention grants Sudcam the right to develop a large-scale plantation and downstream operations in the concession area. However, the rights granted to the company go much further. They also include the right to expand its production zone by acquiring additional land subject to the same conditions, the "exclusive" right to extract and use water in the concession area without further authorisations or fees, and the right to put up road blocks "in the interest of the safety and security of its assets" at its own discretion.⁴³

The Establishment Convention grants Sudcam very favourable land rent, customs and tax provisions. It foresees an annual land rent of USD 1 (FCFA 565 at current exchange rate) per hectare and USD 0.5 per hectare for unplanted land in case the company would obtain a long lease upon expiry of the temporary concessions.⁴⁴ These provisions contravene Cameroon's 1990 Finance Law fixing the rate at 10,000 FCFA (USD 17 at current exchange rate) per hectare per year for agricultural concessions.⁴⁵ Current surface rents in the subdivisions in question are between FCFA 25,000 (Meyomessi and Djoum) and FCFA 50,000 (Meyomessala) per hectare. Although the Establishment Convention suggests that at the time of signing Sudcam had yet to apply for admission to the Free Zone regime,⁴⁶ the act granted the company the customs and tax benefits provided by this regime.⁴⁷ It exempts Sudcam from paying taxes for a 10-year period and guarantees a continuous flat rate of 15% for its profit tax after the 10th year. Favourable accounting provisions allow the company to reduce its tax burden even more.⁴⁸

The convention also contains far-reaching provisions undermining perspectives for democratic planning and state intervention in the public interest. In cases of third party claims to land or use rights in the concession area, it requires the government to decide in favour of the company.⁴⁹ It grants Sudcam the right to ignore future laws and regulations passed by parliament or other state bodies.⁵⁰ And it obliges the state to compensate the company for any

⁴² GMG Global, [Update in Relation to Sud-Cameroun Hévée, S.A.](http://gmg.listedcompany.com/newsroom/20111216_000717_5IM_C227BEEC99A2B5E948257967004994C0.1.pdf), 15 December 2011. <http://gmg.listedcompany.com/newsroom/20111216_000717_5IM_C227BEEC99A2B5E948257967004994C0.1.pdf>.

⁴³ Article 7 of [Convention d'établissement Entre La République Du Cameroun et Sud Cameroun Hévée S.A.](http://www.greenpeace.org/africa/Global/africa/Forests/Publications/1-Establishment%20Convention%20between%20the%20Cameroon%20Government%20and%20Sud%20Cameroun%20H%c3%a9v%c3%a9a.pdf), 2011. <<http://www.greenpeace.org/africa/Global/africa/Forests/Publications/1-Establishment%20Convention%20between%20the%20Cameroon%20Government%20and%20Sud%20Cameroun%20H%c3%a9v%c3%a9a.pdf>> [accessed 30 September 2017].

⁴⁴ [Ibid.](#)

⁴⁵ Article 14 of [Loi N° 90/001 Du 29 Juin 1990 Portant Loi de Finances de La République Du Cameroun Pour l'exercice 1990/1991](#).

⁴⁶ Article 6 of the Establishment Convention states Sudcam is committed to apply for admission to the Free Zone regime.

⁴⁷ Article 16 and 17 [Convention d'établissement Entre La République Du Cameroun et Sud Cameroun Hévée S.A.](#)

⁴⁸ Article 17 [Ibid.](#)

⁴⁹ Article 7 [Ibid.](#)

⁵⁰ Article 15 [Ibid.](#)

future government activity that might negatively affect the production of the company.⁵¹ In case of disputes between the parties, the final arbiter is not the Cameroonian judiciary, but an international arbitration court in the former colonial metropole, Paris.⁵² It would appear the Economy Minister exceeded his authority in granting such wide-ranging rights and derogations from Cameroonian law without parliamentary approval.

In its financial statements, Halcyon Agri claims it holds freehold ownership over 45,000 hectares of Sudcam's concessions.⁵³ Indeed, in 2013 the government granted Sudcam a definitive concession, amounting to freehold ownership.⁵⁴ However, under Cameroonian law, foreigners may not claim freehold rights over national lands, only leasehold rights.⁵⁵ It is our understanding that freehold allotment of national lands to a foreign-owned and foreign-controlled company is illegal under Cameroonian law.

Analysis of satellite imagery (see map page 2) shows Sudcam has been clearing several hundreds of hectares outside the original concession boundary. Members of nearby villages told Greenpeace Africa researchers in June 2017 this "extension" was encroaching on their farmland and had been unilaterally imposed by the company and local government authorities. Legally, modification of concession boundaries set by presidential decree requires another decree. No such modification decree has been published.

Sudcam's devastating impact and apparent illegality did not stop the French tax-payer funded Centre de Coopération Internationale en Recherche Agronomique pour le Développement ("CIRAD") from signing a "long-term collaboration" with Sudcam's parent company in 2014, to help the company "maximise productivity and yield". As the company boasted in its 2015 annual report: "Through CIRAD's research, we found that our Sudcam plantation in Cameroon, Africa, possesses one of the most excellent type[s] of soil quality in the world for growing rubber trees. This is extremely exciting and very positive news for us as we continue our hard work of planting and replanting."⁵⁶ The partnership ended, prematurely, early 2017.

6. A severely inadequate "impact assessment"

Sudcam's Environmental and Social Impact Assessments ("ESIA") have not been published. Nonetheless, Greenpeace Africa obtained Sudcam's 2011 ESIA covering two of the three concessions, lacking the annexes. This document is severely inadequate.

In 2012, the year its inspectors were refused access to the Sudcam concessions "for so-called security reasons", UNESCO wrote that the ESIA's description of plant and wildlife "does not allow to really evaluate the state of the biodiversity" in the project area.⁵⁷ In fact, the biology of more than 45,000 hectares of dense tropical forest is described in less than four pages. After flagging that this forest is home to protected species including chimpanzees, western lowland

⁵¹ Article 7 [Ibid.](#)

⁵² Article 23 [Ibid.](#)

⁵³ Halcyon Agri, [Annual Report 2017](#), p. 120.

⁵⁴ [Décret N°2013/089 du 19 avril 2013 portant attribution en concession définitive à la société SUD HEVEA CAMEROUN S.A. de deux \(02\) dépendances du domaine national sises dans les arrondissements de Meyomessala, Meyomessi et Djoum, Département Du Dja-et-Lobo.](#)

⁵⁵ Article 10 (3) of [Decree No. 76-166 of 27 April 1976 to Establish the Terms and Conditions of Management of National Lands.](#)

⁵⁶ GMG Global, [Annual Report 2015, 2016](#), pp. 10–11

<http://gmg.listedcompany.com/misc/ar2015/files/assets/common/downloads/GMG%20GLOBAL%20LTD%20-%20ANNUAL%20REPORT%202015.pdf>.

⁵⁷ Maziz, Diedhiou, and Lethier, [op. cit.](#), p. 20.

gorillas and forest elephants, the ESIA dedicates five lines to primates and three lines to elephants.⁵⁸

The ESIA contains no reference to habitat and species surveys performed in the field, the IUCN Red List of Threatened Species, HCV and HCS areas, potential impacts on the Outstanding Universal Value of the adjacent World Heritage Site, maps of customary land rights/uses and the FPIC of indigenous peoples in the project area.

While prevalent agricultural practices and non-timber forest products are described at length, there is no valuation of their economic contribution at household and community levels.⁵⁹ In the absence of such information, it is impossible for affected communities or other stakeholders to assess the ESIA's claims about the relative advantages of the chosen "alternative" and to evaluate what might constitute appropriate compensation measures.

The crucial chapter in which "alternatives" are presented covers only three pages. It contains no real location alternatives and the only alternative land use discussed is industrial logging.⁶⁰ A couple of mendacious statements like "the density of the plantation [...] will allow the plantation to validly play the environmental role of a forest" and "the non-realisation of the project in this zone will lead to the loss of all hope for development the populations are awaiting since several years" are little more than rhetorical lubricant for a foregone conclusion.⁶¹

Considering the huge human and environmental costs of this project, a new ESIA in accordance with international standards is indispensable.

7. Secrecy and absence of meaningful consultation

Basic information related to Sudcam's land acquisition and plantation project remains shrouded in secrecy, another typical characteristic of land grabbing. This concerns information contained in:

- establishment conventions, their annexes and addendums;
- memoranda of understanding;
- investment agreements;
- common commitments (*cahier des charges*);
- social clauses;
- minutes of consultation meetings;
- impact assessments, including field surveys, HCV and HCS assessments;
- certificate of environmental conformity;
- impact mitigation and management plans;
- decrees and ordinances granting the company the land it occupies;
- official concession maps;
- documents indicating the beneficial ownership of Sudcam;
- the company's collaboration agreement with the French research institute CIRAD.

In a 25 May 2018 response to a Greenpeace Africa request for information, Halcyon Agri CEO Robert Meyer invoked unspecified "strict rules and regulations regarding confidentiality" to

⁵⁸ [Enviro Consulting, op. cit., p. 31.](#)

⁵⁹ [Enviro Consulting, op. cit.](#)

⁶⁰ [Enviro Consulting, op. cit., pp. 68–69.](#)

⁶¹ [Enviro Consulting, op. cit., p. 69.](#)

justify non-disclosure.⁶² However, the argument of commercial confidentiality does not hold for the broad sweeping area of information kept secret by Sudcam and the government of Cameroon. The documents listed above concern not merely a commercial transaction between two private parties, but a contract between a company and a public agency governing publicly owned land. They are public policy documents which must be publicly available, as citizens have a right to know how their government is managing public resources on their behalf. Secrecy undermines governance and accountability. In the context of large-scale land acquisitions, it is well known to drive corruption, bad land management and disregard for local rights.⁶³

Halcyon Agri's lack of disclosure goes against global benchmarks for responsible business conduct and environmental and social risk management, such as the OECD Guidelines for Multinational Enterprises,⁶⁴ the IFC Performance Standards on Environmental and Social Sustainability,⁶⁵ and the VGGT,⁶⁶ all of which have transparency as a key component. Much of the information is also required to be disclosed according to Cameroonian law.

Halcyon Agri claims its land acquisition process involved consultation and seeking approval from local communities according to the provisions of Cameroonian law.⁶⁷ However, the flawed impact assessment, the non-disclosure of basic project and company information – including the identity of the Cameroonian shareholder owning a 20% stake in Sudcam – and a context of intimidation by government authorities preclude any meaningful consultation. They prevent stakeholders, including local communities, NGOs and investors, from effectively participating in decision making and monitoring of the project's impacts, compliance with agreements and the achievement of policy objectives.

During a June 2017 Greenpeace Africa investigation in the project area, local communities showed great dissatisfaction about the lack of consultation. Some people alleged that Sudcam had paid village chiefs to sign reports of so-called "consultation" meetings. The testimonies raise serious doubts about whether even the modest consultation mechanisms provided for by Cameroonian law were respected.

Cameroon's legal framework foresees the consultation of local communities as part of the land acquisition process and the environmental impact assessment process. In the land acquisition process, consultation is supposed to take place via a consultative board including the chief(s) and two leading members of the local communities.⁶⁸ No reports of the board's activities and meetings have been published and it remains unclear whether the meetings took place. The environmental impact assessment process requires public consultations during both the impact

⁶² Letter from Robert Meyer to Greenpeace Africa, 25 May 2018.

⁶³ International Land Coalition, The Oakland Institute, and Global Witness, [Dealing with disclosure. improving transparency in decision-making over large-scale land acquisitions, allocations and investments](https://www.globalwitness.org/documents/10523/dealing_with_disclosure_1.pdf), 2012, pp. 4-5, p. 32, p. 45 and p. 51. <https://www.globalwitness.org/documents/10523/dealing_with_disclosure_1.pdf>.

⁶⁴ OECD, [OECD Guidelines for Multinational Enterprises. 2011 Edition](#), 2011.

⁶⁵ IFC, [Performance Standards on Environmental and Social Sustainability](https://www.ifc.org/wps/wcm/connect/115482804a0255db96fbffd1a5d13d27/PS_English_2012_Full-Documents.pdf?MOD=AJPERES), 2012 <https://www.ifc.org/wps/wcm/connect/115482804a0255db96fbffd1a5d13d27/PS_English_2012_Full-Documents.pdf?MOD=AJPERES>.

⁶⁶ FAO, *op. cit.*

⁶⁷ Halcyon Agri, [Halcyon Agri's response to Greenpeace and Earthsight reports on our SUDCAM operations next to the Dja Faunal Reserve in Cameroon, West Africa](#).

⁶⁸ Articles 6, 9, 12 and 14 of [Decree No. 76-166 of 27 April 1976 to establish the terms and conditions of management of national lands](#).

assessment and a 30-day public enquiry.⁶⁹ According to Sudcam's 2011 unpublished SEIA, stakeholder consultation meetings took place from 20 to 24 and from 27 to 30 December 2010.⁷⁰ The schedule of the stakeholder consultations and the meeting reports are mentioned in the list of annexes of the SEIA, but Greenpeace Africa has not been able to obtain these annexes themselves. It is unclear which documents have been made available to stakeholders and when, but there is no doubt that the SEIA contains virtually none of the information required for informed decision.

The huge social and environmental impacts of the project and the lack of adequate compensation and meaningful participation are leading to increased frustration and tension in the area. Some villages have set up road blocks in an attempt to make their voices heard. Government authorities have reacted with intimidation. A number of chiefs from affected villages told Greenpeace Africa that when they presented their complaints to the sub-divisional officer of Meyomessala he threatened them with "15 years of imprisonment." One chief said he was arrested, taken for interrogation to the gendarmerie and threatened "to be treated as a terrorist." Greenpeace Africa has not been able to verify this information.

8. Who's buying Halcyon Agri's rubber?

Amongst Halcyon Agri's major customers are global tyre manufacturers like Bridgestone, Michelin, Continental, Coopertires and Goodyear.⁷¹

Halcyon Agri's Cameroonian plantations are structured under its "Global Non-Tyre & Specialty Tyre" business segment, catering for applications like condoms, balloons and gloves, amongst others.⁷² Rubber from Hevecam and Sudcam is exclusively merchandized by Halcyon Agri's franchise Centrotrade,⁷³ headquartered in Germany,⁷⁴ the colonial occupier of present-day Cameroon between 1884 and 1916. According to the company's 2017 financial results presentation, key customers in this market segment are:

- Nokian Tyres Plc. (Finland): winter tyres;
- Bandag (USA), part of Bridgestone: rethreading;
- Hartalega (Malaysia): rubber gloves;
- Pioneer (USA): balloons;
- Titan (USA), part of Goodyear: specialty tyres.⁷⁵

⁶⁹ Article 12 and 13 of [Décret N° 2005/0577/PM du 23 février 2005 sur les modalités de réalisation des études d'impact environnemental](#). This decree was abrogated and replaced in 2013 by Decree 2013/0171/PM of 14 February 2013 on the modalities to perform environmental and social impact assessments, which maintains the same requirements.

⁷⁰ "[...] des réunions de consultation des parties prenantes ont été organisées après approbation du MINEP du 20 au 24 et du 27 au 30 décembre 2010 pour informer les autorités, la société civile et les populations riveraines des objectifs du projet, les premiers impacts identifiés et les mesures proposées par le promoteur afin de recueillir leurs avis, craintes, observations et toute orientation ou recommandation utile visant à une meilleure intégration du projet dans son environnement." [Enviro Consulting, op. cit.](#), p. 21 and 99-102.

⁷¹ Halcyon Agri, [FY 2017 Financial Results](#), 26 February 2018, p. 12 <https://3wzqs91jpe7p450ba71yig1d-wpengine.netdna-ssl.com/wp-content/uploads/2018/02/HAC_Presentation_Slides_FY_2017.pdf> [accessed 26 February 2018].

⁷² Halcyon Agri, [Annual Report 2017](#), p. 7.

⁷³ [Ibid.](#), p. 30.

⁷⁴ 'CENTROTRADE Deutschland GmbH' <<http://www.centrotrade.net/about.html>> [accessed 6 July 2018].

⁷⁵ Halcyon Agri, [FY 2017 Financial Results](#), p. 11.

Halcyon Agri's practices in Cameroon are violating the procurement policies of several of its customers.

Procurement policies for sustainable rubber

In recent years, several major rubber buyers have announced public commitments and policies on the sourcing of natural rubber. Halcyon Agri's involvement in large-scale deforestation and land grabbing violates the procurement policies of major global rubber buyers, including some of its customers like Michelin, Bridgestone and Goodyear.

Deforestation and biodiversity

Bridgestone's policy states that requirements for suppliers include protecting and preserving HCV and HCS areas, assessing biodiversity and a prohibition on converting primary natural forests to plantations.⁷⁶ Bridgestone, which refers to itself as the world's largest rubber company,⁷⁷ reserves the right to terminate its relationship with suppliers not meeting those minimum requirements.⁷⁸

Michelin, one of the world's largest purchasers of natural rubber,⁷⁹ says it aims to ensure that the rubber it uses comes exclusively from plantations that fully comply with "zero deforestation" principles, including protection and preservation of primary forests, HCV and HCS areas.⁸⁰

Goodyear claims to promote a natural rubber supply chain "free from deforestation [...] that minimizes impact on biodiversity and local communities". It says it requires industrial plantations like Sudcam to use established HCV and HCS assessment methods to achieve this goal.⁸¹

Free, Prior and Informed Consent (FPIC), Land Grabbing, land tenure and compensation

Goodyear also claims to promote a rubber supply chain free from Land Grabbing. Bridgestone's policy explicitly prohibits suppliers from participating in or sourcing from companies that have participated in Land Grabbing. Both firms say they use the definition of Land Grabbing proposed by the International Land Coalition.⁸² Merely respecting local laws and regulations, while important, is clearly not sufficient according to these policies.

⁷⁶ Bridgestone Group, [Bridgestone Group Global Sustainable Procurement Policy. Version 1.0, 2017](https://www.bridgestone.com/responsibilities/procurement/pdf/Policy_English.pdf), p. 20 <https://www.bridgestone.com/responsibilities/procurement/pdf/Policy_English.pdf> [accessed 26 February 2018].

⁷⁷ Bridgestone Group, *op. cit.*, p. 3.

⁷⁸ Bridgestone Group, *op. cit.*, p. 14.

⁷⁹ Michelin, [Sustainable Natural Rubber Policy. Reference Document. 2016 Edition, 2016](http://purchasing.michelin.com/content/download/907/11821/file/Sustainable%20Natural%20Rubber%20Policy%20VD.pdf), p. 3 <<http://purchasing.michelin.com/content/download/907/11821/file/Sustainable%20Natural%20Rubber%20Policy%20VD.pdf>>.

⁸⁰ Michelin, *op. cit.*, p. 10.

⁸¹ Goodyear, [Natural Rubber Procurement Policy. Version 1.0, 2017](https://www.goodyear.com/supplier/pdfs/goodyear_natural_rubber_procurement_policy.pdf), p. 2 <https://www.goodyear.com/supplier/pdfs/goodyear_natural_rubber_procurement_policy.pdf> [accessed 3 May 2018].

⁸² Bridgestone Group, *op. cit.*, p. 25.

Following FPIC principles and not participating in land grabbing, *even if the land was legally acquired*, is listed as a minimum requirement for Bridgestone suppliers.⁸³ Respect for FPIC according to international standards is also a supplier requirement according to the policies of Michelin and Goodyear.⁸⁴

Bridgestone's procurement policy states: "Bridgestone respects legitimate land tenure rights, including the rights of forest-dependent people and communities to have access to forest resources and suitable farm land to ensure food supply. Further, Bridgestone believes that people should receive fair compensation and resettlement for land use activities that infringe on their rights and/or livelihoods."⁸⁵

Michelin says it requires its suppliers to identify customary rights from local communities and indigenous peoples, "in addition to the applicable national and international rules."⁸⁶

9. Conclusion

Sudcam, a subsidiary of Singapore-based Halcyon Agri, is responsible for clearing more than 10,000 hectares of dense tropical forest in Cameroon to develop a rubber plantation. The land acquisition process was opaque, leading to widespread dispossession of community lands and resources, including those of Indigenous Baka people. Their right to Free, Prior and Informed Consent was not respected, the process having been either poorly conducted or non-existent. Dispossessed people report they are left with minimum land to grow food to feed their families, while they have no access to alternative employment and authorities are reacting to community claims and actions with threats and intimidations, according to a number of reports and investigations.

The nexus in postcolonial Africa between kleptocratic regimes and foreign investors obstructs attempts to hold multinationals accountable and ensure victims' access to remedy. Cameroon, ruled by a head of state in power for 35 years, is characterized by widespread corruption and rent-seeking at all levels, constant involvement of the ex-colonial power, little or no transparency, low democratic accountability, poor access to justice and absence of the rule of law. It is extremely difficult for ordinary citizens, community organizations and civil society to obtain recognition of their rights, much less enforcement of them. Nonetheless, multinational companies like Halcyon Agri operate in Cameroon, often attracted by special conditions like tax exemptions and protections against future legal changes. There is neither host nor home-state accountability.

Greenpeace Africa shared a draft of this report with Halcyon Agri for comment. However, the company declined to amend or correct anything. In an email to Greenpeace Africa, Halcyon Agri CEO Robert Meyer wrote the company is looking for substantive improvement across the board and added "Sudcam is a wonderful asset and one that has the potential to be a working model on how ecological, sociological (sic) and economical agendas can be dovetailed into a win-win situation."

⁸³ Ibid.

⁸⁴ Michelin, *op. cit.*, p. 8; Goodyear, *loc. cit.*

⁸⁵ Bridgestone Group, *loc. cit.*

⁸⁶ Michelin, *loc. cit.*

10. Demands and Recommendations

Greenpeace Africa calls upon Halcyon Agri to:

Immediately suspend any development or land clearing until it has:

- completed an Environmental and Social Impact Assessment compliant with international standards;
- adequately compensated community members for harms due to physical and economic displacement, including restitution and restoration of lands;
- publicly disclosed all documents related to Sudcam's ownership, land acquisition and impact assessment process;
- engaged in a conflict resolution process, addressing violations of rights, and providing redress and compensation for harm done.

Greenpeace Africa calls upon Halcyon Agri's customers and investors to:

- immediately suspend business and investment relations with Halcyon Agri until the company has met the above-mentioned demands;
- conduct stringent due diligence to ensure that supply chains and investment chains are free from harms associated with land tenure and human rights violations, environmental damage or corruption and where potential harms are identified, should not proceed with purchase or investment;

Greenpeace Africa calls upon the government of Cameroon to:

- assess Sudcam's compliance with Cameroonian law and publish the findings;
- suspend any further forest clearance in Sudcam's concessions until the company complies with all relevant national and international law and commitments;
- disclose all documents related to Sudcam's ownership, land acquisition and impact assessment process;
- set up a participatory monitoring and evaluation committee made up of diverse stakeholders and community representatives to evaluate Sudcam's activities and compliance with contracts and commitments, and ensure due compensation.
- halt any new large-scale land acquisitions for plantation development pending reform of the land tenure law including clear protection of customary land rights;