

FOLLOW-UP TO SOCAPALM SPECIFIC INSTANCE

2 March 2015

Statement from the French National Contact Point

Socapalm: The NCP calls on Socapalm partners to assume their responsibilities

A referral to the French National Contact Point for the implementation of the OECD Guidelines for Multinational Enterprises was submitted on 3 December 2010 by a group of four non-governmental organisations and associations from Cameroon, France and Germany regarding the operations of the Cameroonian company Socapalm (Société Camerounaise de Palmeraies) in that country. The specific instance was referred to the Belgian and Luxembourg NCPs as well. The four complainants in this specific instance were the Cameroon Centre for the Environment and Development (CED Cameroon), the Cameroon Foundation of Rational Actions and Training for the Environment (FOCARFE), the French association Sherpa and the German NGO Misereor. The specific instance cited four companies: French-registered Bolloré SA, Belgian-registered Financière du Champ de Mars and two Luxembourg-registered companies – Socfinal (Société Financière Luxembourgeoise SA) and Intercultures (Compagnie Internationale de Cultures SA). In January 2011, the two Luxembourg-registered companies changed their names: Socfinal became Socfin (Société Financière de Caoutchouc SA) and Intercultures became Socfinaf SA. The referral related to the chapters on General Policies, Disclosure, Employment and Industrial Relations and the Environment of the 27 June 2000 version of the OECD Guidelines for Multinational Enterprises.

Following the publication of its Report on 3 June 2013, the NCP published a follow-up statement on 17 March 2014. The NCP has taken forward its follow-up and hereby reports on the actions taken by the parties (see Art. 32 of the NCP Bylaw).

1. NCP background and procedure

The French NCP was tasked with leadership of the referral to dialogue with the Bolloré Group, which has business relationships with Socapalm and the three other financial companies (holdings) cited. The Bolloré Group accepted the NCP's good offices in June 2012. This opened talks with the complainants, represented by Sherpa. In its Report of 3 June 2013,¹ the NCP found certain violations of the Guidelines, especially at the time the referral was submitted in 2010. Nevertheless, it noted a clear improvement in the situation, which held out prospects for enhancing the living conditions of both Socapalm's employees and the communities living adjacent to the plantations. The Bolloré Group stated it was willing to use the influence it has with its partners, in its business relationships with Socapalm and Socfin, to end the violations. As majority shareholder of Socapalm,² Socfin is an important partner of the Bolloré Group. The Socfin Group supervises the Quality, Health, Safety and Environment strategy and the ISO 14001 certification for its plantations in Cameroon, and also in Sierra Leone, Liberia, Côte d'Ivoire and Cambodia. Following the NCP referral, Socapalm launched a certification policy for its plantations and a QHSE policy as an indirect, and welcome, outcome of the NCP's action (see 2012 and 2013 Socfin Report, and 2013 Socapalm Report).

The NCP also mediated between the Bolloré Group and Sherpa, culminating in the negotiation of a roadmap for Socapalm presented to the NCP on 3 September 2013. The parties to the mediation process also agreed on a roadmap operationalisation and monitoring mechanism involving two independent bodies in France and Cameroon. The NCP published a follow-up statement on 17 March 2014³ to present the roadmap and, "strongly encourage all stakeholders to make a full contribution towards implementing the roadmap."

¹ <http://www.tresor.economie.gouv.fr/File/397225> (FR) <http://www.tresor.economie.gouv.fr/File/397319> (EN)

² The Socfin Group holds 64% of Socfinaf (cited by the NCP referral), which holds 100% of Palmcam, which holds 65% of Socapalm. The Bolloré Group holds 9.35% of Socapalm. The Socfin Group is listed on the Luxembourg Stock Exchange. It is majority owned by the Bolloré Group (38.75%) and by Geselfina (23.05%), Afico SA and Twosun.

³ *Socapalm: A Concerted Roadmap for Enhancing Living and Working Conditions for Plantation Employees and Local Populations* <http://www.tresor.economie.gouv.fr/File/399334> (FR) and <http://www.tresor.economie.gouv.fr/File/402624> (EN)

The Socapalm case was presented to the NCPs at the OECD on 25 June 2014 in the presence of representatives of Sherpa, the Cameroonian body in charge of follow-up, the “National Service for Justice and Peace” (SNJP), the Bolloré Group, Socfin and Socapalm.

The NCP held a meeting with the Bolloré Group, Sherpa and the independent French body on 8 October 2014. They informed the NCP of the delay with the operationalisation of the roadmap, which had been divided into two parts to separate out the actions that Socapalm is to take directly and initially (industrial pollution, jobs and working conditions, communication, safety, and transparency) from the actions also involving other stakeholders and studies and taking more time to implement (compensation, local development and consultation). The French NGO tasked with monitoring was due to go to Cameroon in November 2014 to visit the plantations and meet the Cameroonian partner NGO, SNJP, to set up the roadmap monitoring mechanism.

In December 2014, the NCP was informed of the apparent hold-up with implementing the roadmap and the cancellation of the monitoring body’s mission. The Bolloré Group reported that it has had problems implementing the roadmap with its business partner, the Socfin Group. In association with the parties, the NCP informed its counterparts to coordinate their information and their actions. Meeting on 5 February 2015, the NCP decided to publish a follow-up statement. The draft statement was presented to the Bolloré Group, Sherpa and the NCPs before being published on its website.

2. The NCP’s decision and recommendations

1. The NCP reiterates its support for the roadmap for Socapalm

As stated in its statement of 17 March 2014, the NCP reiterates its support for this roadmap that can provide suitable solutions for the Socapalm workers and the communities living adjacent to the plantations and includes an independent monitoring mechanism. The roadmap, co-formulated by the complainants and the Bolloré Group following their pledge to do so, meets the NCP’s expectations by identifying courses of action to improve Socapalm’s social and environmental conditions.

2. The NCP takes note of the Socapalm roadmap operationalisation difficulties

The Bolloré Group used the influence it has in its business relationships by negotiating the roadmap in liaison with Socfin. The Group went to Cameroon with Socfin in March 2014 to present the roadmap to the Socapalm teams. The Group also held discussions with the representatives of associations of populations living adjacent to the Socfin plantations, which culminated in a meeting of representatives of Cameroon, Sierra Leone, Côte d’Ivoire, Liberia and Cambodia in Paris on 24 October 2014. The Bolloré Group, acting as dialogue facilitator, conveyed their demands to the Socfin Group.

Despite these efforts, the NCP hereby takes note of a hold-up with the actual implementation of the roadmap, which some players attribute to an apparent disengagement by the Socfin Group, the Bolloré Group’s main partner in Socapalm. This hold-up could sign the demise of the roadmap that the Bolloré Group pledged to the NCP following its mediation. This situation could be especially damaging since the roadmap should have been deployed in tandem with the QHSE strategy launched by Socapalm.

3. The NCP therefore calls on the parties concerned to resume all efforts to improve the situation of the Socapalm workers and the communities living to the plantations in compliance with the OECD Guidelines.

1. The NCP calls on the Bolloré Group to use its influence in its business relationships to implement the objectives identified in the Socapalm roadmap that it negotiated with Sherpa in order to meet its commitments. Failing the operationalisation of this roadmap, the NCP asks the Bolloré Group to reconsider the terms of its relationship with the Socfin Group and to remain vigilant in its business dealings.
2. The French NCP calls on its counterparts to take forward their efforts to engage in talks with the Socfin Group to facilitate the implementation of the roadmap for Socapalm. The French NCP remains at its counterparts’ disposal for any cooperation required.
3. The NCP calls on Socapalm to cooperate with all stakeholders to achieve the identified goals. The NCP will convey its decisions to the Chairman of its Board.

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