

FOLLOW-UP TO SPECIFIC INSTANCE

Statement of 17 March 2014

Socapalm: A Concerted Roadmap for Enhancing Living and Working Conditions for Plantation Employees and Local Populations

Background

A referral to the National Contact Point for 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 plaintiffs 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, insofar as the referral had been submitted to the NCP prior to the 25 May 2011 revision of the Guidelines.

After investigating this specific instance, proposing its good offices to the parties and offering to mediate, the NCP on 3 June 2013 issued its decision, which it posted on its Internet site¹.

In its report, the NCP found that Socapalm's activities violated certain guidelines of the chapters on General Policies, Employment and Industrial Relations and the Environment, and that the companies cited in the referral had not observed certain OECD recommendations with regard to disclosure. The NCP recommended that the companies cited take remedial measures. In June 2013, the NCP noted that the situation had evolved significantly, and that this held out prospects for enhancing the living conditions of Socapalm workers and the populations living adjacent to the plantations. The NCP found that the Bolloré Group has stated its desire to fulfil its responsibilities and exert its influence, through its business dealings with Socapalm and Socfin, to put an end to the shortcomings. The report of 3 June 2013 noted that, to this end, the parties had pledged to formulate a roadmap for Socapalm in conjunction with the NCP's mediation.

In accordance with its decision and Article 32 of its Rules of Procedure, the NCP deemed it necessary to examine the follow-up to its recommendations by year-end 2013. It hereby reports on the actions undertaken by the parties in recent months.

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

1. Conclusion of the mediation proposed by the NCP

In February 2013, the NCP created an institutional framework for mediation for the Bolloré Group and the Sherpa association, which, by creating a climate of trust amongst the parties and giving them a forum for dialogue, culminated in the formulation of a roadmap for Socapalm.

On 3 September 2013, the Bolloré Group and the Sherpa association jointly presented the NCP with the Socapalm roadmap. The NCP congratulated the parties for managing to reach agreement, thus closing the mediation undertaken in respect of this specific instance. The NCP welcomes the roadmap's acceptance by both Socapalm, which will implement the actions, and by Socfin (the Luxembourg company cited in the referral), both of which are "business partners" of the Bolloré Group. It deemed that the roadmap's content addressed the issues raised in the referral, that it would remedy non-compliance with the Guidelines and that it was consistent with the undertakings made by the parties in June 2013 in respect of the issues covered. The NCP also noted that arrangements for an independent body to monitor the roadmap's implementation would be specified by year-end 2013. The NCP was informed that a call for expressions of interest was initiated by the parties in November 2013. It learnt of difficulties in selecting that body, which caused some delay to the process.

Today the NCP views with satisfaction the validation by the parties, the Bolloré Group and the Sherpa association of the selection of an independent body that will be tasked with monitoring implementation of the roadmap, and that will incorporate the involvement of local partners.

2. Presentation of the roadmap for Socapalm to enhance living and working conditions for plantation employees and local populations

The parties agreed to communicate regarding the roadmap's content on the basis of the call for expressions of interest.

The roadmap lists the expected outcomes and activities in each of the eight areas approved by the parties, as indicated in the NCP report of 3 June 2012. Socapalm's implementation of the roadmap was to begin in January 2014, and its follow-up would initially span a two-year period. The roadmap's overall objective is to bring Socapalm's operations into compliance with all of the OECD Guidelines for Multinational Enterprises by enhancing living and working conditions for Socapalm employees and local populations.

The roadmap tackles the following areas, setting specific objectives and expected outcomes for each one:

Socapalm roadmap to enhance living and working conditions for plantation employees and local populations [Source: Bolloré-Sherpa Call for Manifestations of Interest]	
1. Communication between village communities and Socapalm.	The objective is to bolster dialogue between neighbouring residents and Socapalm. The primary way to achieve this goal is to overhaul the platforms for dialogue and make them effective.
2. Land-related issues and compensation of local residents for loss of use and resources.	The objective is to ease conflicts over land, and to do so by renewing the dialogue on land-related issues between neighbouring residents and Socapalm, by finalising the boundaries of land granted to Socapalm and updating indemnification to provide fairer compensation for the losses suffered.
3. Environmental issues	The objective is to eliminate all forms of existing pollutants (managing waste, noise and air/water quality), work with local health authorities in their efforts to screen for illnesses arising from environmental hazards and provide compensation for the medical expenses of the population affected.
4. Public service tasks arising from the sale agreement, in respect of those living next to the plantation	The objective is to facilitate access to health care, drinking water, education and electricity for all nearby residents.
5. Local development	The objective is to contribute actively to local development as consideration for the concession obtained by Socapalm, <i>inter alia</i> by collecting village harvests in accordance with the terms of sale, developing village plots and giving priority to the hiring of local workers.
6. The situation of Socapalm workers and subcontractors, working conditions and work safety	The objective is to ensure that workers' rights are upheld, and that working and housing conditions comply with the sale agreement and the OECD Guidelines. This is to be done while ensuring work safety for all employees, improving transport and housing conditions and reducing recourse to subcontractors.
7. Amicable settlement of conflicts	The objective is to implement procedures for settling any conflicts that might arise from any violations or offences on the plantations, ensuring that conflicts are detected and dealt with, and that if need be any compensation is paid.
8. Transparency of actions undertaken	The objective is to ensure full disclosure in accordance with the OECD Guidelines, making sure, <i>inter alia</i> , that Socapalm's financial and non-financial reports are published regularly and that this information is accessible.

3. Evaluation of implementation of the Socapalm roadmap (see the Call for Expressions of Interest)

For the parties, the evaluation should provide for:

- ✓ **Formulation of a precise monitoring framework via relevant indicators chosen by the evaluator;**
- ✓ **Monitoring Socapalm's implementation of the roadmap, via those indicators;**
- ✓ **Making recommendations and if need be submitting changes for effective implementation.**

In addition, the parties undertake that results of the evaluation be presented to the NCP each year by the independent body. The NCP was advised that the independent body tasked with the monitoring process would determine, along with the parties to the project, the frequency and terms of the reporting on their work.

In conclusion:

- The NCP welcomes these developments, which have seen the multinational enterprise undertake, alongside its partners, to implement the NCP's recommendations and make tangible progress towards Socapalm's application of the Guidelines. This is an illustration of a multinational's responsibility vis-à-vis its business partners.
- The NCP considers that the roadmap for Socapalm submitted by the parties addresses its recommendations to remedy the violations of the Guidelines cited in its report of 3 June 2013.
- The NCP strongly encourages all stakeholders to make a full contribution towards implementing the roadmap.
- The NCP shall monitor the follow-up to its recommendations, as called for in its Rules of Procedure. In this regard, it notes that it will be briefed annually on the roadmap's implementation.

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