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Points of agreement between Mighty Earth, CED, APED and Halcyon towards a sustainable rubber production in Cameroon

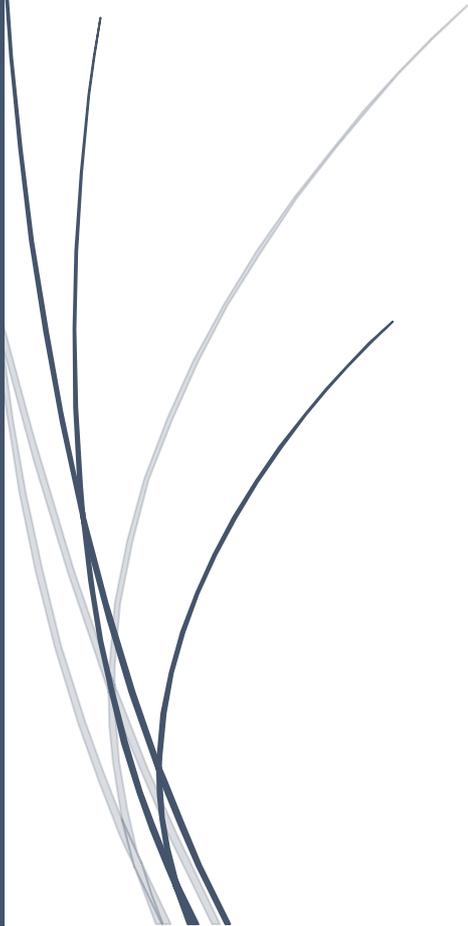


Table of Contents

- I. INTRODUCTION 2
 - Background..... 2
 - Objectives..... 2
 - Participants..... 2
 - Method..... 2
- II- RESULTS / POINTS OF AGREEMENT 3
 - 1. Recommendations and common points of agreement..... 3
 - 2. Ensuring the legitimacy of the Cameroon Sustainability Council..... 3
 - 3. Establish dispute resolution mechanisms 4
 - 4. Provide clear and publicly accessible information about concessions and the company 5
 - 5. Solutions for indigenous people affected by concessions 6
 - 6. Renegotiate better “cahiers de charges” and uphold past promises 7
 - 7. Prevent further water pollution, restore damaged waterways and provide clean water 8
 - 8. Equitable access to jobs; workers' rights; decent income..... 9
 - 9. Embrace ‘Zero Deforestation’, not ‘Zero Net Deforestation’ 9
 - 10. Program for Hévécam smallholders/subcontractors 10
 - 11. Compensation for past deforestation and restoration of natural habitats 11
 - 12. More environmentally friendly rubber cultivation..... 11



I. INTRODUCTION

Background

Following the commitment of Halcyon, global leader in rubber production and parent company of Hévécam and Sudcam, to a zero net deforestation policy in 2018, Mighty Earth commissioned a study. In partnership with *Appui pour la Protection de l'Environnement et le Développement* (APED, Support for the Protection of the Environment and for Development), this study was carried out with the aim of documenting social and environmental issues outlined in the attached report, assessing the level of implementation of this policy, and its impacts on the ground.

The findings of the study were reported to national civil society through the *Plateforme Communautés et Forêt* (Communities and Forest Platform) during a meeting on 13 May 2019 about the impacts of Halcyon's zero deforestation policy. They were also reported in partnership with APED during a discussion meeting in Greenpeace Cameroon's offices on 14 May 2019 to leaders of the Baka and Bagyeli neighbouring communities as well as to *Appui à l'Auto Promotion et Insertion des Femmes, des Jeunes et Désœuvrés* (APIFED, Support for the Self-Promotion and Integration of Women, Youth and the Unemployed), Forest People's Programme and Greenpeace. The PCF meeting, facilitated by the *Centre pour l'Environnement et de Développement* (CED, Centre for Environment and Development), aimed both at involving local civil society and defining action points for the implementation and monitoring of the company's commitments. After these two meetings, Mighty Earth's report and its recommendations for potential future actions have been expanded.

That same week, a working session was organized with Halcyon's management in order to report on the study carried out and to share the recommendations resulting from the study and the two meetings. During two days of brainstorming with Halcyon, Mighty Earth, APED and CED on May 15 and 16, the recommendations have been analyzed and action points identified.

Objectives

To share with Halcyon's managers the recommendations from the study conducted by Mighty Earth and APED, as well as the recommendations from both meetings, and to define together the points of action and agreement, including implementation, that have been defined within a timescale.

Participants

The working session was attended by Etelle Higonnet (Mighty Earth), Lee Chestnutt (CorrieMacColl/Halcyon), Patrick Grandcolas (Hévécam/Halcyon), Victorien Mba (APED) and Armelle Olinga (CED).

Moderating and interpreting (English-French-English) has been carried out by Etelle Higonnet.

Method

Various recommendations have been issued in the study. They have been expanded by the feedback from civil society actors and community leaders. After reporting the results of the

study, these recommendations have been discussed with Halcyon on the occasion of the working session. The following method was used: each recommendation has been presented and the points of agreement and disagreement have been discussed. On this basis, potential solutions have been identified and calendarized.

In order to improve this method, it has been agreed that the company’s managers would give feedback on the study, with the possibility of making amendments. During the working session, recommendations to which the company agreed have been identified, and points of action have been defined within in a timescale. For those which would raise disagreements, finding a compromise proved necessary.

II- RESULTS/POINTS OF AGREEMENT

The company and NGOs have agreed on the following points.

1. Recommendations and common points of agreement

By adopting the following specific measures, Hévécam/Corrie MacColl/Halcyon Agri will:

- Involve entire villages to ensure a representative process;
- Ensure the close involvement of Cameroonian government officials in order to find solutions to Hévécam’s historical issues;
- Ensure that the changes implemented by Hévécam on its operations are applied by its subcontractors and third-party suppliers;
- Support civil society calls for a national action plan for sustainable, deforestation-free rubber that protects human rights and the environment;
- Hire a sustainability expert to address these social issues. The company guaranteed that the change of Hévécam leadership did not involve a shift in the company’s sustainability policy since the improvements made over the past 2 years were under the direction of head office. The new CEO will continue the social and environmental actions initiated by his predecessor and Halcyon
- Tour the villages by August at the latest.

2. Ensuring the legitimacy of the Cameroon Sustainability Council

- Halcyon officials have admitted their need for broader consultations. The company is committed to ensuring that its mandate is fair, as well as the composition of the Board.
 - Halcyon will request that legitimate representatives of communities affected by the rubber industry and the civil society stakeholders that have supported them are invited to join the council and are strongly represented on the Board. Halcyon, in conjunction with local NGOs, will develop and implement a mechanism for local communities, including the Bagyeli and

Baka indigenous communities, to appoint their own legitimate representatives to speak on their behalf at the Council. This will prevent people who do not have the trust of the communities from acting as representatives.

- Halcyon is committed to encouraging the participation of civil society stakeholders such as the NGOs APED (working on Hévécam) and APIFED (working on Sudcam) that have been working with affected communities on the ground for years.
- Halcyon will ask the Council to undertake a consultation with civil society networks, including the *Plateforme Communauté et Forêt*, a network of 50 local NGOs with considerable expertise on forest experience. With the prospect of being invited to their next working session, this session would be an opportunity for them to present their recent developments in zero deforestation policy, the Sustainability Council and to collect the platform's FPIC to participate. It would also be an opportunity for the company to seek the assistance of the platform in order to foster the involvement of the communities. **This meeting is likely to be scheduled for the end of August. The associated communication will be sent to the platform by end-June.**
- CED will coordinate the Platform and encourage it to delegate members who work on industrial agriculture with a focus on rubber.
- Mighty Earth agrees to participate in the Council as long as it collaborates with local civil society.
- Among the key expert civil society stakeholders that the Council should seek to involve are international NGOs that have worked on deforestation in Cameroon: CIFOR, CIRAD, Earthworm (formerly The Forest Trust), Environmental Investigation Agency, FERN, Forest Peoples' Programme, Greenpeace Africa, Mighty Earth, Proforest, Rainforest Action Network, Rainforest Foundation UK, Tropenbos and the World Wildlife Fund.
- All are committed to steering the Council's work to support civil society's efforts to develop a national action plan for sustainable rubber. Halcyon wants to be a frontrunner in sustainable rubber. While the Council will start with tackling the issues at the Hévécam and Sudcam plantations, its terms of Reference could then be nationally oriented, to promote a countrywide framework for sustainable rubber cultivation, land rights, indigenous rights, forest and biodiversity protection, clean water, food security, fair employment, livelihoods of smallholders, etc.
- Ultimately, all (Might Earth/APED/CED/Halcyon) agree that this Council should also look to link to similar Cameroonian deforestation-free frameworks being established for other commodity tree crops (namely palm oil and cocoa).

3. Establish dispute resolution mechanisms

Halcyon Company will:

- Undertake – with the support of experienced NGOs - the establishment of separate dispute resolution mechanisms for the Hévécam and Sudcam operations to address the specific grievances of households impacted, including legacy issues;
- Ensure that reforms are applied in an equal fashion across Hévécam and Sudcam in accordance with the local context;
- Ensure that Hévécam’s management urgently rethinks the way it has been engaging with local communities to communicate more regularly and clearly around grievances, and to ensure adequate representation from appropriate members of each community;
- Establish a new mechanism to allow genuine representatives of the affected communities to voice their general concerns, and allow individuals to lodge specific grievances which should be uploaded onto a transparent dashboard online;
- Ensure that within this process with regard to Hévécam, specific attention will be paid to the grievances of the Bagyeli communities. These communities warrant special attention since they suffer particular difficulties in accessing education, citizenship, and housing;

Mighty Earth/APED/CED will:

- Commit to advise the company on the creation of grievances/dispute resolution mechanisms, and to seek the assistance of the Platform’s member NGOs, including APIFED, to benefit from their vast experience. The following will be considered:
 - An online complaint mechanism is accessible to everyone to integrate grievances;
 - At the local level, there is a mechanism ensuring that neighbouring residents or other affected persons can file complaints with the company and that this request is processed, including orally for people who cannot write well. It has been agreed that this point will be raised at the August meeting with the *Plateforme Communautés et Forêt*. On that matter, a working group could be created within the Plateforme, at their discretion. In the meantime, each party, and especially the company itself, will begin to determine and better define the most appropriate system.

4. Provide clear and publicly accessible information about concessions and the company

- All (Mighty Earth/APED/CED/Halcyon) agree that concerned or affected villages deserve transparency and clear information on what communities can and cannot legitimately ask Hévécam to do in the context of the responsibilities provided for by the terms of the privatization agreement.

- Regarding global transparency, Halcyon officials said that they are aware of the need for information access, they have been working with Zoological Society of London (ZSL), which is currently developing a Sustainable Palm Oil Transparency Toolkit (SPOTT) transparency application for palm oil and wood that is being extended to rubber. In this application, about a hundred data points must be published on the website to assess the level of transparency of a company. Halcyon plans to integrate the process as soon as the platform is ready. **In June the company will review this. Between June and August, Halcyon will share the final list of SPOTT's requirements. Mighty Earth and its partners will come back to the company by the end of June at the latest with their inputs enhanced with the Rainforest Alliance document.**
- At the local level, an internal review will be conducted to see what information is available within Hévécam given the recent changes in management and that the current management does not yet have access to relevant old documents such as the *cahier de charges*. Hévécam will provide the villages in question with all the relevant documentation that can be found, translated into local languages. Hévécam will attempt to find and publish the company ownership documents and all project and land-acquisition and land royalty documentation.

5. Solutions for indigenous people affected by concessions

In Cameroon, Halcyon commits to:

- Work together with local NGOs like CED, APED and APIFED, which have long term experience defending indigenous rights, and with relevant government authorities to respectfully and urgently engage with indigenous communities as a whole as well as with their legitimate representatives;
- As part of the social action plan to be developed later this year, the company has committed to **conducting an internal review to assess what has been done and what they can do about financial challenges** in education, citizenship, etc.;
- In a process led by local government and NGOs, Halcyon will help to expedite the acquisition of official 'village' status for indigenous villages;
- In a process led by local government and NGOs, Halcyon will help to ensure that all newborns indigenous babies in villages in concessions or in neighbouring villages have better access to birth certificates on an ongoing basis, starting now;
- Assist NGOs in working with communities to provide birth certificates and national identity cards to indigenous people who do not yet have them in villages in concessions or neighbouring villages (NGOs will develop proposals for this work);
- Guarantee equal, non-discriminatory access to positions/jobs on the Hévécam and Sudcam plantations and put an end to unequal payments for indigenous people. Regarding the unequal payment of the Bagyeli, the company requested additional information from civil society, and APED committed to provide it;
- Raise income for indigenous peoples. In the light of the disappearance of traditional activities of indigenous communities and their livelihoods, the company

will now help indigenous peoples with their livelihoods. The company will work together with NGOs to help indigenous people develop income generating activities and local small businesses. To ensure gender balance and women’s empowerment, Hévécam/Sudcam will consult with indigenous women who say that there are many traditional activities they master which they would like to turn into sources of income such as gathering non-timber forest products, harvesting honey, creating baskets and other handicrafts. Together with NGOs, the company will help indigenous peoples in villages in concessions or neighbouring villages to access credit and other support to get such small-business off the ground;

- Halcyon commits to investigating and assessing claims as part of the grievance mechanism to ensure that wherever the grievances are fair and accurate, communities have access to the graves of their ancestors or receive apologies and compensation for the destruction of the said graves. The company is committed to a full and straightforward discussion with representatives of the concerned communities.

The company is also awaiting input from civil society on these issues. It was thus agreed that **the issue would be put on the agenda of the meeting with the “Plateforme” in August**. This answer covers issues of citizenship, education, recognition of traditional indigenous chieftaincy and health.

6. Renegotiate better *cahiers de charges* and uphold past promises

The company has stated, and NGOs have accepted, that the *cahiers de charge* are now irrelevant on which they will not extend the plantations;

The company will review with its local team what has already been done and what needs to be done. The company stated that the company’s achievements are highly dependent on its financial constraints;

Hévécam commits to:

- Disclosing, where they exist and are available, agreements between Hévécam and the communities originally concluded between the government and the local population and known locally as *cahiers de charge*;
- Addressing the issues raised in the ‘specifications’, which are the backbone of the villagers’ complaints. From now on, the issues will be negotiated as part of a “Social Action Plan” under fair conditions, with FPIC and implementation schedules to ensure follow-up. The requirement to inform communities in advance and ensure that the different groups are represented in an understandable language, has been particularly highlighted;
- Working with the communities and public authorities involved to negotiate one or more new agreements. The process that has been agreed to by all parties is as follows:

1. Internal process. What can and cannot be done, from a logistical point of view (**mid-June**);
2. Consultation with communities; (**mid-August for the first round of consultation**, APED can assist);
3. Finalization of the action plan (**4th QTR 2019**);
4. Development of an inclusive action plan over a few years (5 for example);
5. Popularization of the action plan and beginning of the implementation (**January 2020**);
6. **At the end of each year** in a transparent manner, inform on what has been done or not in all villages; Explain what has been achieved in the previous year, and what will be achieved the following year.

Proposals made to Hévécam by Mighty Earth/APED/CED for consideration as part of the “Social Action Plan” with the communities involved:

- Education: Creation of kindergarten; didactic support; pupil transport
- Electricity: Installation of solar panels or power lines in a fair and equitable manner;
- Health: Mobile clinic/driving communities to the hospital;

7. Prevent further water pollution, restore damaged waterways and provide clean water

Hévécam commits to:

- Assess the pollution level in the waters/rivers in the Hévécam/Sudcam plantation and in the rivers downstream of the plantations (as it has already been done by Sudcam) to make a test plan. The company will conduct the actual test of the water from the rivers exiting Hévécam in accordance with the test plan. The Centre Pasteur is the prospective laboratory for these waters. The company will take significant actions after the internal investigation to manage waterway pollution. **This water test plan (where, when, how) will be available at the end of July;**
- Manage the water pollution issues for all Halcyon plants. The company is in the process of designing and specifying a new, active waste and wastewater recycling system. Once the budget is approved, the activity will be implemented and exchange trips can also be organized to inform local communities ;
- Manage the water pollution issues for all Hévécam and Sudcam plantations. The company will investigate better agrochemical control systems and reduce pesticide use as part of the discussions with PFC to prevent further pollution of local waterways;
- Minimize pesticide use. Regarding water pollution from pesticides in all Halcyon operations, **it has been agreed that a meeting will be held in the last quarter of the year** with the participation of leading expert scientists on the minimization of pesticides’ use. The workshop will be organized by Mighty Earth;

- In all Halcyon operations, ensure proper demarcation of bigger and better protective forested buffer zones along all the rivers running through the plantation. Concerning the issue of buffer zones to protect rivers, the company has committed to check the presence of forest strips to protect rivers in Hévécam/Sudcam plantations. **This mapping will be shared in October;**
- Pay to have water sources used by local communities in Hévécam/Sudcam routinely tested by a neutral party, and to publicly disclose the results of those tests;
- Test water sources, assess if the water is clean, and if it is not clean due to pollution caused by Hévécam/Sudcam, then build wells or boreholes to provide drinking water where needed for the local communities in Hévécam/Sudcam. Hévécam also commits to teach local members of the communities how best to maintain and repair such wells.

8. Equitable access to jobs; workers’ rights; decent income

Halcyon commits to:

- Guarantee equal access to jobs for local populations, directly and through subcontractors;
- Employ locals wherever possible, including for the most important positions;
- Improve local hiring by providing better information on open positions. The company will improve its information system by expanding beyond just announcing through village leaders (use of bulletin boards, local radios, etc.);
- Publish a list of the percentage of locals currently employed by the company, with their level/category listed;
- Give affected local communities preferential access to smallholder rubber programs, with training and monitoring to ensure there isn’t deforestation by smallholders as well as training and monitoring for best practices, high yields and agroforestry with particular attention to ethnic and gender balance. Local communities have expressed strong desire for proper village-wide transparent consultations about a possible Hévécam rubber small holder program covering who, what, when, where, how it will be structured.

9. Embrace ‘Zero Deforestation’, not ‘Zero Net Deforestation’

Halcyon has already committed to zero deforestation in its operations. The company has stated that the zero deforestation policy concerns both the company and smallholders.

10. Program for Hévécam Smallholders/Subcontractors

The company expects to have 27,000 hectares (ha) of rubber trees for smallholders over 12 years and 13,000 smallholders in the long term. The program will start this year with 750 ha **between August and November**.

The program is open to everyone at the community level with priority given to the neighbouring communities. The company commits to placing particular emphasis on gender balance and the involvement of indigenous peoples. The company is open to NGOs' assistance in this regard.

The company intends to set up GICs each operating 50 ha. The company recognizes the need to assess the best format for these farmers' organizations. APED has volunteered to work in the structuring of CICs and appropriate support for CICs and will ask APIFED to do the same.

Regarding to potential environmental restrictions, any proposed outgrower or smallholder scheme must also ensure zero deforestation and the best environmental practices around fertilizer pesticides, etc., which requires robust training, support, and regular monitoring. A checklist will be carried out by Proforest to ensure that these small fields are both socially and environmentally friendly, this will include mapping of degraded land to see where monoculture can be carried out sustainably.

Regarding potential land restrictions, the program would provide approximate land tenure. The CIC's organization and the landholding aspect will be managed by an NGO, possibly *ervice d'Appui aux Initiatives Locales de Développement (SAILD)*.

Regarding potential financial restrictions, the first year will be pre-financed. An application will be developed to carry out risk analysis for candidates seeking access to credit in order to assist them in this field. In rubber areas for small producers, food polyculture and livestock will be encouraged to overcome the difficult beginnings.

Regarding potential contractual restrictions, the company has committed not to request exclusivity agreements, and to offer only competitive offers so that producers can choose to sell their product to the company themselves. The process will be transparent with fixed prices. In this sense, the company hopes that the government will set up an Association of Natural Rubber Professionals of Côte d'Ivoire (APROMAC) system, as in Côte d'Ivoire, to set and stabilize prices.

The following timeline will be respected:

- The company will share results from Proforest, the list of environmental criteria (**End of June**);
- NGOs (Mighty Earth/APED/CED) comment on these criteria and to help other elements of the CSO to comment as well;
- The company will rally and select smallholders (**June-July**);
- APED is committing, with other CSO elements such as APIFED, to support this campaign in order to help ensure equitable access to affected communities;
- Technical training for small producers, creation of CICs, etc. (**August-November**).

11. Compensation for past deforestation and restoration of natural habitats

The following will be undertaken in an effort to compensate and restore in key areas:

- Biodiversity and poaching: To manage the issue of Hévécam workers involved in poaching on the lands of local populations, Halcyon will set rules and training in the work zones and camps as other companies such as Olam has done in Gabon with a model for awareness/repression of poaching by their staff;
- Accuracy: To ensure the accuracy of deforestation maps and that plantation regeneration is not mistakenly considered deforestation, Mighty Earth will share its maps with Hévécam. Hévécam will carry out a more detailed mapping on the sites shown on the Mighty Earth's maps where deforestation takes place in the old plantation and communicate the results to Mighty Earth;
- Concessions: Halcyon will not return the parts of its long-term concessions that remain forested to the State, but rather ensure that these areas remain forested and protected, with co-management by communities;
 - On this issue, the company is willing to discuss the method to be adopted. It has been agreed that this issue will be discussed with the Plateforme Communautés et Forêt. The 25,000 Ha central concession will not be returned. The key question is how to protect community access to the areas that the company intends to return to the State (13,000 ha in the temporary concession No. 3 South);
 - The company will provide clear details on the hectares available in unplanted areas.
 - **The CED will propose alternative solutions to Halcyon by the end of July.** From then on, the company will be able to send the retrocession correspondence. With regard to Hévécam, this plan will also be adapted to Bissiang and Elogbatindi;
 - The establishment of community forests will be organized with consultation of all villages, and the possibility of ensuring the long-term financial viability of such forests with ecotourism or value chains for non-timber forest products;
- Government: Mighty Earth/APED/CED commit that civil society will ask government authorities to support restoration and community forests because of the State's historical responsibility for the older deforestation of Hévécam. This will be all the more important for the temporary concessions that Halcyon intends to return to the state.

12. More Environmentally Friendly Rubber Cultivation

- Halcyon has demonstrated its willingness to shift all its rubber production towards more environmentally friendly production in the Hévécam plantations and beyond Cameroon. Halcyon is willing to work jointly with experts to explore the best available science around how to limit chemical inputs including pesticides, how to promote biodiversity including through agroforestry techniques, and to develop buffer zones around rivers to maintain riparian ecosystems. The issue was partially raised with the planning of a **meeting with scientists for the last quarter of the year** (Recommendation 7). Through improvement of Hévécam’s environmental practices, Halcyon can work to make rubber a force for positive environmental reforms in agriculture and become a force for greener agriculture worldwide.
- Proforest is in the process of performing assessments of Hévécam and Sudcam operations against Halcyon’s sustainability policy commitments. As for ESIA’s, Proforest is also conducting a gap analysis of Sudcam ESIA’s against international standards. **This study will be completed in August.** A plan will be produced and any issues addressed.