

stones, having no significant commercial mineral value other than as construction material, as they may consider useful for conducting their operations, so long as this does not interfere with the rights of third parties or of the government. This can be sold commercially, though unlike timber there must be written government approval for this. There is no requirement that profits from such sales be shared between SD and the government.<sup>14</sup>

- **Water.** Before damming any body of water, SD must get approval from the government, though not from any communities which would be affected by it. SD is prohibited from damming water in such a way as to harm any farming activities already being conducted by the effective beginning date of the contract. There is no requirement that they refrain from harming farming activities, which come into existence *after* the beginning of the contract. Unlike the Golden Veroleum contract, there is no prohibition on depriving settlements (and therefore communities) of the water supply that they have customarily used.<sup>15</sup>

#### Public mobility issues

- The public are allowed to continue to freely use the roads across the Concession Area that they have always used, including farm roads, and including for commercial purposes. However, this use must not unreasonably interfere with SD's operations. SD may also deny or restrict public access over these roads (with prior notice to the government) if they think it threatens the security of their operations and employees. This can include the installation of security gates on public roads, subject to government approval. In the case of an emergency, SD can close these roads and trails without asking the government first, provided that they immediately notify the Ministry of Agriculture.<sup>16</sup>

#### Community Development Promises

- **Outgrowers' Program.** This will give 44,000 of the Gross Concession Area to be farmed by Liberian oil palm farmer cooperatives selected by Sime Darby and the government. SD commits to purchase their produce, and to provide them with training and non-financial support in obtaining farming materials. Funding will be sought from the World Bank and other international development funds.

If funding is not obtained, the program will not go through and the land will revert to the government (see above).<sup>17</sup>

- **Community Development Contribution.**<sup>18</sup> SD will contribute \$5 annually per ha of land within developed areas to a community development fund.
- A management team of not more than 10 members chosen by the surrounding community, the government, and SD will administer this fund. SD will get to choose half of the management team; there are no similarly ring-fenced positions for representatives from the community (or government) in the remaining half. Unlike the GV contract, there is no requirement that the budget be determined in consultation between the management team and the government.
- There is NO restriction limiting the disbursal of funds to projects directly benefiting the community, as opposed to the general work programs of administrative offices. There is also NO requirement that funds only be disbursed for the benefit of the communities in the affected counties.
- There are NO auditing or public transparency requirements regarding the activities of the fund.

#### Footnotes

- 1 Section 4.1(c)  
2 Section 3.1  
3 Section 4.3  
4 Section 4.3  
5 Section 8.6  
6 Section 8.5  
7 Section 26.2  
8 Section 26.2  
9 Section 27  
10 Section 3.2  
11 Section 8.8  
12 Section 8.10  
13 Section 4.4(d)  
14 Section 4.4(e)  
15 Section 4.4(e)  
16 Section 4.4(a)  
17 Section 15.2  
18 Section 19.5

## Sime Darby

# What does the contract say?



# The Sime Darby Contract

A photograph of a traditional hut in a dense jungle. The hut features a thick thatched roof made of dried palm fronds. A large, light-colored tarpaulin is draped over the left side of the hut, supported by wooden poles. The hut is surrounded by lush green vegetation, including various trees and bushes. The perspective is from a low angle, looking up at the hut's structure.

The background image shows a calm body of water reflecting the surrounding greenery and palm trees. The sky is clear with some light clouds. In the top right corner, there is a white rounded rectangle containing text.

## Geographical Scope of Concession & Timescale of Expansion

- The size of the Sime Darby (SD) concession area is 31,187 hectares (the Gross Concession Area), 220,000 ha is for the Concession Area, and 44,000 is for the Outgrowers Program. There is no requirement at this stage to inform residents of that area that their land has been selected for the concession.<sup>1</sup>
  - Failure by SD to meet its end of cycle replanting obligations, giving the government the option to repossess that piece of land.<sup>6</sup>
  - Areas reclaimed any undeveloped portion of the concession area.<sup>5</sup>
  - The term of the contract is 63 years from July 23, 2009.<sup>2</sup> Expansion of the operations area to its full size will take place over the next 18 years.
  - By independent farmers<sup>12</sup>; SD must allow certain independent farmers in areas that are not suitable for production. This program is identical to Golden Nero's independent farmers rights over natural resources on Sime Darby's land.
  - By independent farmers<sup>12</sup>; SD must pay up to \$200/ha requiring the expenses, SD must pay to \$200/ha requiring resettlement; the government will pay the rest of the expenses. 50% of the expenses incurred by SD can be for more than 365 days. If this happens, the entirety going bankrupt; or has ceased commercial production fails to comply with the contract; is SD has seriously failed to terminate it because contract, or if the government terminates it because contract, or if the government terminates it because SD has breached the contract.
  - SD will decide which communities it wants to resettle.

## Resettlement & displacement



Situations under which the government can reclaim concession land