

## POSITION STATEMENT

**Response to the case study published by MRLG titled:**

***Land conflicts between Economic Land Concessions and smallholder farmers in Bousra commune (Cambodia): What are the policy implications***

Bousra, 18<sup>th</sup> August 2020

The case study *Land conflicts between Economic Land Concessions and smallholder farmers in Bousra commune (Cambodia): What are the policy implications*<sup>1</sup> written by CPS<sup>2</sup> and published in January 2020 by MRLG<sup>3</sup>, presents a comparative study between two companies' approach to community relations: Socfin-KCD and Dak Lak.

The report has been drafted in 2016 and, keeping to its commitment of transparency towards its external stakeholders, Socfin-KCD has met several times with representatives from CPS between 2016 and 2018 to provide background information and corrections on the initial draft. The working team has also been offered the possibility to check some of the facts directly through field visits with a team from Socfin-KCD but did not pursue this option. Company roads are always open to all and community-use land within the company's concessions is in easy access for all external stakeholders to cross-check information.

It is Socfin-KCD's belief that external organizations are entitled to their opinion and are free to express their views on the company's activities as well as to provide guidance for all stakeholders involved.

However, most of the information shared by Socfin-KCD with CPS through the drafting of the report has not been included in the final document, and views attributed to representatives of the company have been misrepresented.

Socfin-KCD has contacted CPS and MRLG in March 2020 who answered that significant revisions could not be made on the document because it would « affect the overall layout ».

It comes as both a surprise and a disappointment to Socfin-KCD that this report would be published without notifying the company and that it would represent the result of the efforts its team put into building a transparent and respectful relationship with the organizations involved in the publication.

This is why, through the document attached to this statement<sup>4</sup>, Socfin-KCD would like to provide background information on its activities and its relations with the local communities as well as correct inaccuracies from the final report published by MRLG.

This document focuses on the relations between the company and the local communities. Comments on facts related to employment within the company have not been addressed in order to keep the document to a reasonable length. However, Socfin-KCD reserves the right to address these points in a future publication.

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<sup>1</sup> Available [online](#)

<sup>2</sup> Center for Policy Studies

<sup>3</sup> Mekong Region Land Governance

<sup>4</sup> See document attached: *Comments from Socfin-KCD in response to the case study published by MRLG*

## **About Socfin Cambodia**

Socfin Cambodia is implanted in the Kingdom through two companies registered with the Ministry of Commerce: Socfin-KCD and Coviphama.

Socfin Cambodia is proudly committed to the sustainable development and management of rubber estates in Mondulkiri Province, and equally committed to the communities where it maintains operations as stated in its publicly available Zero Deforestation Commitment<sup>5</sup>.

Socfin Cambodia respects and is a driver for the implementation of the Socfin Group's commitments, policies, charters and codes which are detailed in the Socfin Group's sustainability report as well as on its corporate website: [www.socfin.com](http://www.socfin.com).

## **For more information**

About Socfin in Cambodia: <https://www.socfin.com/en/locations/cambodia>

Facebook: @SOCFINCambodia

Latest publication: 2018 Sustainability Report<sup>6</sup>

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<sup>5</sup> Available [online](#)

<sup>6</sup> Available [online](#)

### About the publication

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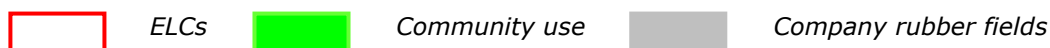
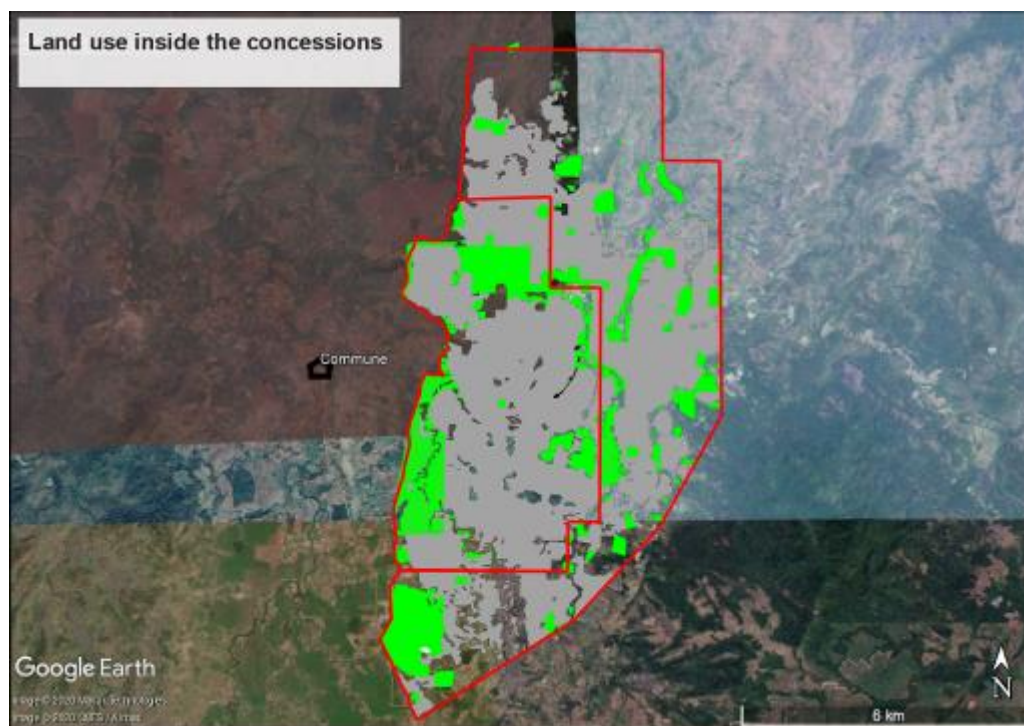
<b>Title</b>	<i>Land conflicts between Economic Land Concessions and smallholder farmers in Bousra commune (Cambodia): What are the policy implications</i>
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<b>Published by</b>	MRLG – Mekong Region Land Governance

### About Socfin-KCD

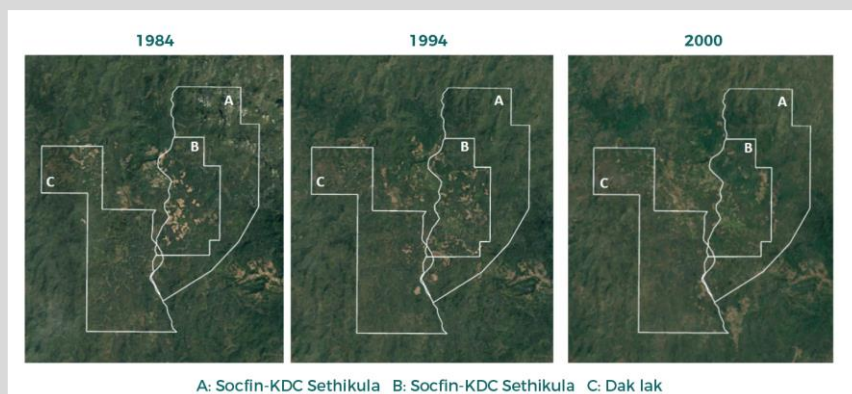
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Socfin-KCD is a Cambodian company developing rubber plantations in Bousra Commune, Mondulkiri Province, Cambodia. Socfin-KCD manages two economic land concessions (ELCs), *Varanasi* and *Sethikula*, which were approved by the government in 2009 and 2010.

**Today, the land within the ELCs managed by Socfin-KCD is a patchwork of various land use:** environmentally protected, population (communal and individually used land), and business land.



## Information published by MRLG



(page 9)



**A: Sethikula**

**B: Varanasi**

## Relations between Socfin-KCD and the local communities

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## ***Prior to the project***

Before starting its operations, Socfin-KCD carefully evaluated different potential concessions. Several were refused based on study findings which indicated social or environmental impacts outside permissible parameters, and not consistent with the company's values.

No work started on the concessions managed by Socfin-KCD until all government requirements were fulfilled and completed, including conducting Initial Environmental and Social Impact Assessments (IESIA) which guided the development activities and are publicly available upon request with the relevant authorities.

During both the feasibility study phase and at the beginning of any development activities on the concessions, **Socfin-KCD engaged dialogue with the local population through numerous public open-meetings conducted in Khmer and Bunong languages.** These meetings were attended by independent observers such as the local representation of the United Nations.



*Open meeting at commune office – 12-2008*



*Open meeting at company site – 05-2010*

## **2009 – 2012: Individual and communal land agreements**

### **Individual farmland: compensation program**

#### **Information published by MRLG**

*The company strongly discouraged farmers from keeping their farmland within the concession. (page 10)*

*People considered the land-swap deal unattractive because the land in the proposed relocation sites was in general too remote and less fertile. (page 10)*

The consultation phase resulted in comprehensive compensation options being presented to the families claiming farmland inside the ELCs between 2009 and 2012.

Through this compensation program, **the population was presented with four options:**

- 1- Villagers could keep their fields at their initial location (status quo / leopard skin policy);
- 2- Fields could be relocated in a community area: two community areas were delimited, in locations where there was already a high density of fields (near rivers or close to the villages);
- 3- Join the smallholder program ("family rubber plantation");
- 4- Financial compensation (covering the land, crops and any construction on the land).



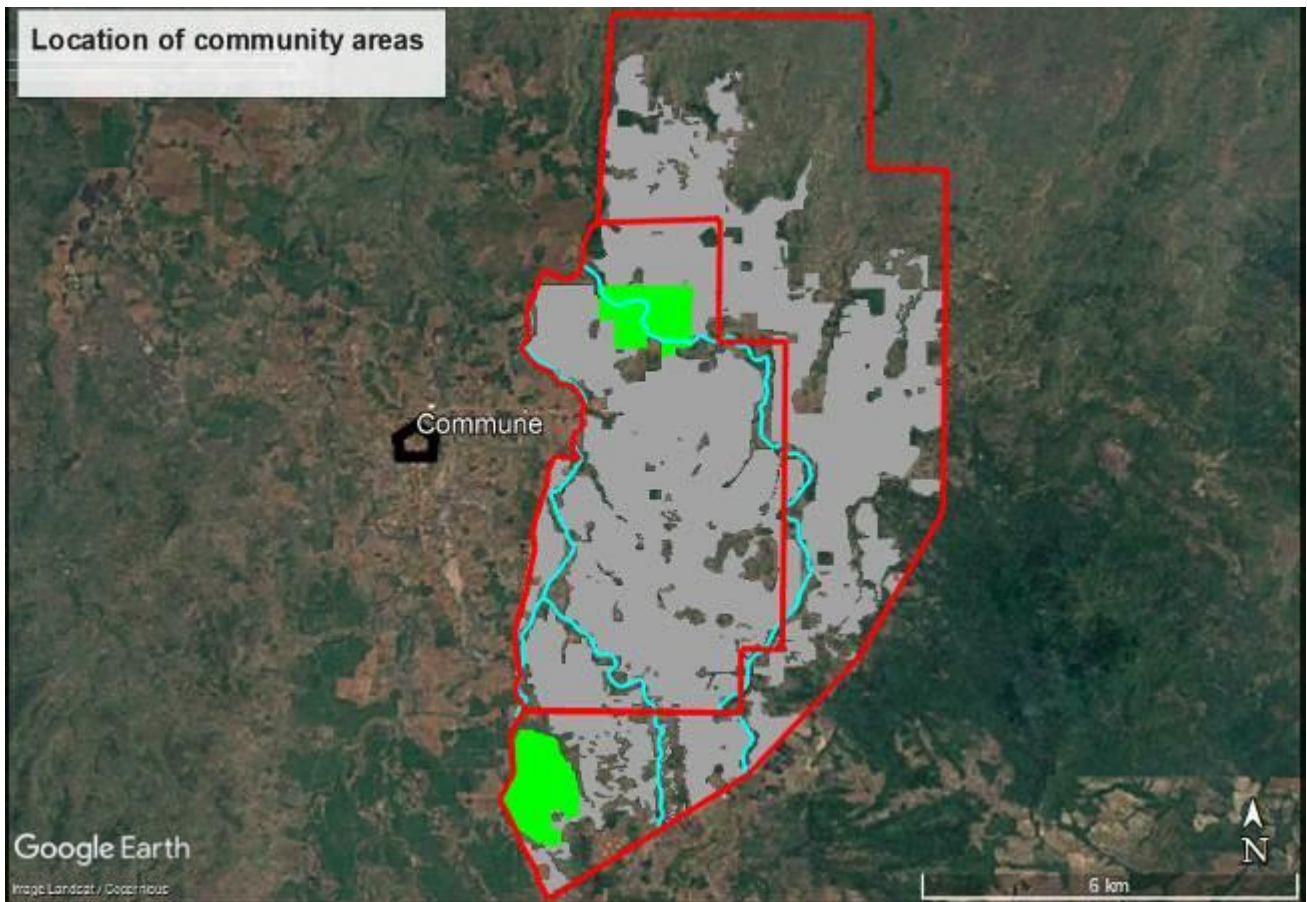
**Three out of these four options resulted in farmers still having activities inside the ELCs (options 1, 2 and 3).**

**Today, family rubber plantations still cover 136 hectares inside the concessions.**

**The two community areas cover an additional 290 hectares.**

**Individually owned land titles within the ELCs cover 570 hectares and over 400 fields (not all covered by land titles) have been recorded.**





**The two community areas, covering 290 hectares, were preserved so farmers could continue to manage their fields as a community.**



**These two areas were selected because they were already presenting a high density of fields.**

**They are located along rivers for water access and are in easy access from the villages.**

**Access is facilitated through company roads which are open for the local population.**

Although initial assessments showed that cultivated and fallow fields covered only 1 193 hectares, **the company compensated a total of 1 348 hectares.**

As of the end of 2012, Socfin-KCD, **together with all 816 claimant families, amicably resolved all cases.**

All these families have signed compensation agreements with the company and have received a copy of these papers. Local authorities have also received a copy of all documents.

## Communal cultural sites: mapping and preservation program

During the same period, cultural sites including spirit forests, sacred forests and cemeteries were identified, mapped and preserved by the company and local representatives of the indigenous community.

**Over 250 hectares of these cultural sites have been preserved through this program.**



*Marking of a Bunong cemetery by Socfin-KCD*

## Facilitation of the programs through the community liaison office

### ***Information published by MRLG***

*In order to improve the relationships between the local Bunong and the company on matters related to employment, Socfin-KCD has established a department, called "Bunong Administration". (Page 15)*

To conduct these programs Socfin-KCD created a dedicated community liaison department called the Bunong Administration, composed of Bunong employees from the local communities, speaking the local language.

At the time, a European linguist speaking the Bunong language was also acting as a consultant for the department to ensure clear communication between all.

The Bunong Administration still exists today and its team engages with the local communities on all aspects of the plantation's activities in which the population can be integrated and involved such as the smallholder program, safety prevention (particularly during the "slash and burn" season when local farmers burn their fields for new cultures) or protection of their cultural sites and traditions.



**The Bunong Administration is dedicated to external stakeholders and especially to facilitating contacts between the local communities and the company.**

**It has never been mandated to work on internal matters related to employment.**



## **Current situation**

### **Access to farmland**

#### **Information published by MRLG**

(About Order 01 and the land titling team)

*Socfin-KCD disregarded their demands and refused to cooperate with the titling team, arguing that the ELC was granted to them by the government and that the land claims of farmers inside the concession were simply not legitimate. (Page 11)*

Today, the local population still cultivates fields within the ELCs: in the two community areas covering 290 hectares (which have received land titles) or on individual fields located across the plantation.

Over 400 fields have been recorded and access to company roads is always guaranteed for the local population using them to access their plots.

**A previous version of the report shared by CPS with Socfin-KCD in June 2018 tells a different account of the company's experience:**



*"Although the company requested for information sharing and cooperation, it was not agreed by the youth volunteers on site. When the company challenged them, they insulted the company citing the order from the PM. The volunteers measured and issued claimants title in the environmental protection areas as well."*

**The company did not interfere with the titling scheme. As a result, individual land titles received through the program conducted under Order 01 cover 570 hectares within the ELCs.**

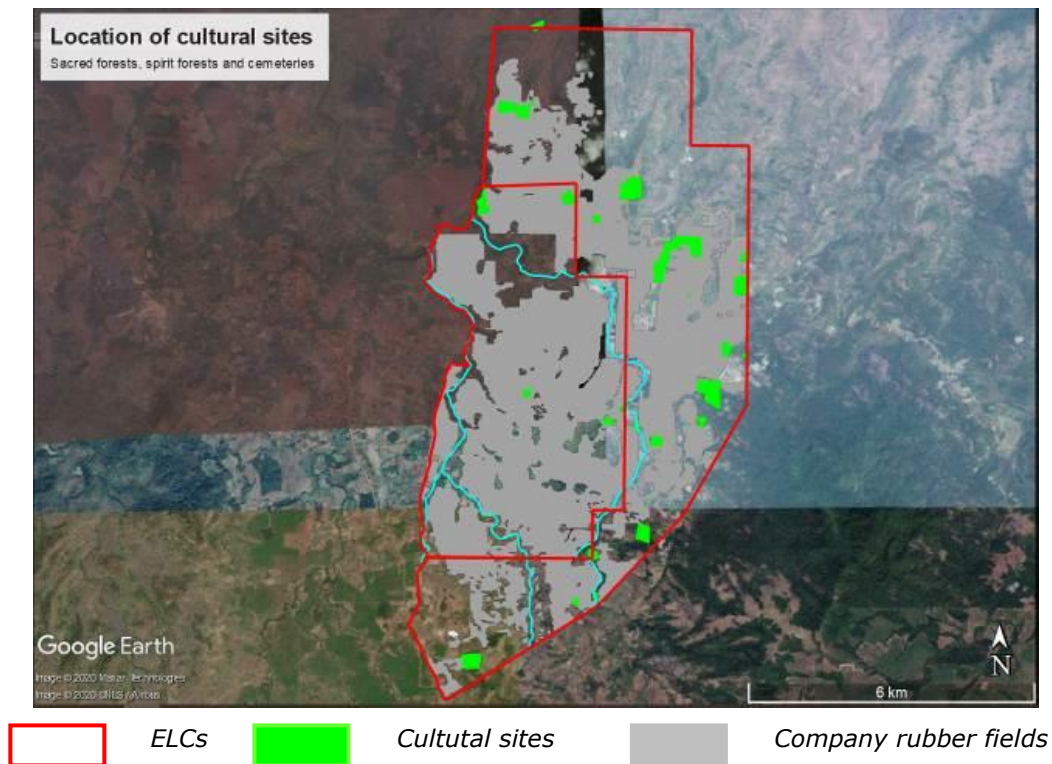
### **Protected cultural sites**

#### **Information published by MRLG**

*Socfin-KCD cleared many sacred forests (200-300 hectares) and only 20-30 hectares remained when people complained. The company organized a traditional offering to apologize to the spirits, but the land that had already been cleared was not returned to the community. (page 15)*

Cultural sites including spirit forests, sacred forests and cemeteries have been identified, mapped and preserved by the company and local representatives of the indigenous community since the beginning of the company's activities in Bousra.

In 2012, an agreement was signed to attest that all existing sacred land had been preserved and that there was no conflict related to this type of land.



**Today, cultural sites are still being monitored and protected by Socfin-KCD.**  
**Current mapping show that these areas cover over 250 hectares.**

### Smallholder program (“family rubber plantation”)

#### Information published by MRLG

*People were hesitant to engage in this option for a number of reasons: the small size of the plot; the low fertility and remoteness of the land allocated; the lack of long-term tenure security; and the fear of not being able to pay back the loan to the company. (Page 10)*

The smallholders project is an agreement between Socfin-KCD and individual smallholders from the local communities to whom it brings an additional and stable income. Today, 52 smallholders are part of this program, exploiting 136 hectares within the concessions. All smallholders’ plots have reached maturity and are producing rubber on their fields.

Smallholders receive free technical guidance from the company and in 2019, eight group trainings were organized on topics including: maintenance, fire prevention in rubber fields, tapping quality, increased yield, maintenance and disease treatment. Smallholders can also benefit from a free training at the company's tapping school in order to learn from the company's expertise to work on their own plots.



*2019 smallholders technical trainings*

When entering the program, smallholders have signed agreements with the company including mentions of the size of the allocated plot, duration of the agreement, location of the field, and obligations from both parties.

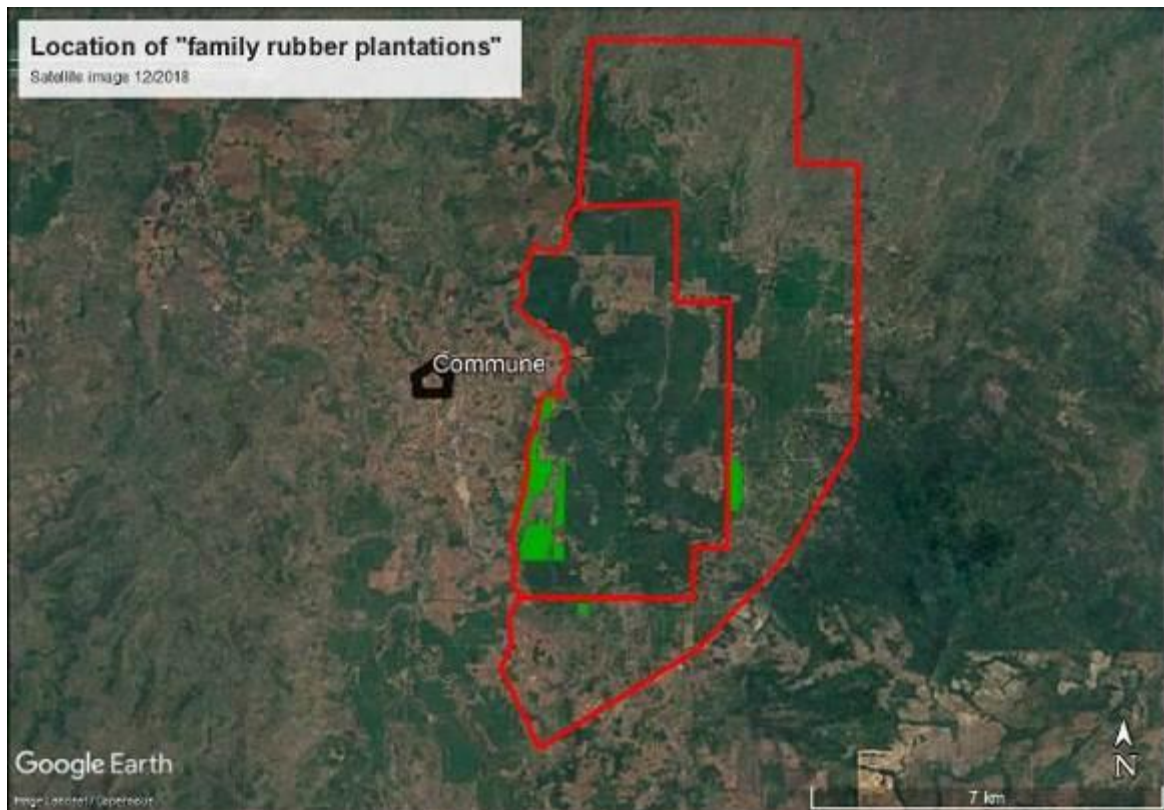
**The preamble of the agreement signed between the company and farmer says (translation from Khmer):**

*As part of the development of the ELC into a rubber plantation by the company, the company has offered to compensate fields located inside the same ELC through the creation of smallholder plots of the same size as the original plot of land.*



**To enter the program, farmers followed a documented compensation process:**

- **Initial field measurement conducted by the farmer and the Bunong administration,**
- **Agreement to request the transfer of the initial field into a smallholder plot of the same size,**
- **Signature of smallholder agreement between the two parties mentioning the size of the plot and equivalent number of rubber trees depending on density of planting.**



*ELCs*



*Smallholders plots*



**Smallholders plots are located in the parts of the plantation that are closest to the commune with roads connecting directly the plots to the villages without going through the plantation.**

**They are located within the company's estates and present the same characteristics (including fertility) as company-managed fields.**



**The agreement signed by the smallholders guarantees that smallholders can exploit the rubber plots for 60 years.**

**These terms are meant to cover the duration of the ELC contract as the company cannot take engagement on this land exceeding the time of its contract with the Royal Government of Cambodia**



**To date, smallholders have never been asked any payment by the company.**

## External platform of dialogue: the tripartite committee

### Information published by MRLG

*The company did not trust the tripartite committee either because people were very vocal about their grievances while sitting in the tripartite committee. (Page 11)*

Socfin-KCD participates in the tripartite committee composed of elected representatives of the population from five villages, local authorities and representatives from the company. Socfin-KCD is working in full transparency with the OHCHR Cambodia to set up this committee as an example of effective and transparent dialogue.



*Tripartite committee meeting – December 2019*

**Representatives of Socfin-KCD have never expressed negative opinions about the tripartite committee and its participants.**



**The tripartite committee was activated under the initiative of the company following IESIAs and recommendations from external stakeholders such as the OHCHR Cambodia.**

**The company has always been a driver for keeping this committee active and is always at the initiative for organizing committee meetings.**



## For more information

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### **Socfin Cambodia**

#### **Online**

Facebook: @SOCFINCambodia

On the Socfin Group Website: [www.socfin.com/en/locations/socfin-kcd-and-coviphama](http://www.socfin.com/en/locations/socfin-kcd-and-coviphama)

#### **Publication**

2017 Sustainability Report (available online)

2018 Sustainability Report (available online)



### **Socfin Group**

#### **Online**

Corporate website: [www.socfin.com](http://www.socfin.com)

Linkedin: [www.linkedin.com/company/socfingroup/](http://www.linkedin.com/company/socfingroup/)



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