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ECONOMIC AND GENDER IMPLICATIONS
of the
AGREEMENTS
Between Concessionaires and Projected Affected Areas

Cristina Fernandez Escorza
Program Specialist/Head-Women Peace and Security
UN Women

Submitted

By

Sam G. Russ Jr.
Consultant

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Abbreviations & Definitions

CEF	Cultural Endowment Fund
CSO	Civil Society Organization
EPA	Environmental Protection Agency
ESIA	Environment and Social Impact Assessment
FDA	Forestry Development Authority
FPIC	Free Prior and Informed Consent
GAAWUL	General Agriculture Allied Worker Union of Liberia
HCV	High Conservation Value
IMCC	Inter-Ministerial Concession Committee
LACA	Liberia Revenue Authority
LLA	Liberia Land Authority
LRA	Liberia Revenue Authority
MFDP	Ministry of Finance and Development Planning
MIA	Ministry of Internal Affairs
MIA	Ministry of Internal Affairs
MME	Ministry of Mines and Energy
MOA	Ministry of Agriculture
MOD	Ministry of Defense
MOL	Ministry of Labor
MSP	Multi Stakeholder Platform
NBC	National Bureau of Concessions
NCSO	National Civil Society Organization
NMSHMC	National Multi-Stakeholders Monitoring Committee
PAC	Project Affected Communities
PAC	Project Affected Communities
PPCC	Public Procurement and Concession Commission
RDA	Rubber Development Association
REPOPAC	Reliable Partnership for Oil Palm Affected Communities
RSPO	Roundtable on Sustainable Palm Oil
SPI	Special Partnership Initiative
SPMAC	Sustainable Partnership for Mine Affected Communities
UCI	United Communities Initiative
ZLMC	Zodua Land Management Committee

I. EXECUTIVE SUMMARY

This is a review of the agreements between the concessionaire and selected entities – multiple communities, single communities, multi-stakeholder platforms (MSP) with a focus on the administrative and economic implications for both the project affected communities and the concessionaire. We begin with the administrative framework which may include agreed special procedures, committees, forms of collaboration to deal with grievances, monitoring and evaluation, FPIC, participatory mapping exercise, crop compensation, etc. The signatories to these agreements offer interesting insights into political coverage and level of decentralization. Next, we consider the economics of these agreements from both the community and concessionaire perspectives highlighting the challenges with respect to each. The economics of these agreements have major implications for both the concessionaire and the community. For the community, it is valuable goods and services. For the concessionaire, it is a social license to operate but also an administrative burden as it requires significant amount of time and resources and take valuable time away from their core functions. Furthermore, it is additional obligation over and above the obligations under the Concession Agreement thereby increasing the risk profile of the project. While not explicit in these agreements, women play very important roles in administering, enforcing these agreements as well as in resolution when conflicts arise. Finally, civil society plays a significant role in the administrative framework especially as it relates to developing the structures, capacity building and monitoring and evaluation.

The multiple community agreement between the concessionaire and the Project Affected Communities (PAC) of Cape Mount County involves 17 towns. It involves an elaborate crop compensation scheme that consists of 17 member committee with members as follows: 4 – Concessionaire, 4- PAC, 4 – GOL and 5- Civil Society. The committee is chaired by the National Civil Society Organization of Grand Cape Mount County. The Terms of Reference of the committee grants the committee sweeping powers to call any employee of the concessionaire, any resident of the PAC or person of interest to be questioned. It also has a detailed methodology to resolve crop compensation claims.

The economics of this agreement is around the Inter-Generational Cultural Endowment Fund. The concessionaire agreed to pay a provisional sum of One Million United States dollars (\$1,000,000 usd) over 60 years to address claims for the clearing the PAC's sacred sites and

graveyards. In addition, the concessionaire agreed to construct an office building for (\$20, 000 usd).

The second multiple community agreement is between the concessionaire and the Senjeh Community. The Senjeh Community consists of 4 clans in Senjeh District of the Bomi County. This agreement has a clear grievance and conflict management procedure flowchart administered in collaboration with the Senjeh Land Committee. It also has a strong outcome-based monitoring and evaluation program. The agreement has a number of itemized economic initiatives the include clinic, school, bridge, etc.

The single community agreement is between the Concessionaire and Zodua Clan, Upper Garwula District. The agreement is administered by fifteen (15) persons Committee as representatives of Zodua clan assisted by nine (9) member elder Advisory Board. The hallmark of this agreement is the commitment to establish an Out grower's program in which the concessionaire will provide the necessary technical assistance. It also has a strong document sharing provision which includes the Concession Agreement, the Environmental and Social Impact Assessment (ESIA), High Conservation Value (HCV), the result of FPIC process, participatory mapping, etc. This MOU is deemed a model for future MOU negotiation in other areas concessionaire may need additional land expansion¹

These agreements affirm the decentralization of the Concession Agreements. The parties to these agreements are political subdivisions - clans or districts in which a portion of the concession exist. The signatories and attestations are the full run of local government authorities – *Town Chief, Clan Chief, Paramount Chief, Commissioner, and Superintendent*. It also includes key national authorities – *Ministry of Justice, Ministry of Mines, Ministry of Agriculture, Land Authority, Representatives, etc*. These agreements also serve as affirmation of FPIC compliance. It is a prerequisite for demarcation and survey of acreage free of all encumbrances agreed through FPIC process. The terms are monitored through the FPIC monitoring procedure with significant civil society involvement.

Agreements with the MSPs have proved challenging and elusive. There is only one MSP with agreement with the concessionaire. Others have tried to obtain an agreement with the concessionaire with no success. While concessionaires are willing to support MSPs, they would

¹ Letter from Land Commission to Chairman - Zodua Clan Land Committee.

prefer to do so indirectly through the Liberia Agriculture Companies Association (LACA). Moreover, MSPs are not political entities with direct stake in the concession. They consist of representatives of various constituencies with a primary focus on conflict resolution.

In almost all of these agreements, civil society is involved in initiating, organizing, setting up committees, determining TOR, monitoring and evaluation, grievance resolution, attestation, etc. In this regard, they play a disproportionate large role for institutions not party to the agreement. In that regard, they hold a significant sway over the communities, the concessionaire and the government but have no direct stake in the underlying contractual arrangement.

II. BACKGROUND AND METHODOLOGY

A. Background

Land-based concessions are agreements signed by the GOL and the concessionaires. The award is governed by the Public Procurement and Concession Act. There is a highly prescriptive regulatory framework, primarily for the negotiation and award of these agreements by the executive branch. In addition, these agreements are ratified by the Legislature to enhance the security of tenure. However, all of this is done at the national level with limited involvement of the local authorities and the project affected communities. As a result, implementation of these agreements have been conflict-prone leading to significant disruption to the concessionaire operations.

To address these conflicts, project affected communities have entered into various agreements with the concessionaire. These are over and above agreements signed at the national levels. Although small in terms of financial obligations, these agreements are many and varied in their structures, rights and obligations. This report looks at these agreements from the perspectives of the community and the concessionaires. It considers long-run implication for investments in land-based concessions.

B. Methodology

The main method used in this report the review of select agreements (MOUs) between the project affected communities and the concessionaires. We consider agreements with single communities as well as those with multiple communities. Multi-stakeholder Platforms are new constructs with various constituencies with a focus on conflict resolution around project affected communities. MSPs consist of representatives from government, development partners, civil society, communities, etc. We also review agreements with MSPs.

The method of review also involved extensive interviews the leadership of these communities to administrative framework and implementation of these agreements. Gender issues are not explicitly addressed in these agreements. However, all communities spoke about the informal but significant role of women in the negotiation and implementation of these agreements. We have included “in their own words” account of the important role of women.

III. AGREEMENTS AND THE ADMINISTRATIVE FRAMEWORK

A. Multiple Communities

PROJECT AFFECTED COMMUNITIES (PAC)² – GRAND CAPE MOUNT COUNTY

Administrative Framework

Parties: The agreement is between the Concessionaire AND the communities in the following 18 (eighteen) towns of (i) Sengama, (ii) Lain, (iii) Johnson Town, (iv) Damah, (v) Timo, (vi) Senii, (vii) Dandawaa, (viii) Kon-Ja, (ix) GbahFoboi, (x) Medina#2, (xi) Nimba Point, (xii) Ballah –Ja, (xiii) Siaffakeh, (xiv) Keylia, (xv) Bakah, (xvi) Kenema, (xvii) Gonda-Ja, all of Garwula District.

² Memorandum of Agreement (MOA) - Project Affected Community (PAC)

Kenema, Zodua Clan Upper Garwula District, Cape Mount County, a political subdivision of Grand Cape Mount County and the Concessionaire.

Hierarchy of the MOA: No provision of the MOA shall contradict the letter or spirit of the Concession agreement. In the event of any discrepancy or conflict between the provisions of the MOA and the Concession Agreement, the provisions of the Concession Agreement shall prevail.

Continuity and Binding Effect: The provisions of the MOA shall continue to bind the PAC notwithstanding that there is a change in composition and/or member of the leadership of PAC or representing the PAC.

Signatories: The signatories are the General Manager of the Concessionaire and the Chairman, Commissioner/PAC, Township Commissioner, and Paramount Chief, of Garwula District. The attestation by both national and local Government – MOJ, NIC, NBC, MOA, MIA, MLME, and EPA. In addition, civil society (CSO, Whistle Blower Union) attested to the MOA.

FPIC: MOA is affirmation of FPIC compliance. It is a prerequisite for demarcation and survey of acreage free of all encumbrances agreed through FPIC process. The terms are monitored through the FPIC monitoring procedure

Participatory Mapping: The Concessionaire will work with Whistle Blower Union along with the head of the county civil society organization to conduct mapping of all 17 communities in the PAC.

Nature and Form of Collaboration: A 17-member committee was established to investigate claims by farmers with the assistance of the following civil society organizations – Sustainable Partnership Initiative (SPI) and Whistle Blower Union.

Workers' Union: All issues pertaining to workers from the PAC will be under the Worker's Union, General Agriculture Allied Worker Union of Liberia (GAAWUL)

Duration: MOA is coterminous with the Concession Agreement

The Economics:

Crop Compensation: On the recommendation of the Sustainable Partnership Initiative (SPI), through the Whistle Blower Union and the County Civil Society Organization, a 17—member committee was established to investigate claims by farmers on crop compensation and make recommendations on the way forward. The composition of the committee is as follows:

Committee of Crop Compensation	
Institutions	Membership
Concessionaire	4
Project Affected Communities (PAC)	4
Government of Liberia	4
Civil Society	5

Crop Compensation: Internal Investigation – Terms of Reference³

The Sustainable Partnership Initiative (SPI) has mandated the Internal Investigating Committee to investigate claims by aggrieved parties. The objective is resolve complaints by aggrieved farmers of PAC communities. The committee is chaired by the NCSO of Grand Cape Mount County.

Committee of Crop Compensation	
Institutions	Membership
Concessionaire	4
Project Affected Communities (PAC)	4
Ministry of Agriculture (MOA)	2
Ministry of Internal Affairs (MIA)	2
Whistle Blower Union (WBU)	3
National Civil Society Organization (NCSO)	2
Total	17

The committee has sweeping authorization. It is authorized to seek any information from any institution to perform its duties. It may also call any employee of the Concessionaire or any

³ Annex I:- Adopted Terms of Reference for the Internal Investigation of the Crop Compensation Claims of PAC

resident of the PAC or person of interest to be questioned. It also has strong confidentiality, non-disclosure, and conflict of interest provisions.

Crop Compensation: Methodology to Resolve Crop Compensation Claim⁴

Following a complaint by the PAC to the Roundtable on Sustainable Palm Oil (RSPO), the SPI formed an investigating committee with following methodology to resolve PAC crop compensation claims.

- Organize internal investigation teams
- Work with the Ministry of Agriculture on crop pricing and payment period
- Conduct uniform information dissemination and sensitization
- Uniform form and treatment of complaint
- Request each PAC town chief to present farmers listings
- Request aggrieved farmers to present payment receipts
- Authenticate: signatures, thumb prints, photo, etc.
- Conduct investigation

Crop Compensation: Budget – Internal Investigative Team – 3 Months

- The 3-months budget for the investigative team is **\$30,835⁵**

Inter-Generational Cultural Endowment Fund: The parties agreed to establish an Inter-Generational Cultural Endowment Fund to address claims of the PAC's sacred sites and graveyards. The Concessionaire agrees to pay a provisional sum of One Million United States Dollars (USD 1,000,000) over sixty (60) years.

⁴ Methodology to Resolve PAC Crop Compensation Claims

⁵ Internal Investigative Team Budget

Inter-Generational Cultural Endowment Fund: Strategic Framework⁶

The Concessionaire proposed a strategic framework for managing the Cultural Endowment Fund (CEF). The strategy spells out key roles, authority and powers of the key actors – the PAC, the Concessionaire, and third party beneficiaries, including the CSO of Grand Cape Mount County, the Whistle Blower Union of Liberia, and the SPI

It seeks to promote accountability and transparency in the use of the CEF by clear defining the roles of the general assembly as the highest decision-making body, the executive management committee as the implementing arm and the monitoring committee for monitoring planned deliverables.

The General Assembly consists of elected representatives comprising 83 members with 3 persons from each of the 17 towns, 17 Council of Elders and 15 officers of Leadership. It coordinates with the executive management committee on submitting approved projects and the monitoring committee project evaluation'

The Executive Management Committee are elected representatives of the general assembly and consists of 21 persons of each of the 17 towns, 1 woman representative, 1 youth, 1 elder and 1 leadership. The executive management committee implements approved projects and submit a periodic budgetary report as assigned from the General Assembly.

The Monitoring Committee representatives of key stakeholder including National Civil Society of Grand Cape Mount County, the Whistle Blower Union of Liberia, and the SPI. The Monitoring Committee conducts appraisal of the implementation of projects and may call for as necessary. The monitoring committee provides regular feedbacks, advice, suggestions and recommendations not to approve, release or disburse funds to the executive management committee it is convinced that its monitoring, evaluation, and called audits conducted either during the process of or after the implementation of identified approved projects were established to be inconsistent with the nature of project approved against the actual financial disbursement.

Employment Matters- PAC Dismissed Workers: The Concessionaire agreed that all workers of the PAC dismissed will be replaced by other members of the PAC, subject only to the availability

⁶ Strategic Framework for Managing the Cultural Endowment Fund - CEF

of suitable replacement. The agreement has a prescriptive list⁷ of possible replacement for each dismissed or deceased worker.

PAC Office: The Concessionaire agree build an office building at a cost not to exceed Twenty Thousand United States Dollars (\$20,000) to assist the leadership of the PAC.

SENJEH COMMUNITY⁸ – BOMI COUNTY

Administrative Framework

Parties: The agreement is between the Concessionaire AND the following communities: (i) Manoah, (ii) Zepeh, (iii) Upper and Lower Clans of Senjeh District, Bomi County.

Hierarchy of the MOA: No provision of the MOA shall contradict the letter or spirit of the Concession agreement. In the event of any discrepancy or conflict between the provisions of the MOA and the Concession Agreement, the provisions of the Concession Agreement shall prevail.

Continuity and Binding Effect: The provisions of the MOA shall continue to bind the Senjeh Community notwithstanding that there is a change in composition and/or member of the Senjeh Land Committee representing the Senjeh Community.

Duration: MOA is coterminous with the Concession Agreement. Irrespective of the reason for the termination of the Concession Agreement, the MOA terminates with the termination of the Concession Agreement.

Signatories: The signatories are the General Manager of the Concessionaire and the Chairlady, Youth Leader, Dean of Elders, Chairman of Senjeh Land Committee, Commissioner, Township Commissioner, and Paramount Chief, of Senjeh District The attestation by both national and local Government – MOJ, NIC, NBC, MOA, MIA, MLME, and EPA. In addition, the Chairman of Civil Society Organization, Bomi County attested to the MOA.

⁷ Annex 3 – List of the PAC Workers Eligible for Replacement/Reinstatement under the Death or Illness Action

⁸ Memorandum of Agreement (MOA) – Senjeh Community

FPIC: The Memorandum of Agreement is affirmation of FPIC compliance. It comes at the end of the FPIC process on “key measures and common task to establish and maintain a harmonious and mutually beneficial relationship as measured by indicators of human development, health, water, sanitation and education.”. The terms are monitored through the FPIC monitoring procedure

Nature and Form of Collaboration: The parties agree to collaborate and support the initiatives of the Senjeh community. The support will be under the framework of Concessionaire’s Corporate Social Responsibility (CSR) and its monetary value will be determined by the amount of CSR funds available.

Senjeh Land Committee (SLC): The SLC is the framework entity to conduct mapping exercise, demarcation, cutting survey lines, grievance resolution, etc.

Grievance and Conflict Management Procedures⁹: The Senjeh Community and the Concessionaire have agreed on the following grievance procedures:

- Compliant from community to the community representatives
- Recording: Inform SDPL Social Team
- Compliant put on agenda of the weekly meeting
- Joint meeting: SDPL/Land Committee/Complainant
- Field Investigation
- Meeting with the SDPL GM/the Committee/the Complainant
- Rationalization of the agreement and Action Plan and follow up
- Third Party Implications
- Legal Implication
- Rationalization of the Agreement, Action Plan and follow up.

⁹ Grievance and Conflict Management Procedure Flow Chart

Monitoring and Evaluation of the MOA¹⁰: The Senjeh Community and the Concessionaire have developed the following monitoring and evaluation framework.

- Determine major outcome indicators
- Each indicator to be verified by several means: documentation, interviews, direct observation, etc.
- The list of indicators to be reviewed depending on challenges faces.
- The indicators are as follows:

MOA Monitoring and Evaluation – Action/Indicators
120 ¹¹ permanent workers to be recruited subject to NO replacement under any circumstances
Building and repairing hand pumps
Support for the refurbishing of Zarman Town School
Assistance on operational cost for school
Assistance to Beafinie Clinic
Strong Grievance and Conflict management
Collaboration during clearing and boundaries demarcation
Crop compensation for qualified farmers in abandoned settlements in Concessionaire area
Information sharing on plantation operation

“Capping” or “Limiting” Clause: The Senjeh Community is aware that the **Concessionaire is a business which is not able to tackle all the social and economic issues of the area on its own**, and therefore shall not make any requests and/or demands of the Concessionaire other than those agreed upon between the Concessionaire and the Senjeh Community in this MOA.

¹⁰ Annex IV: Monitoring and Evaluation of the MOA)

¹¹ The 120 workers are permanent workers subject to no replacement under any circumstances

The Economics:

Hand Pumps: The concessionaire will build, repair and assist in maintaining hand pumps for the following communities:

Number of hand pumps to be constructed per town		
Towns	Population	Hand Pumps
Zarmyah	370	5
Klaymontuah	103	2
Gbarsumon	31	1
Bonon	23	1
Total	527	9

Latrines: The concessionaire will build latrines for the following communities:

Number of latrines to be constructed per town		
Towns	Population	Hand Pumps
Zarmyah	370	1
Klaymontuah	103	1
Gbarsumon	31	1
Bonon	23	1
Total	527	4

Road Maintenances The concessionaire shall be responsible to repair the road from Coleman Hill to the Concessionaire's area of operation. Concessionaire shall assist the Senjeh community with \$3,500 per year for 3 years for the road maintenance.

Bridge Construction: The Concessionaire shall construct the bridge crossing the Mahe River.

Refurbish Zarmian School: The Concessionaire will support the refurbishment of the school in Zarmian Town in the amount of \$5,000 and assist with operational expenses of \$2,500.

Monetary assistance to Beafinie Clinic: The Concessionaire will provide annual monetary assistance to Beafinie Clinic of \$2,400 per year.

Reimbursement of Senjeh Land Committee (SLC): The Concessionaire will reimburse the Senjeh Land Committee the basic wages of up to two (2) person each of the five communities to monitor possible encroachment for duration of three (3) months.

B. Single Community

ZODUA CLAN¹² – CAPE MOUNT COUNTY

Administrative Framework

MOU pre-requisite for the demarcation and survey by MME: The execution of the MOU is a pre-condition for initiation of the survey of the proposed areas of 5,000 ha agreed through Free Prior and Informed Consent (FPIC) process.

Parties: The agreement is between the Zodua Clan Upper Garwula District, a political subdivision of Grand Cape Mount County and the Concessionaire.

Free Prior and Informed Consent FPIC) confirmed: The MOU confirms that the 5,000 ha was agreed after compliance with the FPIC process. The MOU also requires sharing of all documents collected as a result of the FPIC consent process.

Hierarchy of the MOA: The MOU recognizes the supremacy of the Concession Agreement signed by the Government of Liberia (GOL) and the Concessionaire. No provision of the MOU may contradict the letter or spirit of the Concession Agreement. In the event of any discrepancies or conflict between the MOU and the Concession Agreement, the provisions of the Concession shall prevail.

Continuity and Binding Effect: The MOU is binding on representatives, heirs, successors in office, administrators and assigns as though they were specifically named therein.

¹² Memorandum of Understanding (MOU) – Zodua Clan

Signatories: The signatories are the General Manager of the Concessionaire and the Chairlady, Youth Chairman, Elder, Town Chief and Land Chairman of the Zodua Clan. The attestation by both national and local Government – MOJ, NIC, MOA, MLME, LC, Representative, Traditional Council, Paramount Chief, Commissioner, Superintendent. In addition, civil society attested to the MOU. Under the auspices of the Ministry of Agriculture,

Nature and Form of Collaboration: The MOU requires joint collaboration and identification of land for expansion and additional land for the establishment of the Outgrower's Program. They will also collaborate on the cutting of survey lines of the designated areas for the Concessionaire. Under the auspices of the Ministry of Agriculture and the Office of the Superintendent, they will collaborate to conduct crops consensus and compensate those who have crops located outside the 2-5 km buffer zone at a set by the Government of Liberia through MOA.

Participatory Mapping: Participatory maps developed by the Zodua Clan communities as part of the FPIC process will delineate designated areas and areas off limits, such as inhabited villages and areas containing traditional shrines.

EPA Compliance: The Concessionaire must comply with EPA regulations and observe the internationally accepted environmental rules and principles that water, creeks, swamps are not polluted.

Exclusion of Inhabited Villages and Traditional Shrines: The locals continued to riot on grounds that the company is not considering the locals for employment but rather bringing people from outside of the county and even Liberia and employing them in unskilled labour position that supposed be for the locals according to the

Representation Structure: The structure consist of fifteen (15) persons to serve as representatives of Zodua Clan assisted by nine (9) member elder Advisory Board

Information Sharing: All non-commercial agreements including the Concession Agreement, Environmental and Social Impact Assessment (ESIA), EPA permits, social surveys, census, maps, High Conservation Value (HCV) assessments, participatory mapping as well as all documents collected as a result of the FPIC process.

Grievance Procedure: The Concessionaire and the Zodua Clan shall establish grievance procedure to monitor the progress of the MOU

The Economics:

Outgrowers' Program: The Concessionaire shall establish an Outgrower's Program provided the Government secure funding and additional land. The Concessionaire shall provide the necessary technical assistance to implement the Outgrowers' Program.

Crop Compensation: The Concessionaire and communities in Zodua Clan will collaborate with the Ministry of Agriculture to carry out crop census and compensate those who have their crops located outside the Concessionaire's buffer zone of 2-5km wide.

Labor Matters – Preferential Local Employment: The Concessionaire shall take steps to ensure that citizens of Cape Mount County will be given high priority for employment and contractual services.

Reimbursement for Demarcation: The Concessionaire shall reimburse the Zodua Clan for expenses incurred during processes of demarcation, crop census, etc. at an agreed rate.

Oil Palm Mill: The Concessionaire shall construct to support production target of 15,000 – 20000 ha planted with oil palm mill.

Health and Educational Facilities: The Concessionaire shall provide health and education facilities consistent with the requirements the Concession Agreement. Concessionaire employees and dependents shall have access.

Capacity Building: The Concessionaire will conduct capacity building to strengthen the governance and organizational efficiency on land management.

C. Multi-stakeholder Platforms (MSPs)

MSP WITH AGREEMENT

SUSTAINABLE PARTNERSHIP FOR MINE AFFECTED COMMUNITIES (SPAMAC)¹³ NIMBA COUNTY

Administrative Framework

Parties: The agreement is between the Sustainable Partnership for Mine Affected Communities (SPAMAC), Multi-Stake Holder Platform (MSP), National Bureau of Concession (NBC) and the Investor.

Continuity and Binding Effect: The terms of the agreement shall be binding on the parties and extended to their assigns, successors, and legal representatives as if they were specifically named therein.

Signatories: The signatories are the Director of the Investor and the Chairman of the Sustainable Partnership for Mine Affected Communities (SPAMAC), Multi-Stake Holder Platform (MSP) and the Director-General of the National Bureau of Concessions (NBC).

Nature and Form of Collaboration: The parties agree to coordinate the implementation of all activities. They shall meet regularly to discuss progress and plan activities of the empowerment of SPAMAC, MSP.

Technical and Financial Support: The parties agreed to develop specific technical and financial support activities with work plans and reporting requirements.

¹³ Memorandum of Understanding (MOU) - SPAMAC

Termination: Each party reserves the right to withdraw from collaboration by giving at least 30 days' notice of its decision. In addition, breach or non-performance by one party may terminate the agreement with immediate effect.

The Economics:

Initial Investment Capital: The initial investment capital to be invested shall be US\$ 5,000,000 (five million United States dollars) to invest and empower the people within the Concession Affected Communities (CAC).

Employment: The plan to invest and empower the people within the CAC through the SPAMAC Multi-Stakeholder Platform, by providing the needed skills and logistics, including but not limited to (Trucks, Earth Moving equipment, Agricultural tools, etc.) by means of training and employment through contracts from Arcela Mittal. of the county and even Liberia and employing then in unskilled labour position that supposed be for the locals according to the

MSPs WITHOUT AGREEMENTS

Many MSPs are without agreements. Agreements with the MSPs have proved challenging and elusive. There is only one MSP with agreement with the concessionaire. Others have tried to obtain an agreement with the concessionaire with no success. While concessionaires are willing to support MSPs, they would prefer to do so indirectly through the Liberia Agriculture Companies Association (LACA). Moreover, MSPs are not political entities with direct stake in the concession. They consist of representatives of various constituencies with a primary focus on conflict resolution. It may require GOL intervention to ensure that MSPs have agreements.

D. ROLE OF GENDER - POWERFUL BUT INFORMAL

Community contracts do not have explicit structures or roles for women although several of the MSPs are chaired by women. However, all communities spoke very favorably of the significant but informal roles of women in the negotiation and administration of these agreements. Below is a “in their own voice” account of the role of women in MSP from the SPAMAC from Nimba County.

Women Participation within SPAMAC¹⁴

❖ In the Area of Leadership

They are extremely organized, task oriented and curious of getting results of their endeavors that will improve people lives. Their major priority is to impact everyone positively. They always encourage the spirit of oneness, collaboration, coordination and cooperation. They are motivational.

❖ In the Area of Financial Management

They do everything humanly possible to maintain their integrity. They make sure to have a clean financial record. They ensure the proper usage of the institution’s money and all of its assets to benefit people that are intended for.

❖ In the Area of Conflict Management/Resolution

Universally, women are known as the pillars of peace. The women of SPAMAC are of no exception. They speak peace and live peace. While it is truth that they sometimes have misunderstanding among themselves, they are of the conviction that they are peace makers. They sometimes play motherly roles and use tradition and culture to peacefully resolve conflicts at the

¹⁴ Some of the key benefits of women participation within SPAMAC, Samuel L, Blemie- Secretary-General

community level. With all efforts, they patiently and peacefully engage issues to find the root cause(s) and amicably resolve them.

❖ **In the Area of Information Sharing**

They are very careful and concerned about how information are handled or managed within the institution. The women feel that they are accountable to the institution and the community at large. Therefore, they termed information sharing as the factor for cohesion when it comes to trustworthiness, peace, stability, institution sustainability and sustainable development. They believe that any institution or organization wishing to success need to prioritize information sharing as a key element for progress.

❖ **For practical examples/Real Life**

The Vice President for SPAMAC is a female. She has tirelessly worked over the years and continues to work harder for the success of the institution. The Financial Secretary and the Treasurer are both females. They carefully handle and manage any little funds that belong to SPAMAC. They have proven and demonstrated the capability of women to occupy such positions and perform beyond expectations.

In 2018, these women along with other women and the members of SPAMAC exhibited a high level of professionalism in term of conflict management and resolution to have resolved a very serious conflict that should have erupted ArcelorMittal's (AML) operations for the second time in Yekepa. The youth of the mine affected communities planned to demonstrate against AML, outlining few counts that ranged from the lack of safe drinking water, lack of scholarship opportunities, lack of good health care, lack of employment and empowerment opportunities, etc. when the information reached SPAMAC, the women immediately organized in consultation with the leadership of SPAMAC and called for a dialogue meeting with the youths representatives, AML representatives, chiefs representatives, elders representatives, women representatives, CSOs representatives and all other stakeholders to discuss and resolve the issues. By that prompt intervention, everything went well without escalating into violence. Besides, there are other

instances of conflict at the various community levels that the women have always been very instrumental in resolving them.

E. ADMINISTRATIVE BURDEN - STRIKING THE RIGHT PRICE

The agreements are with several different communities. They vary in terms of scope, financial obligation, nature of obligation, level of time commitment, etc. They therefore pose heavy financial burden on the concessionaire - a significant distraction, a source of interference with the operations of the concessionaire.

The financial burden is significant – from outgrower scheme to establishing One Million United States Dollars Inter-Generational Cultural Endowment Fund to building roads, bridges, clinics schools, etc. Given the varied nature of these projects and the time and financial resources requires to build and administer them, this can be a significant distraction and diversion of valuable resources from their core business. Some agreements represent significant intrusion in the operations of the concessionaire. These agreements have very prescriptive lists of employees to replace dead or dismissed employees. This is unwarranted intrusion in the operations of the concessionaire.

A more rational approach is ensuring that these obligations are administered as part of the Corporate Social Responsibility framework of the concession agreement. In this way, the obligations are clear and more certain. The concessionaires have clarity on the nature, timing and financial obligation of these projects. Communities have greater certainty that the projects will be completed as they are now under the national framework of the concession agreement.

IV. CONCLUSION AND POLICY RECOMMENDATIONS

The Concession Agreement is between GOL and the concessionaire. It was negotiated consistent with the GOL legal framework and ratified by the Legislature. It clearly spells out rights and obligations of the parties. The CA provides a legal license and security of tenure for the Concessionaire. The community where the concessions reside have limited involvement in this framework. The agreements between the concessionaire and the community represent a parallel set of rights and obligations for the concessionaire over and above the rights/obligation negotiate with the national government. These agreements grow out of discontent or conflicts with the projected affected communities. They therefore represent a social license and security of tenure to operate. In effect, they are de facto instruments of decentralization of the concession award process.

The administrative framework of these agreements achieves a number of important policy objectives. It ensures that the project affected communities have a “SAY” in the concession framework. The agreement is also an affirmation of compliance with the FPIC process and pre-condition for initiating surveys. The signatories are local (*town chief, clan chief, paramount, district commissioners, superintendents, etc.*) and national (*MOJ, MOA, NIC, NBC, etc.*) affirming decentralization of the concession framework. The hierarchy of agreement clause ensures that in the event of any discrepancy or conflict between the provisions of the agreement and the Concession Agreement, the provisions of the Concession Agreement shall prevail. The continuity and binding effect provision of the agreement strengthens security of tenure ensuring that the agreement is binding irrespective of a change in composition and/or member of the leadership. This is important as the composition of the leadership is likely to change several times considering the duration of the agreement which is coterminous with the concession agreement.

The economics of these agreements offers significant benefit to the project affected communities but pose a significant challenge for the concessionaire. For the communities, they provide services in health, education, sanitation, etc. which would otherwise not be available. For the concessionaire, it is administrative burden and a source of distraction from their core business.

These agreements confirm compliance with the FPIC. The FPIC compliance is key to establishing and maintaining a harmonious and mutually beneficial relationship between the parties. There are also useful as measures of indicators of community initiatives in health, education, water, sanitation, etc.

Civil society plays an important role in the governance of these agreements. They are involved in initiating, organizing, setting up committees, determining TOR, monitoring and evaluation, grievance resolution, attestation, etc.

ANNEXES

Annex 1 - Project Affected Communities (PAC) Memorandum of Agreement (MOA)

Annex 2 - Senjeh Community Agreement - Memorandum of Agreement (MOA)

Annex 3 - Zodua Clan Agreement - Memorandum of Understanding (MOU)

Annex 4 - MSP Agreement- SPAMAC

Annex 5 - SPAMAC- Key Benefit of Women Participation within SPAMAC