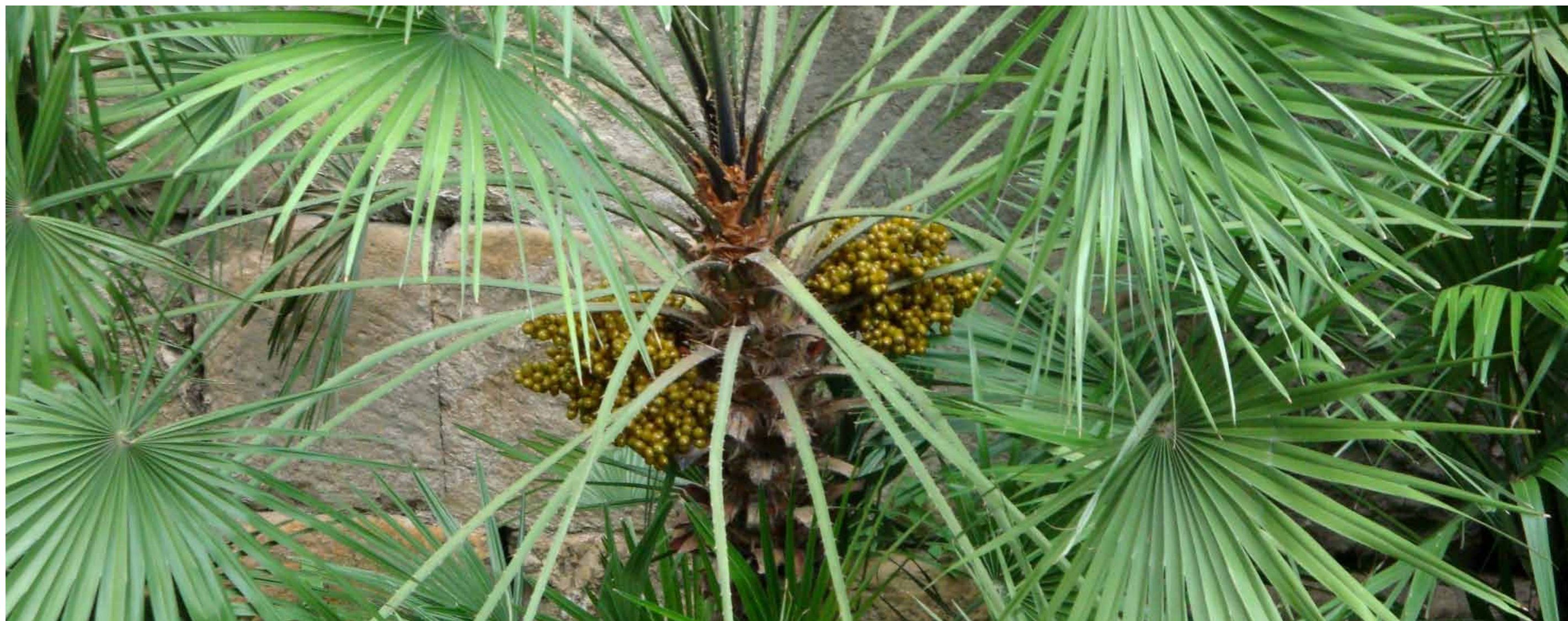


GVL

LIBERIA'S ROAD
OUT OF POVERTY





Golden Veroleum Liberia (GVL)

LIBERIA'S ROAD OUT OF POVERTY

Golden Veroleum Liberia (GVL) is developing a sustainable palm oil industry in West Africa, at once meeting growing global demand and lifting a nation out of poverty

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New community housing in Sinoe county

The palm oil industry is nothing if not controversial, and on the whole gets a bad press. Apart from its traditional use in cooking, palm oil is today found in a huge range of food and other products from cosmetics to biodiesel, for which it has been found particularly suitable. World consumption of palm oil is rocketing: compared to levels in 2000, demand is predicted to more than double by 2030 and to triple by 2050. Over 70 per cent ends up in food, but the biofuels industry is expanding rapidly. Indonesia already has six million hectares of oil palm plantations, but has plans for another four million by 2015 dedicated to biofuel production alone.

By far the largest producing countries in the world are Indonesia and Malaysia, which

in the past, and is held responsible by many for encroachment on tropical rain forests with a negative impact on biodiversity and even climate change. How would it be, he asks, if the lessons of the past could be learned and applied in Liberia, which could enjoy some of the huge economic upside that has transformed both Indonesia and Malaysia, while avoiding the downside that accompanies unsustainable production.

Liberia is one of the world's poorest countries with an average per capita income of around one US dollar a day. It is little wonder that the government seized the opportunity to introduce a new industry that promises to make it prosperous again and help put to rest its recent turbulent history. GVL consulted local communities in 2010,

“I want people to work closely with GVL so that more plants are built and more permanent jobs created”

President Ellen Johnson Sirleaf

between them have 1.4 million hectares under plantation, producing 7.5 million tonnes per annum – nearly 92 percent of global production. Africa contributes vanishingly small amounts, though the oil palm *elaeis guineensis* is native to West Africa and has been produced and traded locally since time immemorial. Liberia does not feature at all on the league tables. But that is going to change, with the entry of GVL into the market.

In 2009, GVL was invited by the Liberian government to explore the potential for investment in the country. From the outset, says communications director Virgil Magee, the approach has been one of partnership. He admits that the industry has become associated with poor practice

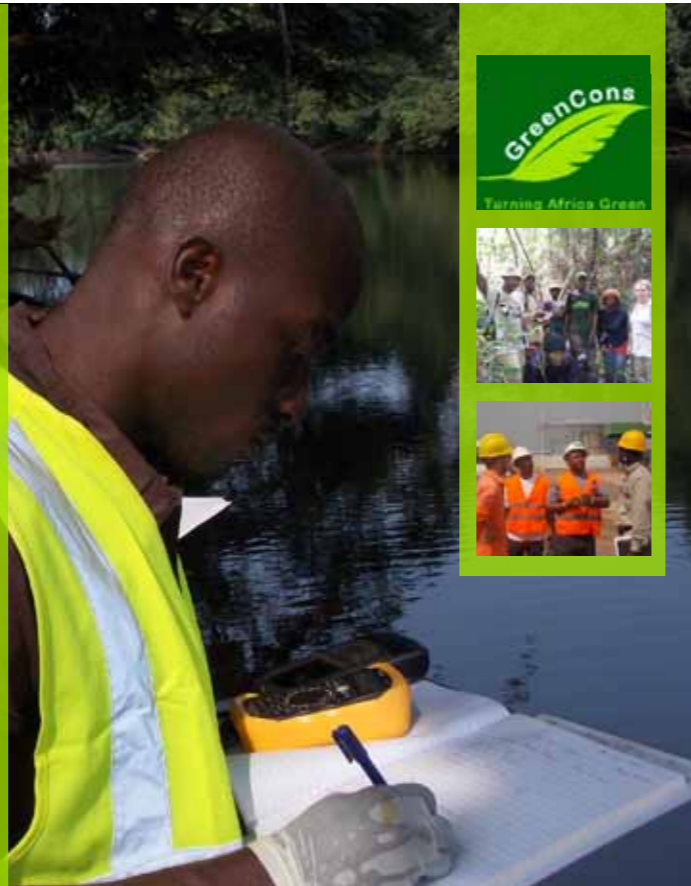
and development was widely welcomed. Now there is a strong movement from community groups keen to develop their land and place it under oil palm.

However any development must be sustainable. The biggest issue thrown up by large scale oil palm cultivation is associated with the loss of virgin forest. Industry efforts to bring this deforestation under control have come through the Roundtable on Sustainable Palm Oil (RSPO), set up in 2001 to establish clear ethical and ecological standards for producing palm oil. Its members include major food companies like Unilever, Cadbury, Nestlé and Tesco, as well as palm oil traders such as Cargill and ADM. Between them, these companies represent 40 percent of global palm oil trade. However,

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this does not go far enough for GVL which applies a far tougher Forest Conservation Policy which was developed in collaboration with leading international NGOs, including Greenpeace.

GVL's aim is to address the real problems of Liberia. The country is losing up to two percent of its forest cover every year, not thorough palm cultivation but through poverty. Some 70 percent of the population is involved in slash-and-burn farming. Despite efforts to introduce more sustainable ways to live off the forest, poverty is the biggest threat to biodiversity, leading to illegal logging, mining and burning charcoal as fuel. And with the breakdown in society following the conflict years of the 1990s there are few jobs available so 80-90 percent of the population depends on the forest.

GVL operates on principles set down by the RSPO, and engages with communities on the basis of free, prior and informed consent (FPIC), the principle that a community has

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Siное county memorandum of understanding (MOU) signing

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the right to give or withhold its consent to proposed projects that may affect the lands they customarily own, occupy or otherwise use. FPIC. It is now a key principle in international law and jurisprudence related to indigenous peoples. However there is a lot of degraded forest in the country, says Magee. “We have to carefully identify that and when we negotiate with the community we go through a process called participatory mapping which is part of the FPIC process. “We get together with the farming communities and they show us what areas

they would like developed, and also specify where they would not like development.” Interestingly enough GVL’s task is not so much to persuade the community to permit development as to curb their enthusiasm. “We have had areas where communities have wanted us to develop, but under our guidelines we can’t touch it because it is primary forest, supporting endangered species for example or throwing up other conservation concerns.”

With a 65 year concession from the Liberian government, GVL is making slow

“We get together with the farming communities and they show us what areas they would like developed, and also specify where they would not like development”



Golden Veroleum Liberia cadet training program



American educator Elizabeth Johnson donates books to GVL school

but steady progress. It currently has just 3,000 hectares (or approximately 7,400 acres) under cultivation, which may seem small when you consider that up to 500,000 acres have been designated for development, with an additional 100,000 acres for smallholder development for local communities. However in every case it is necessary to go through a process of community negotiation that can take from six months to a couple of years. “We just signed a memorandum of understanding (MOU) with a community in Garraway in Grand Kru County for a further 1,800 hectares, he says.” That was concluded relatively quickly but every community

Did you know?

65 years
GVL’s Liberian government concession

2016
First production from GVL’s plantations

is different ethnically and linguistically, he emphasises, and each negotiation is like starting over again.

But the system works. The latest MOU signed in April following an FPIC process with the Numopoh administrative area in Sinoe County includes a social agreement going well beyond the matter of oil palm cultivation on 1,566 hectares, to include developmental aspects such as school and clinic construction, road building and refurbishments, provisions for safe drinking water, scholarships, adult literacy training and employment. As part of the agreement Liberians will be given employment regardless



Medical care at GVL clinic
in Sinoe county

“The government is not able to fund the infrastructure we need, so we are happy to take up that challenge”

of any tribal affiliation. It is noteworthy that GVL willingly employs ex-combatants who might otherwise not engage peaceful and legal economic activities.

It takes three years for the plants to start fruiting. Production of oil from the plantations will start in 2016. The company is building its first modern crude palm oil mills at Tarjuowon, a site visited by President Ellen Johnson Sirleaf in March this year, on which occasion she encouraged local people to accept and embrace GVL's efforts to bring employment, skills and infrastructure to their communities. “I want people to work closely with GVL so that more plants are built and more permanent jobs created,” she said. GVL was invited in 2013 to develop oil palm operations, roads and a site for an oil palm factory in the area by Tarjuowon communities. This is a strategically placed site from whence the processed oil can easily be transported to the coast and shipped from a port facility that GVL is building near the Sinoe capital Greenville. Over recent years GVL has constructed or rehabilitated several hundred miles of roads in both Sinoe and Grand Kru Counties, including the Butaw-Philip Pantoe Village Roadway in Tarjuowon, the Greenville-Butaw Highway and the Panama-Klanedaye Road in Sinoe County. GVL also reconditioned the Unification-Sonouhn Town Roadway, the Lexington-Greenville Highway, among others.

Though it is not working pro bono, like an NGO for example, GVL is investing heavily in Liberia. “The government is not able to fund the infrastructure we need, so we are happy to take up that challenge. Yes, we are planning to export, and when that happens

we can start to earn foreign currency for Liberia, but the first market we will address will be Liberia itself, freeing it from the need to import, then West Africa, then the rest of the world. Liberia is actually much better placed geographically than SE Asia to supply the Americas and Europe.” Liberian palm oil will have the edge in terms of price, he points out. He could have added that, being a native species, its cultivation will have a lower impact on the ecology, and very probably flourish better in the soils and climate with which it is familiar.

The remaining years of this decade have been well planned. 2016 will bring together the first harvests, the completion of the mill that will turn the seeds into oil and crucially the return to Liberia of the engineers who have been sent to learn the technical side of large-scale palm oil production in Indonesia. They will join those Malaysian and Indonesian engineers currently working in Liberia, says Magee. “They will be ready to run the new facility as junior managers and provide the country with a level of expertise it doesn't have yet.” Down the road, the children studying in GVL schools will contribute to a new generation of qualified Liberians, he hopes, with institutions like the school at the company's Wakefield Nursery in Butaw, also in Sinoe, taking the lead. **BE**

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