# THE COCA-COLA COMPANY REVIEW OF CHILD LABOUR, FORCED LABOUR AND LAND RIGHTS IN THE GABON SUGARCANE SUPPLY CHAIN



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# **EXECUTIVE SUMMARY**

This report outlines the results of a study focusing on The Coca-Cola Company's sugar supply chain in Gabon. The study researched the presence of child labour, forced labour and land rights in the supply chain.<sup>1</sup>

The Coca-Cola Company (TCCC or the Company) is committed to both protecting the land rights of farmers and communities in its supply chain in the world's top sugarcane-producing regions, and identifying and, if needed, addressing child and forced labour issues in its supply chain in the countries associated with sugarcane production. The Coca-Cola Company has endorsed the United Nations Guiding Principles on Business and Human Rights and has signed onto the United Nations Global Compact. Together with enforcement by the state, these industry commitments play a critical role in preventing human rights abuses as cited in the U.S. Department of Labour's List of Goods Produced with Child Labour or Forced Labour. The Company's Supplier Guiding Principles, Sustainable Agriculture Guiding Principles and Human Rights Policy have contributed to upholding human and workplace rights within the Company's supply chain, and serve as testament to the Company's commitment and positive impact in the global supply chain.

Partner Africa was commissioned by the Company in 2015 to carry out third-party research into the prevalence of forced labour and child labour in the sugar sector in Gabon, as well as to provide an understanding of the complexities and issues of land ownership in the same industry and country. The intent of this report is to provide an overview of the risks of forced labour, child labour and land rights within Gabon's sugar supply chain. Research was composed of desk research, stakeholder interviews and field research over a period of three months.

### **Overview of the Sugar Supply Chain in Gabon**

The Gabonese sugar sector is characterised by a single producer and miller, SUCAF Gabon, who remains the only producer, miller and marketer of sugar in Gabon. SUCAF Gabon is a subsidiary of SOMDIAA (Société d'Organisation de Management et de Développement des Industries Alimentaires et Agricoles). SOMDIAA is a large French holding company that specialises in agro-food processing across Central and West Africa and the Indian Ocean region.<sup>2</sup>

In 1998, SUCAF Gabon was created after the privatisation of the parastatal company SOSUHO, which started production in 1974 (Société Sucrière du Haut-Ogooué). SUCAF has 1,152 staff at peak period and 852 staff off peak. They produce 270,195 tonnes of cane per year and 24,320 tonnes of sugar.

There are three villages in Ouellé named Ouellé 1, Ouellé 2 and Ouellé 3 surrounding the SUCAF Gabon complex. Many retirees from SUCAF Gabon have built their houses in Ouellé villages. The SUCAF Gabon Foundation works with workers and villagers in Ouellé to further promote and strengthen livelihoods. Outreach involves promotion and support for food gardens, fisheries, sanitation infrastructure, women's awareness, as well as other community development centres.

### **Child Labour**

In 2011, it was reported that there were 25,000 exploited children in Gabon, of whom half originated from Togo, Nigeria and Benin.<sup>3</sup> In 2012, according to the U.S. Department of Labor, 22.3% of children between the ages of 5 and 14 (or 83,073 children) were engaged in child labour in Gabon. While the majority of children of primary education age globally are enrolled in school, on average, Gabonese children fail to complete their 8<sup>th</sup> year of education.

In 2014, the government of Gabon took steps to eliminate the worst forms of child labour by ratifying the United Nation Convention on the Rights of the Child Optional Protocol on a Communications Procedure. The government also launched a program to issues 20,000 birth

<sup>&</sup>lt;sup>1</sup> Definitions drawn from the International Labour Organisation and the Institute for Human Rights and Business.

<sup>&</sup>lt;sup>2</sup> For more information on Somdiaa, please see the Appendix of this report.

<sup>&</sup>lt;sup>3</sup> GVNET, 2011: Human Trafficking and Modern-day Slavery: Gabonese Republic

certificates to Gabonese citizens who do not yet have certificates. Birth certificates are critical for validating worker ages.

SUCAF Gabon has adopted 18 years as the minimum age for hiring, while the national law prohibits employment of children by any company before the age of 16. The minimum age for workers of 18 years is also applied to subcontractors employed by SUCAF, as this is clearly mentioned in the SUCAF subcontractor contracts. The study found that there were no violations of child or forced labour legislation in any documentation or observed during field research and interviews with farm management, mill management, workers and stakeholders in the TCCC sugar supply chain in Gabon.

#### **Forced Labour**

The United Nations Global Slavery report estimates that 13,000-14,000 people are victims of modern slavery in Gabon. The 2015 Trafficking in Persons Report describes Gabon as a primary destination and transit country for women, men and children from West and Central African countries being subjected to forced labour and sex trafficking. Some victims transit Gabon *en route* to Equatorial Guinea. Boys are forced to work as street vendors, mechanics, or in the fishing sector. Girls are subjected to domestic servitude and forced labour in markets or roadside restaurants.

Forced labour is a national problem, despite the government's efforts to curb forced labour through laws, policies and enforcement. SUCAF maintains strict and effective policies and procedures to prevent child labour and forced labour. All farm workers stated that forced labour was not present and that no identity documents had been kept by SUCAF (only copies) and no payments were made at any time in order to be hired by SUCAF. It was also stated that overtime was voluntary, and not mandatory.

Although international national and firm level policies and procedures are necessary, the monitoring and measuring of compliance is costly. Stakeholders acknowledged that social development projects, led by the milling and farming company, SOMDIAA, through the SUCAF Gabon Foundation, were found to be effective in delivering long-term prevention mechanisms.

### Land Rights

SUCAF Gabon is not likely to be in contravention of any legal tenure of the land because it has an emphyteutic lease<sup>4</sup> with the Gabonese government, which requires the lessee to improve the land with capital investments, such as construction. The lease is renewed every 50 years.

For the most part, rights-based land reforms have not been applied in Gabon. In this context and in the context of weak governance structures, there is growing consensus that private sector stakeholders will need to take responsibility to ensure that land is acquired through consent of government and communities. Stakeholders emphasised the importance of multistakeholder engagement in order to understand the cultural and contextual elements.

<sup>&</sup>lt;sup>4</sup> An emphyteutic lease is a type of real estate contract specifying that the lessee must improve the property with construction.

# INTRODUCTION

The Coca-Cola Company has endorsed the United Nations Guiding Principles on Human Rights in Business and has signed onto the United Nations Global Compact. Together with enforcement by the state, these industry commitments play a critical role in preventing human rights abuses as cited in the U.S. Department of Labor's List of Goods Produced with Child Labor or Forced Labor.

TCCC subscribes to Food and Agriculture Organization's Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT). The VGGT is aimed at the state, but argues that all non-state actors (including business enterprises) have a responsibility to respect human rights and legitimate tenure rights.

"The VGGT's founding principles include:

- Recognizing and respecting all legitimate tenure rights and the people who hold them
- · Safeguarding legitimate tenure rights against threats
- Promoting and facilitating the enjoyment of legitimate tenure rights
- Providing access to justice when tenure rights are infringed upon
- Preventing tenure disputes, violent conflicts and opportunities for corruption"<sup>5</sup>

TCCC also aligns with to the African Union's Guiding Principles on Large-Scale Land (AU Guiding Principles). These principles deal specifically with large-scale farming in an African context. The African Union (AU) describes the principles saying, "These Guiding Principles are African-owned. They were drafted and reviewed by teams of experts on land governance and agricultural investment in Africa before being finalised based on the outcomes of a multi-pronged consultation exercise with a wide range of constituencies and stakeholders involved with land governance in the Africa region"<sup>6</sup>.

Furthermore, the Company aligns with The Analytical Framework for Land-Based Investments in African Agriculture, by the New Alliance, a framework developed for financial investors, agricultural project operators and supply chain companies investing in agricultural land in developing countries. This framework, while cautioning investors from taking on the role of government, indicates the importance of investors supporting and supplementing the activities of government. In some cases, it will be in the investors' best interests to go beyond the minimum legal requirements, as identified in the VGGT. The Framework was jointly developed by land experts from the African Union, UN Food and Agriculture Organisation (FAO) and several donor governments, and it suggests a series of questions that an investor should ask and undertake.

In line with the VGGT, the AU Guiding Principles and the Analytical Framework for Land-Based Investments in African Agriculture, TCCC's Supplier Guiding Principles Good Practices include:

- Demonstrating that acquisition has not been assembled through expropriation or other form of legal seizure without Fair, Prior, Informed Consent (FPIC) process and fair compensation for land, resettlement and economic impact to the affected communities.
- 2. Demonstrating that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts on the affected communities.
- 3. Ensuring the presence of grievance mechanisms to receive and address specific concerns about fair compensation and relocation if, applicable.<sup>7</sup>

The company's Supplier Guiding Principles, Sustainable Agriculture Guiding Principles and Human Rights Policy have contributed to upholding human and workplace rights within the

 <sup>&</sup>lt;sup>5</sup> FAO. 2012. Voluntary Guidelines on the Governance of Tenure. http://www.fao.org/docrep/016/i3016e/i3016e.pdf.
 <sup>6</sup> African Union, African Development Bank and United Nations Economic Commission for Africa. 2014. Guiding Principles On Large Scale Land Based Investments In Africa. http://www.uneca.org/sites/default/files/PublicationFiles/guiding\_principles\_eng\_rev\_era\_size.pdf.
 <sup>7</sup> The Coco-Cola Company. 2013. Human and Workplace Rights Issue Guidance: Supplier Guiding Principles. <a href="http://www.coca-colacompany.com/content/dam/journey/us/en/private/fileassets/pdf/2014/02/issuance-guidance.pdf">http://www.coca-colacompany.com/content/dam/journey/us/en/private/fileassets/pdf/2014/02/issuance-guidance.pdf</a>.

company's supply chain, and serve as testament to the company's commitment and positive impact in the global supply chain.

Partner Africa was commissioned by The Coca-Cola Company in 2015 to carry out third party research into the prevalence of forced labour and child labour in the sugar sector in Gabon, as well as to provide an understanding of the complexities and issues of land ownership in the same industry and country. The purpose of these reports is to provide evidence for the existence or absence of forced labour, child labour and land rights violations within Gabon's sugar supply chain. Research was composed of desk research, stakeholder interviews and field research over a period of three months.

Definitions to determine the scope of the three themes were drawn from the International Labour Organisation, The Institute for Human Rights and Business, the United Nations Guiding Principles and The Coca-Cola Company's Human Right Policy, Supplier Guiding Principles and Human and Workplace Rights Issue Guidance.

Forced labour was defined as a situation in which people are coerced to work through the use of violence or intimidation, or by subtler means such as accumulated debt or retention of identity papers. Child labour was defined as work by minors under the legal age of 16 and hazardous child labour is work that deprives children of their childhood, their potential and their dignity and that is harmful to their physical and mental development. Land rights referred to rights related to land and land use. These may include indigenous land rights, women's rights, access to housing, environmental rights and land sovereignty. The measurement of land rights was against the local law of Gabon as well as the Free Prior and Informed Consent guidelines.<sup>8</sup>

<sup>8</sup> FPIC Guidelines as defined by Oxfam Australia, 'Guide to Free Prior and Informed Consent'. June 2010.

# **METHODOLOGY**

The project comprised of a review of all relevant literature, stakeholder interviews, on-site interviews by a team of independent researchers and on-site documentation review.

Review of Relevant Literature	A systematic and comprehensive review of relevant literature was undertaken. Literature consulted included, but was not limited to, official reports, media reporting, The Coca-Cola Company's Supplier Guiding Principles Audit Reports, NGO and human rights organisation reports, country specific legislation and country specific development reports. Please see the Appendix for a detailed list of country specific development reports.		
Stakeholder Interviews	<ul> <li>A full stakeholder analysis was undertaken to identify key stakeholders and role players in and out of The Coca-Cola Company sugar supply chain. A team of researchers have conducted interviews in person, over telephone and through internet calls with all identified stakeholders. Stakeholders involved included:</li> <li>Sugarcane growers and processors</li> <li>Local and international research organisations</li> <li>Local and international NGOs</li> <li>Human rights organisations</li> <li>Government officials</li> </ul> Stakeholders have thus far been divided into two categories: over-arching stakeholders who were relevant to all countries, and country specific stakeholders. Specific interview schedules were used for interviews with		
	mill and farm workers, mill and farm management, adjacent farm owners, government officials and stakeholders. A mix of in-depth, group and individual interviews were conducted. On- site interviews were conducted at a range of locations including the mill, interviewees' homes and government offices. Fieldworkers ensured certain standards for interviews such as ensuring all worker interviews were carried out in private without the attendance of a mill manager or supervisors and in venues not associated with disciplinary hearings or		
On-site Interviews and Observations	<ul> <li>management boardrooms.</li> <li>On-site interviews were undertaken with: <ol> <li>Sugar mill owners</li> <li>Small to medium sugar farm owners</li> <li>Large sugar farm owners</li> <li>Sugar farm and mill workers</li> <li>Adjacent property owners</li> <li>Government officials</li> <li>Community members</li> </ol></li></ul>		
	<ul> <li>Specifically, on-site interviews focused on the following:</li> <li>Child Labour: <ul> <li>Workers were asked whether they have seen or knew of any children working on the farm or mill and whether this would be possible.</li> <li>Farm and mill owners were asked about what policy, management and monitoring systems were in place to ensure no child labour occurred in the supply chain.</li> <li>Official mill and farm policy documents were checked to ensure a written commitment against child labour in the supply chain.</li> </ul> </li> </ul>		

### Forced Labour:

- Workers were asked whether they had to hand over any important documents in order to be employed and whether these documents were being held by mill and farm management.
- Workers were also asked whether they were allowed to be members of unions or workers groups.
- Workers were asked about violence and intimidation on the site.
- Farm and mill owners were asked about grievance settlement mechanisms with workers on-site.

### Land Rights:

- Workers, community members, adjacent farm owners and small farm owners were asked about their land ownership.
- Inquiry was made into how land was acquired and how any expansion in the future was planned.
- Original land title documents were checked.
- Government officials were asked about land policy and land lease arrangements between SARIS and the state.

In order to verify and further clarify the standards and measures utilised by the mill and farm, and to ensure that there is no child labour, there has been responsible land sourcing and that labour rights are upheld, interviews were conducted in French utilising interview tools specifically formulated to inquire about the research themes. These tools were developed by Landesa Rural Development Institute. In addition, The Coca-Cola Company Workplace Accountability SGP Agriculture and Farm Assessment Protocol were used.

In addition to interviews, documentation was reviewed on-site to determine evidence of compliance and triangulate between observations and worker interviews to determine compliance with legal requirements and complement or verify claims and observations.

### **Documents required from Mill Owners**

- Mill (and farm, if appropriate) land ownership or lease documents (titles, deeds, certificates, tax assessments, lease contracts, permits, and other).
- Any documents related to the process of acquiring land parcels, including evidence:
  - Related to government compulsory acquisition of some or all of the mill land on behalf of the mill owner.
  - Related to consequent concessions for the compulsorily acquired land to the mill owner.
  - Related to negotiations for purchase and sale or lease of some or all of the mill land.
  - Of whether a social impact or other assessment (environmental, resettlement, other) was conducted prior to land acquisition.
  - Demonstrating that the mill land purchaser/lessor engaged in a consultation and/or consent process when negotiating the mill or farm land acquisition.
  - Reflecting any past or current disputes or grievances related to the land on which the mill is located, including whether and how disputes or grievances were resolved.
  - Indicating any plans to acquire additional or alternative land for mill facility operations.

On-site Documentation Review

<ul> <li>Documents required from Government Officials</li> <li>Samples of any documentation of rights (ownership, lease, concession or other) related to the sugar mill land and/or cane farmland.</li> <li>Samples of any documentation of rights (ownership, lease, concession, or other) related to land that is adjacent to the sugar mill land and/or sugarcane farmland.</li> <li>Any documents related to the possibility that some or all of the mill or cane farm land may have been made available for the mill or farm land may have been made available for the mill or farm land.</li> <li>Any documents related to disputes or grievances related to the mill or farm land.</li> <li>Documents required from Small, Medium and Large Farm Owners</li> <li>Farmland ownership or lease documents (titles, certificates, tax assessments, lease contracts and other).</li> <li>Any documents related to the process of acquiring land parcels, including written evidence:</li> <li>Related to negotiations for purchase and sale or lease of some or all of the farmland.</li> <li>Demonstrating that the land purchase/lessor engaged in a consultation and/or consent process when negotiating the farmland acquisition.</li> <li>Reflecting any past or current disputes or grievances related to the farm land acquisition.</li> <li>Reflecting any past or current disputes or grievances related to the land on which the farm is located, including whether and how widisputes or grievances were acknowledging and resolved.</li> <li>Indicating any plans to acquire additional farmland.</li> <li>Showing that the previous farmland users lost their land to INCRA being abandoned.</li> <li>Any documents related to the process of acquiring land parcels, including written evidence:</li> <li>Related to negotiations for purchase and sale or lease of some or all of the farmland.</li> <li>Browing that the previous farmland users lost their land to INCRA being abandoned.</li> <li>Any documents related to the process of acquiring land parcels, including written evidence:</li> <li>Rel</li></ul>	
<ul> <li>Farmland ownership or lease documents (titles, certificates, tax assessments, lease contracts and other).</li> <li>Any documents related to the process of acquiring land parcels, including written evidence: <ul> <li>Related to The National Institute of Colonization and Agrarian Reform (INCRA) award and allocation of the farmland.</li> <li>Related to negotiations for purchase and sale or lease of some or all of the farmland.</li> <li>Demonstrating that the land purchaser/lessor engaged in a consultation and/or consent process when negotiating the farmland acquisition.</li> <li>Reflecting any past or current disputes or grievances related to the land on which the farm is located, including whether and how disputes or grievances were acknowledging and resolved.</li> <li>If the land was an INCRA allocation, whether there are INCRA documents.</li> <li>Indicating any plans to acquire additional farmland.</li> <li>Showing that the previous farmland users (both male and female) were fairly compensated for the land on which the farm is now located.</li> <li>Or that the previous farmland users lost their land to INCRA being abandoned.</li> </ul> </li> <li>Any documents related to the process of acquiring land parcels, including written evidence: <ul> <li>Related to government concessions of land to the farm.</li> <li>Related to government concessions of land to the farm.</li> <li>Related to government concessions of land to the farm.</li> <li>Demonstrating that the land purchaser/lessor engaged in a consultation and/or consent process when negotiating.</li> </ul> </li> <li>Of whether a social impact or other assessment (environmental, resettlement, other) was conducted prior to land acquisition.</li> <li>Demonstrating that the land purchaser/lessor engaged in a consultation and/or consent process when negotiating the farmland.</li> <li>Showing that the previous farmland users (both male and the farmland.</li> </ul>	<ul> <li>Samples of any documentation of rights (ownership, lease, concession or other) related to the sugar mill land and/or cane farmland.</li> <li>Samples of any documentation of rights (ownership, lease, concession, or other) related to land that is adjacent to the sugar mill land and/or sugarcane farmland.</li> <li>Any documents relating to environmental or social assessment and/or permitting related to the mill or cane farmland.</li> <li>Any documents related to the possibility that some or all of the mill or cane farm land may have been made available for the mill or farm by the government through compulsory acquisition processes.</li> <li>Any documents related to disputes or grievances related to the mill or</li> </ul>
	<ul> <li>Farmland ownership or lease documents (titles, certificates, tax assessments, lease contracts and other).</li> <li>Any documents related to the process of acquiring land parcels, including written evidence: <ul> <li>Related to The National Institute of Colonization and Agrarian Reform (INCRA) award and allocation of the farmland.</li> <li>Related to negotiations for purchase and sale or lease of some or all of the farmland.</li> <li>Demonstrating that the land purchaser/lessor engaged in a consultation and/or consent process when negotiating the farmland acquisition.</li> <li>Reflecting any past or current disputes or grievances related to the land on which the farm is located, including whether and how disputes or grievances were acknowledging and resolved.</li> <li>If the land was an INCRA allocation, whether there are INCRA documents.</li> <li>Indicating any plans to acquire additional farmland.</li> <li>Showing that the previous farmland users (both male and female) were fairly compensated for the land on which the farm is now located.</li> <li>Or that the previous farmland users lost their land to INCRA being abandoned.</li> </ul> </li> <li>Any documents related to the process of acquiring land parcels, including written evidence: <ul> <li>Related to government concessions of land to the farm.</li> <li>Related to government concessions of land to the farm.</li> <li>Related to negotiations for purchase and sale or lease of some or all of the farmland.</li> <li>Of whether a social impact or other assessment (environmental, resettlement, other) was conducted prior to land acquisition.</li> <li>Demonstrating that the land purchaser/lessor engaged in a consultation and/or consent process when negotiating the farmland acquisition.</li> <li>Related to negotiations for purchase and sale or lease of some or all of the farmland.</li> <li>Related to negotiations for purchase and sale or lease of some or all of the farmland.</li> <li>Related to negotiations for purchase and sale or lease of some or all of the</li></ul></li></ul>

### **Interview Schedule**

In Gabon, interviews were conducted with:

- The Chief of the Ouellé villages
- 9 villagers in the Ouellé villages
- 25 SUCAF mill workers
- 14 SUCAF farm workers
- The SUCAF General Manager
- The SUCAF Administrative and Financial Director

It was found that many of the stakeholder organisations were not operating in the sugar value chain, in Gabon, or even in Central Africa, because sugar is mostly traded domestically and regionally. The scale of trade does not invite many external forces to influence operations, as it does in other high-volume exporting countries. Attention to supply chain issues often occurs when exports are geared to Europe and the United States of America. The scale of production and the scale of the problem in many other regions overshadow the Central African situation. Nevertheless, the following stakeholders were contacted and valuable insight was gained:

Non-Government and Non-Profit Organisations

- Oxfam: Advocacy and Research
- Child Rights International Network
- Terre de Hommes
- Antislavery
- Save the Children
- Ethical Sugar
- Solidaridad Sugarcane Network
- UNICEF Gabon
- FAO West Africa
- Fairtrade
- Oakland Institute

Private Companies

- SOMDIAA Ethical Trade representative via Phone Interview and
- SOMDIAA African Trade representative via Phone Interview

**Research Organisations** 

- CIRAD via in person meeting
- Anne Kielland (Norwegian Researcher)

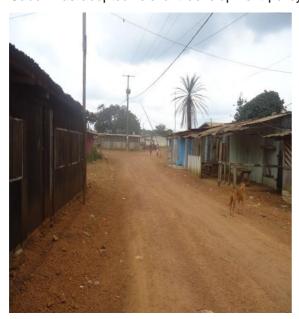
# **OVERVIEW OF GABON'S SUGAR INDUSTRY**

The Gabonese sugar sector is characterised by a single producer and miller, SUCAF Gabon, who remains the only producer, miller and marketer of sugar in Gabon. There is an import ban on sugar and a reduced VAT (from 18% to 10%) on sugar<sup>9</sup>. Despite Gabon's notification to the WTO and commitment to liberalise the sugar sector by 2005, import restrictions remain<sup>10</sup>. This delay aims to allow time for the sugar industry to increase its competitiveness<sup>11</sup>.

### From SOSUHO to SUCAF Gabon

SUCAF Gabon was created in 1998 after the privatisation of the parastatal company SOSUHO, which started production in 1974 (Société Sucrière du Haut-Ogooué). At this time, the land allocated to SOSUHO by government was already abandoned by villagers who had migrated to around the newly asphalted road connecting Moanda City and Franceville. The total area allocated to SOSUHO is 16,797 ha. Only around 5000 ha (including the area of the mill) is used for cultivation of sugarcane. As cultivation and harvest become more mechanised, growth is limited due to topographic constraints such as land with a sloping gradient, which makes the practice of mechanised cultivation and harvest difficult. SUCAF is a subsidiary of SOMDIAA. SUCAF has 1,152 staff at peak period and 852 staff off peak. They produce 270,195 tonnes of cane per year and 24,320 tonnes of sugar.

SUCAF Gabon acquired SOSUHO according to the protocol agreement of January 20<sup>th</sup> 1999 between the Gabonese government and the Société Anonyme with a Board of Directors. SOSUHO assets were transferred to SUCAF Gabon. As a subsidiary of SOMDIAA, SUCAF Gabon has adopted relevant development policy. A SOMDIAA representative indicated that



there is a development policy for SOMDIAA that each subsidiary has to appropriate and contextualise.

When SOSUHO began working the land again, people who had abandoned their villages were attracted by revenue opportunities that the new company offered and came back to establish themselves in a village (Ouellé) around SOSUHO. Workers were now able to rent their previously traditional land from SOSUHO on a long lease for a term of 50 years. These leasehold agreements have been continued through SUCAF Gabon.

There are three villages in Ouellé named Ouellé 1, Ouellé 2 and Ouellé 3. Currently, there are many retirees from SUCAF Gabon who build their houses in Ouellé villages.

## The SUCAF Gabon Foundation

The SUCAF Gabon Foundation works with workers and villagers in the area to further promote and strengthen livelihoods. They have two main projects:

 <sup>&</sup>lt;sup>9</sup> Doing Business in Gabon: A Country Commercial Guide for US Companies, 2006, <u>http://photos</u>. state.gov /libraries/Gabon/164776/public\_001/Doing%20Business%20in%20Gabon.pdf accessed on 06.11.2015.
 <sup>10</sup> WTO Report, <u>https://www.wto.org/english/tratop\_e/tpr\_e/s285-02\_e.pdf</u> [06.11.2015].

<sup>&</sup>lt;sup>11</sup> Doing Business in Gabon: A Country Commercial Guide for US Companies, 2006, <u>http://photos</u>. state.gov /libraries /Gabon/164776/public\_001/Doing%20Business%20in%20Gabon.pdf accessed on 06.11.2015.

- The ADMOS Fishing Group which is set up on partnership with the Inspectorate of Fisheries and Aquaculture of Upper Ogooué based in Franceville. ADMOS assists in fishing-related activities and has purchased a large engine for a fishing canoe.
- A local farming group, which encourages and supports food gardens.<sup>12</sup>

On International Women's Day in 2015, SUCAF Gabon Foundation arranged a full programme of talks, and performances geared towards women, and a peaceful march was also organised on 25 October 2015 to raise awareness, specifically among women. The Foundation has also consulted with relevant community leaders and members to develop plans of the following projects:

- Rehabilitation of sanitary blocks at Ouéllé college
- Renovation of the market in Ouéllé
- Creating a sports ground and a multipurpose room in Mvengue
- Association 2A-GHG project to improve production techniques of crops
- Association 'Belobiz be bangoumvou' project to improve fishing techniques and the conservation of fish

<sup>&</sup>lt;sup>12</sup> SOMDIAA website, <u>http://fondations-somdiaa.com/fondations-somdiaa/fondation-sucaf-gabon/les-activites/</u>, [6.11.15].

# CHILD LABOUR, FORCED LABOUR AND LAND RIGHTS IN GABON

### **Education and Child Labour in Gabon**

The Millennium Development Goals 2013 National Report shows that despite having one of the highest overall school enrolment rates of 94.5%, the schooling system is still characterised by high repetition and low primary completion rates.<sup>13</sup> The mean years of schooling in the country is 7.4, confirming low completion rates.<sup>14</sup> In terms of gross enrolment ratios (GERs)<sup>15</sup>, Gabon only reports data for pre-primary and primary enrolment. It has a pre-primary GER of 35%, and a primary GER of 165%.<sup>16</sup>

#### Table 1: Statistics on Children's Work and Education

Children	Age	Percent
Working (% and population)	5-14 yrs.	22.3 (83,073)
Attending School (%)	5-14 yrs.	94.4
Combining Work and School (%)	7-14 yrs.	23.3
Primary Completion Rate (%)		Unavailable

Primary completion rate was unavailable from UNESCO Institute for Statistics, 2015.(7)

Source for all other data: Understanding Children's Work Project's analysis of statistics from Deuxième Enquête Démographique et de Santé au Gabon (EDSG-II) Survey, 2012.(8)

Whilst the majority of children of primary education age are enrolled in school, on average, Gabonese children fail to complete their 8<sup>th</sup> year of education. The Gabon government provides free public education up to the age of 16, according to Article 1 of the Constitution, for which enrolment is compulsory. The country suffers from teacher shortages, especially in rural areas, with the school year often disrupted by strike action. The lack of schools, teachers, safe learning environments, and the increased costs of education to those aged 16 and above might increase the likelihood that children will enter into the labour force early. Concurrently, the minimum age for work is 16 and the minimum age for hazardous work is 18, as stipulated in Article 177 of the Labour Code. Despite this, the government is yet to develop a list of hazardous occupations for children below the age of 18. This means that a significant number of children find themselves in a legal 'grey area' between school and employment, and are entering the workforce before the legal minimum working age of 16<sup>17</sup>.

Other laws relating to the prevention of child labour include:

- Penal code Article 48 which prohibits the use of children in illegal activities, prescribing penalties of five to 10 years' imprisonment.
- Law 09/04, enacted in September 2004, concerning the Prevention and the Fight Against the Trafficking of Children in the Gabonese Republic prohibits child trafficking for both labour and sexual exploitation
- Penal code Article 261 which prohibits the procuring of a child for the purpose of prostitution and prescribes a penalty of two to five years' imprisonment.

In 2012, according to the United States Department of Labor, 22.3% of children between the ages of 5 and 14 (or 83,073 children) in Gabon were engaged in child labour. The sectorial distribution of this work include: services, such as street vending, working in transportation and garbage scavenging; industry, such as mining and work in sand quarries; agriculture, such as farming, catching and smoking fish and raising livestock; and human trafficking in various

<sup>&</sup>lt;sup>13</sup> The World Bank (2014), Country Overview: Gabon.

<sup>&</sup>lt;sup>14</sup> The World Bank WDI.

<sup>&</sup>lt;sup>15</sup> The Gross enrolment ratio is the total enrolment in a level of education (pre-primary, primary, secondary and tertiary), regardless of age, expressed as a percentage of the population of official education age for each level. GER can exceed 100% due to the inclusion of over-aged and under-aged students because of early or late school entrance and grade repetition. (The World Bank WDI, 2014)

<sup>&</sup>lt;sup>16</sup> UNDP Country Profiles: Gabon.

<sup>&</sup>lt;sup>17</sup> United States Department of Labor, 2014: Gabon.

sectors, such as commercial sexual exploitation, and forced labour in markets or restaurants, domestic work, mining, farming fishing, and mechanics.<sup>18</sup>

Gabon has been cited as a primary destination and transit country for human trafficking, with children trafficked from West and Central African countries.<sup>19</sup> In 2011, it was reported that there were 25,000 exploited children in Gabon, of whom half originated from Togo, Nigeria and Benin.<sup>20</sup>

In 2014 the government took steps to eliminate the worst forms of child labour by ratifying the UN CRC Optional Protocol on a Communications Procedure, which allows children to bring complaints directly to the UN Committee on the Rights of the Child if their rights are violated.<sup>21</sup> It has further launched a program to issue 20,000 birth certificates to Gabonese citizens who do not yet have certificates. Gabon has also remained committed to the ILO Declaration on the effective abolition of child labour.<sup>22</sup>

### Legal Framework for Forced Labour in Gabon

The UN Global Slavery report estimates that 13,000-14,000 people are victims of modern slavery in Gabon. Gabon has ratified a number of treaties relevant to modern slavery, including UN Trafficking Protocol and Forced Labour Convention, but with the exception of the Slavery Convention and the Supplementary Slavery Convention. It has also signed the Economic Community of West African States' (ECOWAS) Abuja Agreement, the multilateral cooperation agreement to combat trafficking in persons, especially women and children in West and Central Africa. Gabon has not ratified the Domestic Work Convention, which is a prevalent form of modern slavery and makes Gabon an attractive destination for a large number of young girls forced into this tradition.

The 2015 Trafficking in Persons Report describes Gabon as a primary destination and transit country for women, men and children from West and Central African countries subjected to forced labour and sex trafficking. Some victims transit Gabon en route to Equatorial Guinea. West African women are forced into domestic servitude or prostitution in Gabon. Some foreign adults seek the help of smugglers for voluntary labour migration, but are subsequently subjected to forced labour or prostitution after arriving in Gabon without the proper documents for legal entry.

Existing laws in Gabon do not prohibit all forms of human trafficking; for example, they do not criminalise bonded labour. The following laws do prohibit and penalise forms forced labour:

- Law 21/63-94 prohibits forced prostitution of adults and prescribes sufficiently stringent penalties of two to 10 years' imprisonment, which are commensurate with those prescribed for other serious crimes, such as rape.
- Title 1, Article 4 of the Gabonese Labour code (Law 3/94) criminalises all forms of forced labour, prescribing penalties of one to six months' imprisonment, which are not sufficiently stringent and do not reflect the serious nature of the offense.
- Loi n° 3/94 du 21 Novembre 1994 Portant Code du Travail, modifiée par la loi n°12/2000 du 12 October 2000
- Ordonnance n° 018/PR/2010 du 25 février 2010 portant modification de certaines dispositions du Code du Travail de la République Gabonese

The government of Gabon failed to pass its amendment to Law 09/04, drafted in 2013, to prohibit and punish the trafficking of adults.<sup>23</sup> Employer and work organisations are permitted and a number of national organisations are prevalent in Gabon, namely: Gabonese Employers' Confederation (CPG), the Democratic Confederation of Autonomous Trade Unions (CDSA),

<sup>&</sup>lt;sup>18</sup> United States Department of Labor, 2014: Gabon.

<sup>&</sup>lt;sup>19</sup> United States Department of Labor, 2014: Gabon.

<sup>&</sup>lt;sup>20</sup> GVNET, 2011: Human Trafficking and Modern-day Slavery: Gabonese Republic.

<sup>&</sup>lt;sup>21</sup> United States Department of Labor, 2014: Gabon.

<sup>&</sup>lt;sup>22</sup> Gabon - Country baselines under the ILO Declaration Annual Review (2000-2008): Effective abolition of child labor.

<sup>&</sup>lt;sup>23</sup> US Department of State Trafficking of Person Report 2015.

the Gabonese Confederation of Free Trade Unions (CGSL), the Gabonese Trade Union Confederation (COSYGA), the Gabonese Confederation of Labour / Forces Libres (CGT / FL), the Trade Union Congress of Gabon (CSG) and the Union of Gabonese workers (UTG).

In KMPG's review of labour conditions for labour in Gabon, it is stated that non-Gabonese Africans find it increasingly difficult to obtain employment authorisation and that non-African expatriates have less difficulty. Non-Gabonese Africans take up most positions requiring unskilled labour. Skilled labour costs are high and are kept so by a labour code inspired by a French model that strongly defends the rights of Gabonese workers. Labour unions and confederations are active. There is a law pending that would limit foreign workers to 10% of a company's workforce, but the law has yet to be ratified.<sup>24</sup> Strict legislation preventing non-Gabonese African adults to work in Gabon may unintentionally increase their vulnerability to forced labour conditions.

### Land Rights in Gabon

In 1899, virtually the entire country of Gabon was allocated to French logging companies. Before this, they had nearly two centuries of one of the most highly developed African trading regimes of the time, in which local clans serviced international slave and commodity trading. Since then, the people of Gabon have endured dispossession of their lands and resources, both in law and in practice.<sup>25</sup>

Gabon has no national land policy. The nearest document to land policy remains an explanation of colonial land policy in 1911, and whose 1909-1910 legal provisions still provide basis of modern land law in Gabon. While some customary use of land is upheld, no family or community can secure ownership of its traditional forests, arguably its most precious livelihood and capital asset. Currently in Gabon law, it states that "The property of the Public Domain is inalienable and imprescriptible"<sup>26</sup>, which means that for land in the public domain, no claim of ownership can be made by anyone at any time on the basis of their prolonged and uninterrupted use, or custom. In 2014, ownership and rights of use of local and indigenous communities Act of August 2014 states "State concessions and other rights (in particular occupation rights) may be granted, which do not in any way give rise to a loss of ownership by the State".<sup>27</sup> Colonial and post-colonial administrations have continued to hand over rights and resources to big business rather than invest in local initiatives. Rights-based reforms in land tenure and governance in Africa since the 1990s have simply passed Gabon by.<sup>28</sup>

Land and property law in Gabon is limited and outdated. It is found in laws promulgated shortly after it gained independence a half a century ago. The three key instruments are:

- Law No. 6/1961 Law of Expropriation on compulsory acquisition (expropriation)
- Law No. 14/1963 which defines the state domain and how the state will alienate or allocate use rights to areas within this domain, and under this law, especially Decree No. 77 of 1967 regulated the granting of concession and leases for urban and rural lands, and Decree No.192 of 1987 regulated the exercise of customary use rights
- Law No. 15/63 defining lawful forms of landholding (land tenure).

All have been amended since their initial enactment. However, the fundamental provisions are not significantly altered.<sup>29</sup>

In a review of Gabon's property sector, KMPG found that: "Secured interest in property is recognised, and the recording system is fairly reliable".<sup>30</sup>

<sup>&</sup>lt;sup>24</sup> KMPG 2012 Country Profile on Gabon.

 <sup>&</sup>lt;sup>25</sup> Liz Alden Wily. 2012 "Land Rights in Gabon: Facing Up to the Past and Present" published by the FERN office UK.
 <sup>26</sup> Law n°6/61 (10-05-1961)

<sup>&</sup>lt;sup>27</sup> Décret nº 192-PR-MEFCR du 4.03.1987réglementant l'exercice des droits d'usages coutumiers.

<sup>&</sup>lt;sup>28</sup> Liz Alden Wily, 2012 "Land Rights in Gabon: Facing Up to the Past and Present" published by the FERN office UK.

<sup>&</sup>lt;sup>29</sup> Liz Alden Wily, 2012 "Land Rights in Gabon: Facing Up to the Past and Present" published by the FERN office UK.

<sup>&</sup>lt;sup>30</sup> KMPG 2012 Country Profile on Gabon.

There are persistent legal barriers for women in realizing their equal rights to land and property.<sup>31</sup>In terms of women and women's land rights, at an economic level, women are still often dependent on men: father, uncle, brother, fiancé or husband. At a cultural level, the tradition and the customs in all ethnic groups of Gabon give men preeminent status. A man is the head of the family (Article 253 of the Civil Code). The wife owes him obedience (Article 252 of the Civil Code). He chooses the place of residence and the woman is obliged to live with him (Articles 114 and 254 of the Civil Code). A man, regardless of the matrimonial status chosen at the time of marriage, may change his option during marriage (article 232 of the Civil Code).

<sup>&</sup>lt;sup>31</sup> http://wrm.org.uy/articles-from-the-wrm-bulletin/section1/trading-communal-rights-in-gabon-the-sustainable-development-law/

# **FINDINGS**

## **Child Labour Findings**

SUCAF Gabon has adopted 18 years as the minimum age for hiring, while the national law prohibits employment of children in any company before the age of 16. The minimum age for workers of 18 years is also applied to subcontractors employed by SUCAF as this is clearly mentioned in the SUCAF subcontractor contracts. Both the sugar farm and mill have a zero tolerance policy to child labour. The following documents were provided by the farm and mill:

- Procédure de récrutement-embauche (PRH 01)
- Contrat de prestation
- Loi N°3/94 du 21 novembre 1994 portant code du travail, modifiée par la loi N°012/2000 du 12 octobre 2000 (Article 177)

Both the farm and the mill have a strict hiring process that requires new employees to produce a legalised copy of their birth certificate and national identity card. Copies of these documents were kept by the human resources department in the farm and mill.

Farm workers were specifically asked about child labour and whether children had been seen near or on the farm and mill. All respondents stated that no children worked on the farm of the mill. However, it was noted that the sugarcane plantations surround the workers compound, and the schools are located right next to the workers' housing areas. It is therefore impossible for children to not walk near the sugarcane fields on their way to school. Occasionally (during term-time) children pass through the sugarcane fields alone or with their parents en route to their own fields (on which they grow cassava). It was also noted that they were within walking range of where heavy harvesting equipment was operating.

The desktop research on child labour practices in Gabon was corroborated by an interview with UNICEF stakeholders. Children fall victim to situations of sexual exploitation and bonded labour. An ancient cultural tradition where poorer income families would lend children to richer families for 'learnerships' and to get an education and housing – confeage (French) – has now turned into a cash-making scheme and is driven by profit and not good will. However, there is no evidence of child labour on the plantations and the research found no evidence of child labour in the sugar sector. This finding may be unique for the sugar sector because there is only one sugar industry wholly owned by SUCAF in Gabon. The sugar production in Gabon remains highly mechanised and closely managed by SOMDIAA/SUCAF.

## **Forced Labour Findings**

As a subsidiary of SOMDIAA, SUCAF Gabon applies policies and procedures to prohibit child and forced labour suited to the national context. The following documentation was provided by the farm and mill:

- Procédure de récrutement-embauche (PRH 01)
- Contrat de prestation
- Loi N°3/94 du 21 novembre 1994 portant code du travail, modifiée par la loi N°012/2000 du 12 octobre 2000 (Art. 4)
- Convention collective des entreprises industrielles au Gabon
- Règlement intérieur 2006

All farm and mill workers interviewed stated that forced labour was not present and that no ID documents had been kept by SUCAF (only copies) and no payments were made at any time in order to be hired by SUCAF. It was also stated that overtime was not mandatory.

Although international, national and firm level standards and policies are necessary measures to prohibit child and forced labour, multiple stakeholders acknowledged that there are high costs and logistical challenges of monitoring and inspecting multiple sites in tremendously hard-to-reach locations. Supplying quality social support programmes, such as new or improved schools and proper access to quality healthcare could do more to prohibit child and forced

labour. Stakeholders acknowledged that social development projects, led by the milling and farming company, SOMDIAA, through the SUCAF Gabon Foundation, were found to be effective in delivering long-term prevention mechanisms.

### Land Rights Findings

SUCAF's settlement in Gabon follows a request by the Late Former President, after instructions from IMF and the World Bank, to privatise some sectors. SOSUHO, predecessor of SUCAF Gabon was granted an emphyteutic lease of 50 years for 16 797 hectares. SUCAF inherited of SESUHO assets during the merging of the 2 companies and the assets acquisition was properly done under the rule of law.<sup>32</sup>

In interviews with stakeholders from one of the villages, 2 elders interviewed (over 50 years of age) stated that they have no knowledge of FPIC having taken place before land was granted to SOSUHO. In the process of the SOSUHO settlement, at least 3 villages were moved from the designated area; they can remember that relocated farmers were assisted for transport to the new site (on the newly built road), however they were not give any financial compensation for the move. It was found, according to interviews and documentation review that SOMDIAA was not responsible of any wrongdoing on villages' disappearance and relocations – the process was completed by SOSUHO. Regarding land rights, the Gabon Legal framework covers the transfer operation from Government owned land to SOSUHO and consequently to SUCAF. It is important to note that although Gabon's laws were adhered to, broader international laws on indigenous rights were not protected during SOSUHO's settlement.

SUCAF currently has an emphyteutic lease<sup>33</sup> with the Gabonese government, which requires the lessee to improve the land with capital investment such as construction. The lease is renewed every 50 years. There are no current formal land claims on the land. However, during interviews with the local stakeholders, there was mention of a claim that is related to the fact that government established a Sugar company (SOSUHO) on land belonging to their ancestors, regardless of the inhabitants who lived there before. However, this was not put forward as a formal claim and no evidence was produced as such. The potential for this to occur in Gabon is high in relation to the country's limited and outdated land laws.

The Oakland Institute highlighted that there were major policy disconnects between West African governments and the communities affected by certification policies, land titles and leasing. Additionally, firms purchasing land regularly made numerous promises about developing infrastructure, but often this did not materialise. This problem has been exacerbated by government officials, who are keen to push the firm's agenda at the cost of the community. A lack of legal knowledge and access to legal support by the farmer or land-owner makes it tremendously difficult for them to be adequately equipped or supported to deal with these issues. A prevailing feeling from farmers is being powerless in relation to the power wielded by the State. For the most part, rights-based land reforms have not been applied in Gabon. In this context and in the context of weak governance structures, there is growing consensus that private sector stakeholders will need to take responsibility in ensuring that land is acquired through consent of government and communities. A representative of Oxfam Behind the Brands stated that legal title is not enough in these contexts; the private sector needs to also acquire consent from affected communities

There is no formal organisation to represent the workers and inhabitants of the villages, however, one is being established named IBOULA which seeks to consolidate all villagers and initiate socio-cultural activities. SOMDIAA/SUCAF helps with roads, water to population, etc. Castel Foundation is in charge of social assistance, on behalf of SUCAF for the communities and associations in the area. SOMDIAA/SUCAF has a strong social plans for inhabitants of Ouelle villages and housewives of residential workers blocks. The Castel Foundation provides women associations and groups with assistance for organisation, allocation of financial resources for income generating activities in the area (fishing, trade, agriculture, etc.); the assistance averages of 22 million Francs per year (approximately USD 38,000).

<sup>&</sup>lt;sup>32</sup> Decree N°00077/PR/MF/DE of 6 February 1967 Governing allocations of concessions and rent of Domanial land <sup>33</sup> An emphyteutic lease is a type of real estate contract specifying that the lessee must improve the property with construction.

A general feeling by the interviewees was that SOMDIAA/SUCAF is doing good but not enough. SOMDIAA is perceived from the communities as a chance for the area for providing work, social assistance to communities associations, business services through sub-contracting and contributing to local development. SOMDIAA/SUCAF is perceived as a very 'rich' company that should be doing more.

A key recommendation relating to land rights in the general Central African region was the need for the private sector to reconsider how they set up their producer chain. A general criticism pointed out was that setting up large plantations and replacing smallholder farmers, thus turning farmers into farmworkers, often does not result in improved livelihoods. Firms utilising outgrower schemes and improving the capacity of cooperatives, have allowed farmers to continue to occupy and work their land, and take advantage of collective bargaining.

# CONCLUSION

In conclusion, the study found that there were no violations of child or forced labour legislation in any documentation or observed by field research and interviews with farm management, mill management, workers and stakeholders. SUCAF maintain strict and effective policies and procedures to prevent child labour and forced labour. Through support for socioeconomic development projects, the SUCAF Gabon Foundation also contributes to the prevention of child and forced labour.

SUCAF has an emphyteutic lease with the Gabonese government, which is renewed every 50 years. There was mention of a planned land claim on the SUCAF site relating to ancestral land, however this will be made against the state and so far without the necessary supporting documentation. For the most part, rights-based land reforms have not been applied in Gabon. In this context and in the context of weak governance structures, there is growing consensus that private sector stakeholders will need to take responsibility in ensuring that land is acquired through the consent of government and communities. Stakeholders emphasised the importance of multi-stakeholder engagement in order to understand the cultural and contextual elements.

# APPENDIX: ADDITIONAL INFORMATION

## **Definitions:**

## CHILD LABOUR

The term 'child labour' is often defined as work that deprives children of their childhood, their potential and their dignity and is harmful to physical and mental development.

It refers to work that:

- is mentally, physically, socially or morally dangerous and harmful to children; and
- interferes with their schooling by:
  - depriving them of the opportunity to attend school;
  - obliging them to leave school prematurely;
  - requiring them to attempt to combine school attendance with excessively long and heavy work.

## FORCED LABOUR

Forced labour refers to situations in which persons are coerced to work through the use of violence or intimidation, or by subtler means such as accumulated debt, retention of identity papers.

### LAND RIGHTS

Land rights refer to a broad and complex set of rights related to land and water and associated aspects such as housing. These include:

- Indigenous land rights;
- Women's rights;
- Access to housing, food, water;
- Environmental rights; and
- Land sovereignty

There is no singular global rights framework which is specifically focused on land rights as land rights are cross cutting and interdependent.

## Gabon Overview

The Gabonese Republic, or Gabon, is located on the west coast of Central Africa and is bordered by Equatorial Guinea, Cameroon, the Republic of the Congo, and the Gulf of Guinea. Like the Republic of Congo, Gabon is a former colony of France, and gained political independence in 1960.<sup>34</sup>

The country has a total population of 1.7 million, with two major urban centres in the cities of Libreville and Port-Gentil. Gabon is a predominantly urbanised country with 87.2% of its population residing in urban areas, and it continues to urbanise at an annual rate of change of rate of 2.7%. Libreville is the capital and largest city of Gabon, with recorded population of 591,000 in 2006.<sup>35</sup> French is the country's official language, whilst a variety of local languages and dialects, including Fang, Myene, Nzebi, Bapounou and Bandjabi, are also spoken.

## **Political Economy Context**

In the decades following its political independence and state sovereignty, Gabon has had three presidents. With the adoption of a new democratic constitution in the 1990s, and the transition to a multi-party political system, the Gabonese public sector has undergone considerable political and institutional reform. The transparency and stable macroeconomic policies of the new democratic system

<sup>&</sup>lt;sup>34</sup> CIA World Fact book: Gabon.

<sup>&</sup>lt;sup>35</sup> CIA World Fact book: Gabon.

In order to encourage private and foreign investment, Gabon's 1989 investment code granted preferential treatment to enterprises considered important to the development of the Gabonese economy. These benefits are channelled through improved taxation, duties and royalties, and promote the importation of certain equipment and raw materials. Following the outcomes of US investment into lumber, oil exploration and mining, the number and origin of foreign investors in the country has increased considerably.

Concurrently, a 1996 law on state privatisation and parastatal ownership has overseen the privatisation of significant government enterprises. Included are the electricity and water monopoly (SEED), the Trans Gabonese Railway (OCTRA) and the International Telecommunications Office (OPT). This has seen levels of inward FDI grow markedly from \$30m in 2002, to \$323m in 2004.<sup>36</sup> The oil-boom of the 2000s has boosted investment even further, with net inflows of FDI in 2013 recorded at \$856m.<sup>37</sup>

### Economy

The Gabonese Republic recorded GDP of \$17.23bn in 2014, with a real GDP growth rate of 5.1% - compared to 5.6% in 2013 and 5.5% in 2012. In 2014, GDP per capita was \$10,208, making it the country with the third highest GDP per capita in the region, after Equatorial Guinea and Botswana.<sup>38</sup>

Despite being positive, this growth fell below the post-2013 projection of 6.7% due to the impact of lower oil prices and output on public finances.<sup>39</sup> The vulnerability of the economy to external shocks (exacerbated by internal output shocks attributed to repeated strike-action by the main oil and gas sector trade union) has highlighted the volatility risk associated with an undiversified economy. Over 50% of GDP derives from petroleum and mining production, while the oil sector has accounted for 80% of exports and 60% of government revenue over the past five years, on average.<sup>40</sup> The drop in oil revenue and its associated taxation led to an 11.4% cut of the public budget, which has resulted in further negative externalities on small and medium-sized enterprises due to their heavy dependence on public contracts.<sup>41</sup>

Recognising the economy's structural frailties, the Gabonese government's Strategic Plan for an Emerging Gabon (PSGE) promotes economic diversification through various clustering and spatial development strategies. The PSGE is based around the development of 10 economic clusters through tailored state-led investment in infrastructure and social services.<sup>42</sup> Alongside structural transformation and economic diversification, the PSGE aims to better harness and align revenues from the extractive industries to the development prerogatives of slowing and reversing growing inequality and poverty.<sup>43</sup>

### **Socioeconomic Context**

Despite its high levels of urbanisation, human development and GDP per capita by Sub-Saharan African and regional standards, Gabon is still beset by development challenges typical to Central African developing countries. As is evident in the PSGE, the Gabonese government recognises the need to ensure economic growth that is inclusive and poverty-reducing, with the effect of reducing poverty and inequality that is structurally constraining economic potential.

In 2014, only 13.1% of the population lived in rural areas, with annual urbanisation rates of 2.7% exceeding the overall population growth rate of 1.93%.<sup>44</sup> The country had a mean life expectancy of 63

<sup>&</sup>lt;sup>36</sup> Wordmark Encyclopaedia of Nations: Gabon, available at: http://www.encyclopedia.com/topic/Gabon.aspx.

<sup>&</sup>lt;sup>37</sup> World Bank Databank: Global Development Indicators.

<sup>&</sup>lt;sup>38</sup> World Bank Databank: Global Development Indicators.

<sup>&</sup>lt;sup>39</sup> African Economic Outlook (2014), Gabon.

<sup>&</sup>lt;sup>40</sup> The World Bank (2014), Country Overview: Gabon.

<sup>&</sup>lt;sup>41</sup> African Economic Outlook (2014), Gabon.

<sup>&</sup>lt;sup>42</sup> African Economic Outlook (2014), Gabon.

<sup>&</sup>lt;sup>43</sup> The World Bank (2014), Country Overview: Gabon.

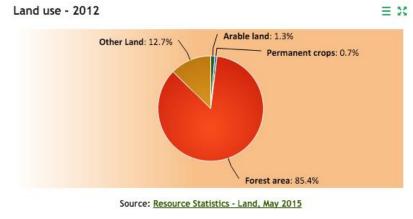
<sup>&</sup>lt;sup>44</sup> CIA World Fact book: Gabon.

in 2013, and a national poverty headcount ratio<sup>45</sup> of 32.7% in 2005, which is the most recent year for which data is available.

In terms of human development, the country positions 112<sup>th</sup> out of 187 in the UNDP Human Development Index (HDI) global rankings, with a revealed HDI of 0.674 in 2013, up from 0.67 in 2012.<sup>46</sup> Gabon has one of the highest levels of human development in Africa, with its derived HDI increasing markedly from 0.54 in 1980 to 0.674 in 2013 – revealing a strong correlation with post-democracy economic growth.

Growing inequality on the other hand tells a less positive story. When HDI is adjusted to factor levels of inequality to form the IHDI, Gabon's human development index falls to 0.512.<sup>47</sup> Gabon had an overall Gini index of 41.5 in 2011<sup>48</sup>, with 32.7% of the country's income shared between the upper-10% of the income distribution and 2.5% shared between the lower 10%.<sup>49</sup> Whilst this is not uncommon amongst resource-rich developing economies, widening income inequality is a concern – with 60% of the labour force employed in a largely subsistence-level agricultural sector, despite it comprising only 3.7% of the GDP.<sup>50</sup>

# **Agriculture Overview for Gabon**



Agriculture accounts for roughly 20% of land use in Gabon, with 85% (22 million hectares) of the land being covered in forest, and of the 20%, the majority of agricultural activity is in subsistence farming.<sup>51</sup> According to the Agricultural Minister of Gabon, Gabon aims to increase the contribution of agriculture to its economy to 15 percent, from current levels of 1 percent, by 2020, as part of its

strategy to become an emerging country by 2025.52

The total cropland of Gabon, according to Earth Trends, is 495,000 hectares. Although 27% of the population lives in rural areas, each subsistence family only farms on about one hectare of land or less. 17.8% of the population of Gabon live in rural areas, with agriculture providing 24.2% of employment and accounting for 5.8% to Gabon's GDP. Agricultural imports are ten times the size of exports and the main crops produced are cassava, maize, groundnuts and sugar.<sup>53</sup>

Gabon is the 31<sup>st</sup> country to sign the CAADP Compact. It is the fourth largest country to in the Economic Community of Central African States (ECCAS) to sign the Compact. The government has pledged over 400 billion CFA francs in the sector in 2014. The next step from this will entail the development of a National Plan for Agricultural Investment, Food and Nutrition Security, as the new framework for cooperation with development partners.

<sup>&</sup>lt;sup>45</sup> The **national poverty headcount ratio** is the percentage of the population living below the national poverty lines. National estimates are based on population-weighted subgroup estimates from household surveys. (The World Bank WDI, 2014)
<sup>46</sup> UNDP Human Development Reports: Gabon.

<sup>&</sup>lt;sup>47</sup> UNDP Country Profiles: Gabon.

<sup>&</sup>lt;sup>48</sup> The World Bank WDI.

<sup>&</sup>lt;sup>49</sup> The World Bank WDI.

<sup>&</sup>lt;sup>50</sup> CIA World Fact book: Gabon.

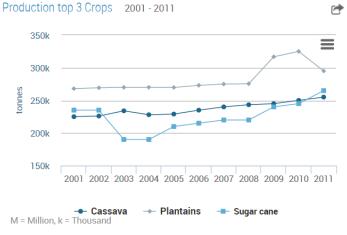
CIA World Fact book: Gabon.

<sup>&</sup>lt;sup>51</sup> Farming First, <u>http://www.farmingfirst.org/tag/gabon</u>, [06.11.2015].

<sup>&</sup>lt;sup>52</sup> All Africa, <u>http://allafrica.com/stories/201212201135.html</u> [06.11.2015].

<sup>&</sup>lt;sup>53</sup>Open data for Africa, http://gabon.opendataforafrica.org/fgjkbbc/gabon-agriculture-sheet [06.11.2015].

Sugar is one of the largest contributors to agricultural production in Gabon and demand for sugar from this country is increasing 1.5% annually.<sup>54</sup> Sugarcane production has steadily been increasing since 2004 and in 2011, the 265,000 tonnes of sugarcane was produced. The country meets domestic demand for sugar (estimated to be around 35,000 tonnes) and the remainder is exported to the region, specifically Cameroon, Equatorial Guinea and Sao Tome and Principe.55 280,000 tonnes of sugarcane are produced every year.56



Source: FAO Stat, http://faostat3.fao.org/browse/area/74/E



The Worker city The village around worker city. School

## **Overview of SOMDIAA/SUCAF**

SOMDIAA (Société d'Organisation de Management et de Développement des Industries Alimentaires et Agricoles) is a large French holding company that specialises in agro-food processing across Central and West Africa and the Indian Ocean region. The core operations of the company are the production

<sup>54</sup> Bloomberg, http://www.bloomberg.com/news/articles/2011-02-24/sucaf-of-gabon-to-double-sugar-exports-this vear-asproduction-increases [06.11.2015].

Bloomberg, http://www.bloomberg.com/news/articles/2011-02-24/sucaf-of-gabon-to-double-sugar-exports-this vear-asproduction-increases [06.11.2015]. <sup>56</sup> SOMDIAA. n.d. <u>http://www.somdiaa.com/en/the-group/subsidiaries/sucaf-gabon-2/</u>[02/11/16].

and marketing of sugar and flour as well as other commodities cotton, eggs, day-old chicks and animal feed. The company has its headquarters located in Paris, France, and all operational aspects (crop and poultry farming, processing and marketing and sales) occur at source through its subsidiaries in Cameroon, the Congo, Ivory Coast, the Central Africa Republic, Gabon, Chad, Togo, and Reunion Island <sup>57</sup>. The company supplies local agri-industry related manufacturers and processors in its geographical area of operation. The company is currently chaired by Alexandre Vilgrain, son of Jean-Louis Vilgrain, who succeeded his father in 2000. In 2014, the SOMDIAA group generated approximately €422 million in total sales and employs around 18 000 permanent staff across its operations.<sup>58</sup>

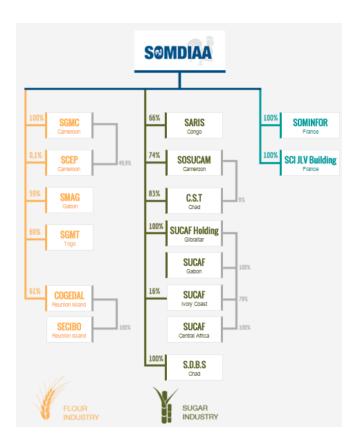
The group origins of the company lie in the lease of a 12 000 ha concession in the Congo in 1947 by Jean-Louis Vilgrain. This resulted in the establishment of the first candy cane and peanut oil mill in the Congo. From the 1970s, the company experienced a period of intensive growth – operations and sugar mills were established in Cameroon, Gabon, Ivory Coast, Chad and Burkina Faso through partnerships with African states and the company diversified into other product areas such as cotton. In 1991, the first private investment of SOMDIAA occurred with the purchase of the SIAN sugar factory, which today is the subsidiary SARIS CONGO. Since 2011, Castel Group holds a majority shareholding of the SOMDIAA Group. The diagram below illustrates the organisational structure of the company.<sup>59</sup>



<sup>&</sup>lt;sup>57</sup> SOMDIAA Company Profile.

<sup>&</sup>lt;sup>58</sup> SOMDIAA website, <u>http://www.somdiaa.com/en/the-group</u> [6.11.2015].

<sup>&</sup>lt;sup>59</sup> SOMDIAA website, <u>http://www.somdiaa.com/en/the-group</u> [6.11.2015].



### Free Prior and Informed Consent (FPIC)

FPIC is an indigenous peoples' right established in international conventions, notably the ILO Convention 169 on Indigenous and Tribal Peoples (1989), as well as in soft law, notably the UN Declaration on the Rights of Indigenous Peoples (2007), and in some cases, national law. The purpose of FPIC is to ensure that communities are adequately informed, properly consulted and given the opportunity to fully participate in negotiations with companies of the government before they consent to the lease or purchase of their land, as well as to the implementation of a project. The key elements of FPIC were outlined in a report of the 2005 UN Permanent Forum on Indigenous Issues (UNPFII) International Workshop on Methodologies regarding FPIC and Indigenous Peoples. These are:

- people are 'not coerced, pressured or intimidated in their choices of development'
- 'their consent is sought and freely given prior to authorisation of development activities'
- 'they have full information about the scope and impacts of the proposed development activities on their lands, resources and well-being', and
- 'their choice to give or withhold consent over developments affecting them is respected and upheld'.<sup>60</sup>

## **Detailed List of Relevant Literature**

This list of reports was reviewed as part of the literature review:

- The United Nations Human Development Index 2015
- The United Nations World Development Report 2014
- The United Nations Declaration for the Rights of Indigenous People 2008
- IIED Reports on Free, Informed and Prior Consent 2013
- IFC Performance Standards on Environmental and Social Sustainability 2012
- Articles from the Institute or Human Rights and Business
- United States Department of Labour, 2014: Gabon

<sup>&</sup>lt;sup>60</sup> IIED. 2013. FPIC and the Extractive Industries.

- United States Department of Labour: List of Goods Produced by Child Labor or Forced Labour (2014)
- United States Department of State: Trafficking in Persons Report (2015)
- GVNET, 2011: Human Trafficking and Modern-day Slavery: Gabonese Republic
- KMPG 2012 Country Profile on Gabon
- Wily, 2012 "Land Rights in Gabon: Facing Up to the Past and Present" published by the FERN office UK
- Doing Business in Gabon: A Country Commercial Guide for US Companies, 2006
- The ILO convention on Forced Labour, 1930 (No.29)
- ILO Convention No. 182 on the worst forms of child labour, 1999
- ILO Convention No. 138 on the minimum age for admission to employment and work
- Food and Agriculture Organization: Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT)
- African Union: Guiding Principles on Large-Scale Land (AU Guiding Principles)
- New Alliance: The Analytical Framework for Land-Based Investments in African Agriculture