



# Liberia Back in Business?

## Conflict and human rights issues in a post conflict environment

SOMO Paper | July 2015

Private sector investments in Liberia so far have delivered only limited development to the majority of people living in Liberia. Human rights violations as a result of business activities are creating tension and conflicts between communities and companies, as well as between communities and state institutions. Conflicts over land rights are increasingly turning violent, which, in a context where land disputes were one of the factors causing the civil war, could potentially undermine Liberia's fragile peace. To avoid involvement in human rights abuses and becoming an actor in conflicts that risk reigniting violence, businesses operating in Liberia should conduct enhanced due diligence to preventing causing human rights violations.

### 1 Introduction

Since the end of the conflict in Liberia in 2003, private sector engagement has been promoted by the Liberian government, as well as by the international community and donor governments. The recent Ebola outbreak has stifled Liberia's economic development, but after the country was declared Ebola-free on 9 May 2015 Liberia is 'back in business'.<sup>1</sup> The World Bank has recently established a post-Ebola Recovery Fund, to which the private sector

lending arm of the World Bank – the International Finance Corporation (IFC) – is contributing US\$450 million to enable trade and investment and to help businesses to continue operating.<sup>2</sup> Several countries have started to organise trade missions to Liberia to stimulate economic activity and create business opportunities for their companies. For example, the Netherlands is conducting a trade mission to the Ebola-affected countries Liberia, Sierra Leone and Guinea in early July 2015, facilitated by the Ministry of Foreign Trade and Development to provide businesses with "the opportunity to make use of potential opportunities in these countries"<sup>3</sup> in the field of infrastructure and logistics (ports), agriculture (palm oil and rubber sector) and the mining industry (iron ore, gold and diamond sector).

Economic development is an important factor in Liberia's transformation to a peaceful and prosperous country. This falls within a wider trend that sees private sector engagement in conflict-affected areas being promoted by the development agendas of governments and international institutions alike. The presumption is that economic development is an essential element for the fulfilment of human rights, and that businesses are able to bring about employment, infrastructure, technology, education, knowledge transfer and ultimately stability and peace.<sup>4</sup> However, in post-conflict countries private sector

## About Liberia

Liberia is located in West Africa and was founded in 1847 by freed African-American slaves. It has a population of almost 4 million people who belong to various ethnic groups. Around half of Liberia's population lives in Monrovia. English is the official language along with some 20 ethnic group languages.<sup>5</sup> The majority of the people live below the poverty line, and the country ranks close to the bottom of countries in the Human Development Index.<sup>6</sup> Over 70% of the population is below the age of 30, life expectancy is 61 years.<sup>7</sup> In urban areas, 5.1% of households can access electricity, which is 0.8% in rural areas. Formal unemployment figures are low, but 78% of the labour force holds only precarious employment, including the large urbanised youth population.

The country has experienced more than 15 years of conflict that killed over 300,000 people. After the end of the civil war in 2003, democratic elections followed in 2005. Ellen Johnson Sirleaf was elected as president, and she was re-elected in 2011. The UN peacekeeping mission in Liberia (UNMIL) that was established at the end of the war is currently being phased out.<sup>8</sup>

As a result of the conflict much of Liberia's infrastructure was destroyed, and although rehabilitation efforts have been made, this infrastructure remains limited. 45% of the population can access an all-season road within 5km, and 27% cannot access such a road within 30km.<sup>9</sup>

### **The Liberian economy: foreign assistance and natural resource exploitation**

Liberia is a low-income country that relies heavily on foreign assistance and natural resource exploitation.<sup>10</sup> The country receives some of the highest Official Development Assistance per capita in the world. Economic growth before the war was primarily driven by natural resources, with little actual development. Low levels of employment and high levels of poverty continue to be a challenge today.<sup>11</sup> Important export products include iron ore, rubber and timber, while the export of oil and palm oil are expected to take off in the near future. Agriculture is an important sector, which includes rubber, palm oil and timber. Mining is

a vital sector due to the vast potential of Liberia's mineral wealth for future extraction, mainly iron ore and gold mining. Diamond mining is mainly alluvial, involving ex-fighters from the Liberian civil war. Ex-fighters also continue to be involved in gold mining, which is an industry that is also attracting international mining companies.

Liberia has experienced high Gross Domestic Product (GDP) growth rates since the end of the conflict in 2003, around 8% to 9% in 2012 and 2013, which is mainly driven by the export of iron ore, timber and rubber. In 2014 this declined to 2.5%, in part due to the Ebola outbreak.<sup>12</sup> Oil has been discovered off the coast and the size and availability of supply is currently being assessed.<sup>13</sup> Potential production is not likely to begin until the end of the decade. Liberia's private sector largely consists of multinational corporations operating iron ore mining, timber, rubber and palm oil concessions. In addition, there is a formal sector in Monrovia largely servicing the government and donor community. This operates alongside an informal sector of micro and small enterprises and the rural subsistence agriculture sector that employs the majority of the population.<sup>14</sup>

### **Ebola outbreak**

In 2014, Ebola caused an estimated 4,000 deaths and affected more than 9,000 people in Liberia alone. The outbreak of the virus resulted in a deterioration of the already struggling Liberian economy. This had a major impact on economic and infrastructural development and led to the withdrawal of investors, resulting in a reduction of revenue and budget shortfall.<sup>15</sup> The Ebola outbreak has stifled the country's growth rates, reversed socio-economic gains, aggravated poverty and food insecurity and destroyed livelihoods.<sup>16</sup> Expected lost GDP in 2015 as a result of Ebola and other global economic conditions is US\$180 million.<sup>17</sup> There could be a risk that the effects of the Ebola outbreak will push the Liberian government to increase the investor-friendly environment in order to attract foreign capital without the necessary corresponding regulatory policies that protect the Liberian people from negative impacts and access to justice when rights are violated.

investment also risks causing serious adverse human rights impacts, and sparking conflicts. This paper aims to highlight the human rights concerns when businesses operate in a conflict-affected area like Liberia. It provides a background to the Liberian context and identifies major human rights and conflict risks. Recommendations are provided for businesses that are currently operating in Liberia, or that are considering doing so. These recommendations highlight that, in accordance with international standards, businesses should not only ensure their own activities do not result in human rights violations, but that they also have a responsibility to assess the business partners they work with and conduct enhanced due diligence in order to prevent becoming involved in any human rights violations. Recommendations are also provided to governments promoting private sector development in Liberia, and to civil societies monitoring the impacts of businesses on human rights.

**Figure 1: Map Liberia**



## 2 Liberian wars and the role of businesses

Multinational corporations have a long history in Liberia and have played a significant role in shaping the country. Successive regimes have used state power to serve the interests of a select few, acquiring land at the detriment of the country's people and reaching special deals with foreign companies for the exploitation of natural resources that did not benefit the majority of Liberians. Throughout the country's history, most of the exploitation of natural resources and agricultural land has been at the hands of

foreign-owned companies, which have developed very few processing or other industries that add value to these resources. For example, the rubber company Firestone was granted a 99-year lease for a million acres of land on very favourable terms in 1926, and despite its long presence is still exporting rubber out of the country as a raw material.

Systematic violations of social and economic rights were one of the causes of the Liberian conflict. The war was fuelled by widespread violations of political, social and economic rights by successive regimes, including systematic inequality, forcible destruction of homes and the loss of livelihoods.<sup>18</sup>

According to Liberia's Truth and Reconciliation Commission, "economic actors and economic activities played a crucial role in contributing to, and benefiting from, armed conflict in Liberia".<sup>19</sup> For example, timber and mining companies benefited from the conflict by obtaining lucrative natural resource concessions and engaging in systematic tax evasion. Logging companies aided the trafficking of weapons to warring factions, violently removed communities from their land, and used security forces closely aligned with militia units that were committing grave human rights abuses. This also exacerbated land-based and inter-ethnic tensions.<sup>20</sup> In its report, the Commission has listed actors involved in economic crimes during the Liberian conflict, which includes Oriental Trading Company and Royal Timber Corporation, run by Dutch businessman Guus van Kouwenhoven and rubber company Firestone. Firestone, which is still active in Liberia today, was accused of paying taxes and providing equipment to Charles Taylor's rebel government during the civil war, in return for receiving security for the rubber plantation from the rebels and the possibility to continue operations.<sup>21</sup>

## 3 Business in conflict-affected areas: human rights at risk

Multinational corporations continue to play a significant role in contemporary Liberia. The country has developed an ambitious plan for post-conflict reconstruction and transformation that focuses on attracting foreign private sector investment. In its Vision 2030 development plan, economic development, natural resources exploitation and private sector engagement play a key role, and the revenues from concessions are meant to develop public goods like road, education, health and water and community development projects through national and local funds.<sup>22</sup> The country has so far attracted over USD\$16 billion in foreign direct investment, and has allocated approximately half of Liberia's land mass to mining, rubber, oil palm and forestry concessions.<sup>23</sup> While businesses have the potential to contribute to post-conflict reconstruction by contributing

to economic development, through their operations they are also often linked to the violation of human rights.

### Human rights at risk

The most severe of these violations occur in conflict-affected states,<sup>24</sup> such as post-conflict Liberia. At the same time, ensuring access to remedy for victims is most challenging in these areas, as weak rule of law and failing justice systems make it difficult for victims of corporate misconduct to seek justice and hold businesses to account. Access to justice in Liberia is extremely limited due to poor management and little capacity of the justice sector as well as corruption.<sup>25</sup> Victims of business-related human rights violations also find it difficult to seek justice in the countries where multinational corporations operating in Liberia have their headquarters, due to the many obstacles to justice there.<sup>26</sup> This effectively means that the human rights regime, which places the primary duty for the protection of human rights on states, does not function properly in the context of conflict-affected areas like Liberia, and that there exists a 'governance gap' in holding multinationals to account.<sup>27</sup>

### Sparking and fuelling conflict

Apart from human rights concerns, business activity can also spark and intensify conflicts in Liberia. Conflicts as a result of private sector activities can generally be distinguished between:

- ❑ Company-community conflicts as a result of socio-economic issues, such as access to land and land disputes, resettlement, loss of livelihoods, environmental pollution and damage to cultural heritage.
- ❑ Inter and intra community conflict as a result of pre-existing land conflicts, differing interests and distribution of positive impacts, such as employment opportunities, community development projects and the question of who benefits from private sector activities and who carries the burden of their impacts.
- ❑ Conflicts between communities and state institutions as a result of convergence of corporate and state interests, such as state security services protecting the assets of corporations, corruption of authorities and lack of skills and political will to monitor the implementation of concession agreements.

In Liberia, which has a long history of conflict and currently maintains a fragile peace, such conflicts pose a significant risk. The open door policy of the Liberian government and the activities of multinational corporations have already resulted in a wide range of human rights violations, which are increasingly triggering conflict.

## 4 Doing business in Liberia: open doors in Monrovia, but what about elsewhere?

Foreign private sector investment in Liberia so far has delivered only limited development impacts for people on the ground,<sup>28</sup> and transformation to a stable environment risks being undermined by conflicts created as a result of business activities. The model of post-conflict reconstruction through foreign investment and exports of raw materials often directly conflicts with the rights and interests of communities in the project areas outside of the capital Monrovia, heightening the risk of human rights abuses and conflict. There is little accountability regarding the use of the revenues. Investments are focused on the export of natural resources, the demand for which is dependent on global markets. This means the country is vulnerable to economic stagnation and market collapse. An example is the current collapse of global iron ore prices, which may have serious implications for Liberia, since iron ore exports are an important driver for the country's economic growth.<sup>29</sup> The problems in this sector also have implications for employment. For example, the iron ore company ArcelorMittal recently announced that it would lay off 190 workers as a result of the market collapse.<sup>30</sup>

The impacts of foreign companies on human rights and conflict dynamics creates serious concerns for the future of the fragile state that Liberia still is. The country is currently experiencing relative peace and stability, but significant challenges remain in terms of justice and reconciliation, legitimacy and effectiveness of government institutions, and rampant corruption. Considerable governance, institutional and capacity constraints exist, which – coupled with internal tensions and irregular (border) conflicts – create continuing risks of instability.

### Losing land and livelihoods

The vast majority of the land allocated by the Liberian government to multinational corporations is occupied and used by Liberian people, and located in areas outside the capital Monrovia where state authority is weak, land ownership is complex and land disputes are prevalent. Mining and agricultural companies occupy spaces where communities make a living from farming, hunting and artisanal mining. Displacement of communities, denying farmers' access to their lands and removing miners without offering a suitable and sustainable alternative source of livelihood is resulting in disputes about land tenure and land use. The destruction of farm lands, food crops, cash crops and the pollution of drinking water negatively impacts the ability of communities to sustain their livelihoods, while the destruction of shrines and sacred areas destroys their customs, values and traditions.

The cultural practices of communities in the project-affected areas of ArcelorMittal, for example, are threatened by the company acquiring land that is considered to have animistic religious value. When forests on this land are clear cut, the communities believe the spirits' homes are destroyed.<sup>31</sup> In Nimba county, where the company's iron ore mine is located, a traditional belief system referred to as 'animal practice' is practiced. Communities believe that people who are part of this practice inhabit a dual spirit, meaning that they live both as humans as well as animals living in the forests. Destroying the forests for mining threatens this cultural practice. Communities believe that the destruction of the forests even leads to death of the animals and thus members of their communities.<sup>32</sup>

Displacement of farmers and alluvial miners is also resulting in loss of livelihoods. While the company has indicated that it initiates livelihood restoration programmes, communities assert that only one-time payments are provided. This does not provide communities with alternative livelihood opportunities, while losing access to farmlands and diamond fields means losing access to the means of sustaining themselves.<sup>33</sup> Another example is Buchanan Renewables, a renewable energy company that produced biomass from old rubber trees. While the company intended to harvest non-productive rubber trees and rejuvenate smallholder farms by planting and maintaining young trees, thereby contributing to poverty alleviation and economic development, the local farmers were left with destroyed and unmaintained farms after the company ceased its operations in 2013. These farmers were left without a means of income and now face difficulties sustaining their livelihoods.<sup>34</sup>

Despite improvement in Liberia's regulatory framework, effective and fair stakeholder consultation and engagement by the government and investors is still lacking. The rights of indigenous and local communities to their ancestral land are still not clearly defined, leaving them vulnerable to land being granted to corporations without local consent. Consultation has been limited, with allegations of lands being granted by the government without community involvement, or local leaders agreeing to the long-term leases without consulting their communities.<sup>35</sup> These circumstances are deepening citizens' sense of injustice and discontent and thereby cause resentment and resistance.

### Conflicts and escalating protests

Disputes over land, the persistence of historical land disputes and the rapid rise of large-scale natural resource concessions in a context where land is a highly contested topic is creating a tense situation and has already triggered grievances and disputes. This poses a high risk of sparking company-community conflicts as well as conflicts with national security forces interfering on behalf of the company. In some areas this risk is exacerbated by the presence of

ex-combatants who conduct artisanal mining or are contracted as security staff by companies.

The last few years have seen an increase in conflicts over land and violent protests against iron ore, palm oil and rubber corporations. In May 2015, protests turned violent when youth in Sinoe county protested against the palm oil company Golden Veroleum after years of simmering conflict regarding employment issues, loss of crops, water pollution and damage to shrines. The situation escalated after police tried to disperse the crowd and several people were injured.<sup>36</sup> In July 2014, violence erupted at the mining site of ArcelorMittal in Nimba County, when protests by youth escalated after they started demanding more employment opportunities and protested against unpaid compensation for crops and lacking implementation of development projects like infrastructure, schools, health clinics and vocational training centres.<sup>37</sup> Other examples are the protests against the iron ore company China Union in Bong county, oil palm company Equatorial Oil Palm in Grand Bassa county, rubber company Salala Rubber corporation in Margibi county, Maryland Oil Palm corporation in Maryland county,<sup>38</sup> and fierce protests against palm oil company Sime Darby in Grand Cape Mount county that forced President Sirleaf to intervene directly.<sup>39</sup>

Land disputes also exacerbate pre-existing tensions between different groups,<sup>40</sup> raising the concern that further land claims by companies will increase the competition for scarce land resources and thereby increase local tensions. This is particularly dangerous in a volatile context like Liberia, where, as already mentioned, land disputes were one of the factors at the root of Liberia's conflict and can potentially recreate tension and violence.<sup>41</sup>

### Employment: contributing to peace or to conflict?

Often regarded as the positive development impact of private sector engagement, employment can also become a trigger for conflict.<sup>42</sup> Rather than strengthening peace, exploitative labour and violations of core labour rights has resulted in protests such as the ones mentioned above. In Liberia, the majority of employment offered by corporations is low skilled and precarious, substituting subsistence farming with temporary and insecure labour relations. Violations of labour rights are frequent, including occupational health and safety standards, living wage, collective bargaining and working hours. Discrimination, sexual harassment, forced labour and child labour are serious problems. Similarly, the lack of provision of basic services like safe drinking water, health, education and social insurance are often reported. For example, unsafe working conditions led to the death of six people and severe injuries of eleven others after an explosion at the Liberian Agricultural Company in January 2015.<sup>43</sup> And a recent

report by Liberian non-governmental organisation Green Advocates reveals dangerous working conditions at ArcelorMittal and the use of toxic substances without adequate protective equipment.<sup>44</sup>

### **Wanted: development impacts on the ground**

Social development clauses of concessionary agreements have delivered some development impacts but these often fail to translate into meaningful improvements in livelihoods, social services and basic infrastructure and provide little benefit to affected communities or the wider population. County Social Development Funds, established to offset the negative impacts of mining and agricultural production by reserving financial resources for projects benefiting affected counties, have so far not benefited affected communities. Project-affected communities have little say in how or where the money is spent, and government corruption and financial mismanagement of these Funds are serious problems, creating further distrust and hostility. In 2011 this led to a complaint against ArcelorMittal by Liberian NGO Sustainable Development Initiative and Friends of the Earth Europe at the National Contact Point for the Organisation for Economic Co-operation and Development (OECD) Guidelines. ArcelorMittal contributes an annual \$USD3 million to Nimba, Bong and Grand Bassa Counties, which host the company's mine, railway and port,<sup>45</sup> but this is failing to address the needs of impacted communities.<sup>46</sup>

### **An 'anti-development' civil society?**

Civil society organisations and human rights defenders that are critical towards corporations are confronted with intimidation by the Liberian government. Criticism towards private sector activities is a sensitive issue for the government, as its post-conflict reconstruction policies give centre stage to foreign direct investment. Civil society organisations that defend the rights of communities affected by such investments are framed as being 'anti-development'. For example, in her annual message to the Liberian legislature in 2014, President Sirleaf stated that NGOs challenge the national sovereignty of the country, which led to extensive criticism by international donor countries.<sup>47</sup> And after the recent protests against palm oil company Golden Veroleum, the President said "we cannot allow a few people to undermine the interest of this country; to run investors away and to make sure that we do not attract what we need to achieve our development goals".<sup>48</sup>

This has contributed to an increasingly dangerous working environment that has compromised the safety and security of human rights defenders in Liberia, as well as their family members and the local community partners they work with. The Government of Liberia has imposed a series of criminal charges and offences against community human rights defenders, ranging from criminal trespass, criminal

malevolence, theft of property, armed robbery, obstruction of justice, disorderly conduct, menacing behaviour, attempted murder, economic sabotage and terrorist threats. Community based human rights defenders including community leaders, union leaders and activists have been confronted with harassment, intimidation, threats, arrests and imprisonment.

For example, in 2014 community leaders were arrested and imprisoned in Cape Mount, Margibi, Grand Bassa, Maryland, Bomi, Bong and Nimba counties. In Nimba County, local community members and youth who were protesting against the lack of benefits from the operation of the company were violently arrested and imprisoned by police units. In Grand Bassa, community members were arrested for protesting against the forceful surveying of their customary land by Equatorial Oil Palm Corporation. In Bong County, community members were arrested for protesting against the lack of employment opportunities, as well as the taking of their customary land without adequate compensation. Elite police units responded by arresting several community members. Similar actions took place in Grand Gedeh, where the Putu Iron Ore Mining company is operating, as well as in Maryland, Sinoe, Margibi, Grand Kru and Rivercess counties.<sup>49</sup>

## **5 Recommendations**

The open door policy of the Liberian government and the activities of multinational businesses have so far failed to improve the lives of the majority of Liberians. In contrast, multinational corporations have been involved in a wide range of human rights violations and are sparking and fuelling conflicts. In the context of the fragile peace in the country, this is of great concern. Current and future investments can only make a positive impact if, at the very minimum, no harm is done to the rights of Liberians living in the project-affected areas. To ensure this, the Liberian government, as well as other governments, should invest in promoting long-term and value-adding forms of private sector development, and encourage corporations to invest in their social license to operate. Corporations should adopt business practices that are sensitive to conflict-affected areas, ensure effective human rights due diligence processes and meaningfully engage with stakeholders.

### **Recommendations for businesses:**

Businesses operating in Liberia or planning to do so should conduct enhanced due diligence to identify the specific risks for human rights violations and sparking conflict or fuelling existing ones as a result of their business activities. Apart from ensuring that their own activities do not result in violations of human rights, they should also prevent becoming linked to violations committed by others.

## Standards

Various standards have been developed that can help corporations operating in Liberia to respect internationally recognised human rights and prevent them becoming involved in violations.<sup>50</sup> Two important standards that businesses operating in Liberia should adhere to include:

- ❑ **UN Guiding Principles on Business and Human Rights (UNGPs):**<sup>51</sup> The UNGPs clarify the duty of states to protect and the responsibility of businesses to respect human rights and the responsibilities of states as well as businesses to provide access to justice for people who are negatively impacted by business activities. The UNGPs state that companies can impact human rights in various ways: by causing violations, by contributing to violations and by being directly linked to violations through activities and business relationships. In conflict affected areas, companies have a heightened due diligence responsibility.
- ❑ **OECD Guidelines for Multinational Enterprises:**<sup>52</sup> The OECD Guidelines provide recommendations on responsible business conduct and respect for human rights for multinationals operating in or from

OECD countries. The OECD Guidelines outline how businesses should deal with issues including human rights, labour rights, the environment and supply chain issues.

The following standards can also be of importance in the context of conflict affected areas:

- ❑ **Voluntary Principles on Security and Human Rights:**<sup>53</sup> provides guidance to the extractive industry companies in maintaining the safety and security of their operations in a manner ensuring respect for human rights.
- ❑ **UN Global Compact Guidance on Responsible Business in Conflict-Affected and High-Risk Areas:**<sup>54</sup> assists companies with implementing the UN Global Compact's principles for responsible business practices in conflict affected areas.
- ❑ **International Alert Guide for Conflict Sensitive Business Practice**<sup>55</sup> for the extractive industries: provides guidance on doing business in societies at risk of conflict, and providing information on understanding conflict risks through practical tools.

For example, by providing infrastructure to a mining company, sourcing from a palm oil company, or using the services of Liberia's security sector while they cause involuntary resettlement, loss of livelihoods, labour rights violations or create conflicts, businesses may become directly linked to these violations as a result of their business relationships. In line with international standards, businesses should at least:

- ❑ Comply with all applicable laws and respect internationally recognized human rights.
- ❑ Adopt a human rights policy in consultation with stakeholders, approve the policy on the most senior level, and publish the policy publicly.
- ❑ Identify the risks for negative human rights impacts on a continuous basis and act upon the findings.
- ❑ Organize meaningful stakeholder engagement, for example with communities, workers, national and international civil society.
- ❑ Prevent causing and contributing to violations, and take action when they are linked to them as a result of their business activities, business relations and supply chains.
- ❑ Ensure that individuals, workers and communities who are negatively impacted are provided with proper and human rights compatible remediation.

## Recommendations for governments promoting private sector activities in Liberia:

- ❑ Only promote private sector activities that have development relevance, such as investments that enhance employment, combat inequality, stimulate inclusivity, sustainable growth, local innovation and empowerment of vulnerable groups.<sup>56</sup> Ensure that promotion of private sector activities does not create unfair competition for Liberian businesses. Promote long-term and value-adding industries and the development of infrastructure and electricity for the benefit of citizens.
- ❑ Make corporate social responsibility and corporate accountability standards such as the OECD Guidelines for Multinational Enterprises a priority during the preparation and implementation of trade missions. Promote this at the level of participating companies, as well as towards the Liberian government and domestic companies. When reporting about the trade mission, also report on the way corporate social responsibility was integrated into the mission. Engage civil society organisations, including trade unions, in the home and host country in a meaningful way during preparation and implementation of the trade mission.
- ❑ Actively inform businesses about the human rights and conflict issues in Liberia, by developing a country-

specific toolkit in consultation with civil society and providing this information through embassies, relevant ministries and other forums.

- Emphasise the due diligence responsibility and ensure that corporations integrate this into their supply chain relationship. Support the specification of the due diligence process to the Liberian context.
- Recommend to the Liberian government that it should develop a National Action Plan on Business and Human Rights in accordance with the 'Guidance on National Action Plans on Business and Human Rights' by the UN Working Group on Business and Human Rights<sup>57</sup> and using the Toolkit on National Action Plans by the Danish Institute for Human Rights and the International Corporate Accountability Roundtable.<sup>58</sup>

### Useful tools for civil society organisations:

- **How to use the UN Guiding Principles on Business and Human Rights in company research and advocacy:**<sup>59</sup> provides concrete support for civil society organisations to use the UN Guiding Principles in addressing the responsibility of businesses to respect human rights.
- **Calling for Corporate Accountability. A guide to the 2011 OECD Guidelines for Multinational Enterprises:**<sup>60</sup> helps civil society organisations to understand the OECD Guidelines and address corporate misconduct through the complaints mechanisms of the OECD Guidelines and the functioning of the National Contact Points.
- **Getting it Right. Human Rights Impact Assessment Guide:**<sup>61</sup> is a step-by-step methodology for communities and NGOs to measure the actual or potential human rights impact of business activities, and gives ownership to affected communities. It enables drafting a final report and recommendations that can serve as a basis for engagement with public and private actors involved in investment projects.
- **The website 'Human Rights and Grievance Mechanisms: Supporting you in seeking remedy for corporate misconduct':**<sup>62</sup> provides information on how to address corporate misconduct by using non-judicial grievance mechanisms, and contains step-by-step guides to using these mechanisms.

## Endnotes

- 1 Website of the Liberian Embassy in the US, "Liberia Back in Business: Thanking US and Partners for Their Help Against Ebola, April-May 2015, [http://www.liberianembassyus.org/uploads/newsletter/Apr\\_mayF2-prt1.pdf](http://www.liberianembassyus.org/uploads/newsletter/Apr_mayF2-prt1.pdf) (8 June 2015).
- 2 World Bank website, "World Bank Group Ebola Response Fact Sheet", 18 May 2015, <http://www.worldbank.org/en/topic/health/brief/world-bank-group-ebola-fact-sheet> (18 June 2015).
- 3 Website of the Netherlands Enterprise Agency, "Economische missie naar Sierra Leone, Liberia en Guinee met minister Lillianne Ploumen", <http://www.rvo.nl/actueel/evenementen/economische-missie-naar-sierra-leone-liberia-en-guinee-met-minister-lillianne-ploumen> (17 June 2015). Translated from Dutch.
- 4 For example, the OECD emphasizes the importance of boosting economic growth in fragile states, and the IFC invested USD\$948 million in conflict affected areas in FY14 as 'economic growth and employment are critical in reducing fragility'. The World Bank has committed to increase investment in conflict affected areas by 50%. See OECD, *States of Fragility 2015*; and IFC, *IFC in Fragile and Conflict Situations*, April 2015. See also M. Porter Peschka, "The role of the Private Sector in Fragile and Conflict-Affected State". *World Development Report 2011*, Background Paper; and DfID, *Stabilization through Economic Initiatives: private sector development*. Issue note, 2012.
- 5 CIA Factbook, Country profile: Liberia, available at <https://www.cia.gov/library/publications/the-world-factbook/geos/li.html> (15 June 2015).
- 6 African Development Bank. Liberia Country Strategy Paper 2013-2017. June 2013. <http://www.afdb.org/countries/west-africa/liberia/liberia-selected-projects/> (11 June 2015).
- 7 World Bank database. Liberia. <http://data.worldbank.org/country/liberia> (25 June 2015).
- 8 UN Security Council Resolution 22015 (2015). S/RES/22015 (2015). [http://www.securitycouncilreport.org/atf/cf/%7B65BF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/S\\_res\\_2215.pdf](http://www.securitycouncilreport.org/atf/cf/%7B65BF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/S_res_2215.pdf) (26 June 2015)
- 9 World Bank. Liberia Poverty Note: Tracking the Dimensions of Poverty. 1 November 2012.
- 10 World Bank database. Liberia. <http://datbank.worldbank.org/data/views/reports/tableview.aspx> (25 June 2015).
- 11 World Bank. Liberia Poverty Note: Tracking the Dimensions of Poverty. 1 November 2012.
- 12 CIA Factbook, Country profile: Liberia, available at <https://www.cia.gov/library/publications/the-world-factbook/geos/li.html> (15 June 2015).
- 13 BBC News website, "New oil finds in Liberia and Sierra Leone", 21 February 2012, <http://www.bbc.com/news/world-africa-17115042> (11 June 2015).
- 14 African Development Bank. Liberia Country Strategy Paper 2013-2017. June 2013. <http://www.afdb.org/countries/west-africa/liberia/liberia-selected-projects/> (11 June 2015).
- 15 World Bank website, "Liberia Overview" <http://www.worldbank.org/en/country/liberia/overview> (26 June 2015).
- 16 UNDP. 2014. Socio-economic impact of the Ebola Virus Disease in Guinea, Liberia and Sierra Leone. Policy Notes Volume 1, Numbers 1-5.
- 17 World Bank website, "Ebola: Most African Countries Avoid Major Economic Loss but Impact on Guinea, Liberia, Sierra Leone Remains Crippling", 20 January 2015, <http://www.worldbank.org/en/news/press-release/2015/01/20/ebola-most-african-countries-avoid-major-economic-loss-but-impact-on-guinea-liberia-sierra-leone-remains-crippling> (25 June 2015).
- 18 Truth and Reconciliation Commission of Liberia. Final Report, Volume 1: Findings and Determinations.
- 19 Truth and Reconciliation Commission of Liberia. Final Report, Volume 3, Appendices. Title III: Economic Crimes and the Conflict, Exploitation and Abuse, p. 1.
- 20 Government of Liberia, *Towards a Reconciled, Peaceful and Prosperous Liberia. A Strategic Roadmap for National Healing and Reconciliation*. June 2012-July 2013, p. 8
- 21 Truth and Reconciliation Commission of Liberia. Final Report, Volume 2, Consolidated Final Report, p. 178. See also T. Miller and J. Jones, "Firestone and the Warlord. The untold story of Firestone, Charles Taylor and the tragedy of Liberia". Frontline publication, 18 November 2014, <https://www.propublica.org/article/firestone-and-the-warlord-intro> (8 April 2015).
- 22 Republic of Liberia. *Agenda for Transformation: Steps Toward Liberia Rising 2030. Liebrai's Medium Term Economic Growth and Development Strategy (2012-2017)*.
- 23 P. de Wit, "Land Commission of Liberia. Land Rights, Private Use Permits & Forest Communities". EU Project FED/2011/270957, 2012.
- 24 J. Zerk, "Corporate Liability for gross human rights abuses. Towards a fairer and more effective system of domestic law remedies." Report prepared for the Office of the UN High Commissioner for Human Rights, 2012. p. 29.
- 25 Human Rights Watch. *World Report 2014: Events of 2013*, p. 136, 137.
- 26 For example, the reluctance of states to exercise extraterritorial jurisdiction over violations committed by multinationals abroad, the high costs involved, complex corporate structures and difficulty in obtaining evidence, and the separate legal personality and limited liability doctrine. For more on the obstacles for access to justice in home states, see M. Taylor, R. Thompson and A. Ramasastry, "Overcoming obstacles to justice improving access to judicial remedies for business in involvement in grave human rights abuses", Fafo-report. See also ICAR, CORE and ECCJ, "Access to Judicial Remedies for Human Rights Violations by Transnational Business", 2013.
- 27 In the words of the former UN Special Representative on Business and Human Rights, John Ruggie, in conflict-affected areas "the human rights regime cannot be expected to function as intended". See: Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie, 2011.
- 28 See for example: Centre for International Conflict Resolution, "Smell-No-Taste: the Social Impact of Foreign Direct Investment in Liberia". Colombia University, School of International and Public Affairs, January 2012.
- 29 African Development Bank. Liberia Country Strategy Paper 2013-2017. June 2013. <http://www.afdb.org/countries/west-africa/liberia/liberia-selected-projects/> (11 June 2015).

- 30 New Dawn, "Liberia: Arcelormittal's Redundancy Condemned", 16 June 2015, <http://allafrica.com/stories/201506161592.html> (26 June 2015).
- 31 Research by Green Advocates, forthcoming.
- 32 See also ArcelorMittal's Environmental and Social Impact Assessment: "There are numerous reports and rumors surrounding the existence of individuals being part of the 'animal practice' in Liberia – a system of beliefs and practices that are neither illegal nor formally recognized by the Liberian government. It is believed that those who are a part of the 'animal practice' have a 'dual spirit' that resides simultaneously in their human form (which lives in the village) and in one or more animals (that live in the mountain forests of their homeland). The human and the animal are spiritually tied together to the extent that if the animal is harmed or killed, the human will experience illness/injury or death. Thus, if there exists a mysterious or sudden illness/injury or death of a person in a village, it might be concluded that this is a result of that person's animal being harmed". URS, Cultural Heritage Assessment of West Nimba Liberia for Phase 2 ESIA, Prepared for ArcelorMittal Liberia Limited. March 2013.
- 33 Research by Green Advocates, forthcoming.
- 34 See the reports by 'Burning Rubber' and 'Cut and Run' by SOMO, Green Advocates and SwedWatch, available at: [http://www.somo.nl/publications-en/Publication\\_3942](http://www.somo.nl/publications-en/Publication_3942)
- 35 Front Page Africa, "Liberia: Sticky Land Crisis - Grand Bassa Locals Vs Eq. Oil Palm Expansion", 6 March 2014, <http://allafrica.com/stories/201403060861.html> (26 June 2015).
- 36 Front Page Africa, "Ghost Town: 20 arrested, hunt for loots in concession town", 28 May 2015, <http://www.frontpageafricaonline.com/index.php/news/5330-ghost-town-20-arrested-hunt-for-loots-in-concession-town> (16 June 2015); Front Page Africa, "Sinoe County – concession area hit by rioting, several flee", 27 May 2015, <http://www.frontpageafricaonline.com/index.php/news/5315-sinoe-county-concession-area-hit-by-rioting-several-fleeing> (17 June 2015); The Guardian, "Liberia charges 23 over violent plantation protest: policy", 2 June 2015, <http://www.nguardian-news.com/2015/06/liberia-charges-23-over-violent-plantation-protest-police/> (17 June 2015).
- 37 Reuters, "Shots fired as Liberia policy quell ArcelorMittal mine protest", 4 July 2014, <http://www.reuters.com/article/2014/07/04/us-liberia-arcelormittal-sa-idUSKBN0F924020140704> (17 June 2015).
- 38 The following sources have been used: Global Witness, Communities Protest that UK's Equatorial Palm Oil is Poised to Seize Land in Liberia, Press Release 24 June 2014, <https://www.globalwitness.org/archive/communities-protest-uks-equatorial-palm-oil-poised-seize-land-liberia/> (18 June 2015); Sustainable Development Institute, "SDI's radio show development talk discusses issues at China Union iron ore mining concession in Bong county", <http://sdiliberia.org/node/256> (17 June 2015); New Dawn, "Liberia: Equatorial Palm Oil Faces Continued Protest", 25 June 2014, <http://allafrica.com/stories/201406250639.html> (17 June 2015); The Informer, "Liberia: Crisis Engulfs Maryland Again – Several Protesters Arrested", 14 February 2013, <http://allafrica.com/stories/201302150759.html> (17 June 2015); New Dawn, "Protest at SRC Plantation", 13 October 2014, <http://thenewdawnliberia.com/news/general/3181-protest-at-src-plantation> (17 June 2015); New Republic, "Liberia: Clashes Near in Arcelor Mittal's Mine", 6 July 2014, <http://allafrica.com/stories/201407060054.html> (17 June 2015).
- 39 The New York Time, "A Nobel Laureate's Problem at Home", 20 January 2012, [http://www.nytimes.com/2012/01/21/opinion/in-liberia-a-nobel-laureates-problem.html?\\_r=0](http://www.nytimes.com/2012/01/21/opinion/in-liberia-a-nobel-laureates-problem.html?_r=0) (25 June 2015).
- 40 International Crisis Group. Liberia: Time for Much-Delayed Reconciliation and Reform. Policy Briefing Africa No 88, 12 June 2012.
- 41 Government of Liberia, Towards a Reconciled, Peaceful and Prosperous Liberia. A Strategic Roadmap for National Healing and Reconciliation. June 2012-July 2013.
- 42 World Bank. World Development Report 2013, Jobs. p. 79
- 43 Front Page Africa, "17 persons injured in blast at LAC rubber factory in Bassa", 21 January 2015, <http://www.frontpageafricaonline.com/index.php/news/4328-17-persons-injured-in-blast-at-lac-rubber-factory-in-bassa> (22 June 2015); Daily Observer, "GoL Imposes US\$100K Fine on LAC", 13 April 2015, <http://www.liberianobserver.com/news-legal/gol-imposes-us100k-fine-lac> (22 June 2015).
- 44 Report by Green Advocates, forthcoming.
- 45 Government of Liberia. Guidelines for the management of County Social Development Fund.
- 46 OECD Watch website, [http://oecdwatch.org/cases-nl-nl/Case\\_199](http://oecdwatch.org/cases-nl-nl/Case_199) (23 June 2015).
- 47 Government of Liberia, Nation Address on Monday 27 January 2014. Available at <http://frontpageafricaonline.com/index.php/politic/111-op-ed/speeches-remarks/518-consolidating-processes-of-transformation-sirleaf-s-9th-state-of-nation-address> (25 June 2015). See also: Front Page Africa, "'Sirleaf a Fugitive': Civil Society on Ellen; Stop Undermining NGOs", 13 February 2014, <http://www.frontpageafricaonline.com/index.php/news/679-sirleaf-a-fugitive-civil-society-on-ellen-s-back-calls-to-stop-undermining-ngos> (18 June 2015); and Global Witness, "Is Liberia Tired of NGOs?", 31 March 2014, <https://www.globalwitness.org/blog/liberia-tired-ngos> (18 June 2015).
- 48 Executive Mansion website. "'As a government, we cannot allow a few people to undermine the interest of this country,' President Sirleaf; Government to Respond in a Very Effective Way", 27 May 2015, [http://www.emansion.gov.lr/2press.php?news\\_id=3299&related=7&pg=sp](http://www.emansion.gov.lr/2press.php?news_id=3299&related=7&pg=sp) (22 June 2015).
- 49 See for example: The Analyst, "Liberia: Eru Officers Fire at Protesters in Bong Mines", 1 October 2013, <http://allafrica.com/stories/201310021599.html> (17 June 2015); Farmlandgrab, "Liberia: Sinoe complains GVL to Roundtable on Sustainable Palm Oil", 21 February 2014, <http://farmlandgrab.org/post/view/23185-liberia-sinoe-complains-gvl-to-roundtable-on-sustainable-palm-oil> (17 June 2015); Reuters, "Shots fired as Liberia policy quell ArcelorMittal mine protest", 4 July 2014, <http://www.reuters.com/article/2014/07/04/us-liberia-arcelormittal-sa-idUSKBN0F924020140704> (17 June 2015), New Dawn, "Equatorial Palm Oil Faces Continued Protest", 25 June 2014, <http://www.thenewdawnliberia.com/business/investment/492-equatorial-palm-oil-faces-continued-protest> (17 June 2015); Business Wire, "Arrests and Harassment of Community Leaders in Liberia Must Stop, Says Rights and Resources Initiative", 20 December 2012, <http://www.businesswire.com/news/home/20121220006123/en/Arrests-Harassment-Community-Leaders-Liberia-Stop-Rights#.VSZSmM90zml> (17 June 2015).

- 50 In a recent publication, SOMO identified 24 standards that are relevant to conflict-affected areas. See M. van Dorp, "Multinationals and Conflict. International principles and guidelines for corporate responsibility in conflict-affected areas", SOMO publication.
- 51 Available at <http://www.ohchr.org/EN/Issues/Business/Pages/WGHRandtransnationalcorporationsandotherbusiness.aspx>
- 52 Available at <http://www.oecd.org/corporate/mne/>
- 53 Available at <http://www.voluntaryprinciples.org/>
- 54 Available at <https://www.unglobalcompact.org/resources/281>
- 55 Available at [http://www.iisd.org/pdf/2005/security\\_conflict\\_sensitive\\_business.pdf](http://www.iisd.org/pdf/2005/security_conflict_sensitive_business.pdf)
- 56 See also Both Ends, ActionAid and SOMO. The Dutch Good Growth Fund: Who profits from development cooperation? November 2013, p. 2.
- 57 Available at <http://www.ohchr.org/EN/Issues/Business/Pages/NationalActionPlans.aspx>
- 58 Available at <http://icar.ngo/analysis/napsreport/>
- 59 Available at [http://somo.nl/publications-nl/Publication\\_3899-nl](http://somo.nl/publications-nl/Publication_3899-nl)
- 60 Available at file:///C:/Users/Gebruiker/Downloads/SOMO\_Guide\_2012\_GB\_WEB.pdf
- 61 Available at <http://hria.equalit.ie/en/>
- 62 Available at <http://grievancemechanisms.org/grievance-mechanisms>

## Colophon

*Author:* Anne Schuit

*With contributions from:* Alfred Brownell, Francis Colee and Tim Steinweg

*Layout:* Frans Schupp

*Photo:* The remains of Hotel Africa, one of Liberia's war-damaged hotels (Anne Schuit)

*ISBN:* 978-94-6207-064-6

SOMO is an independent, non-for profit research and network organisation that promotes sustainable and fair global economic development and the elimination of the structural causes of poverty, environmental problems, exploitation and inequality.

Green Advocates International is a non-profit organisation that aims to protect the environment, empower local communities, and ensure the sustainable management of natural resources through law.



Stichting Onderzoek Multinationale Ondernemingen  
Centre for Research on Multinational Corporations

Sarphatistraat 30  
1018 GL Amsterdam  
The Netherlands  
T: +31 (0)20 639 12 91  
F: +31 (0)20 639 13 21  
info@somo.nl  
www.somo.nl

This paper is published in the context of SOMO's programme on Multinational Corporations in ConflictAffected Areas. This four-year programme, funded by the Dutch Ministry of Foreign Affairs, aims to empower local NGOs and communities to critically analyse the impact of the private sector in conflict-affected areas and to ensure that companies are held to account for corporate misconduct. The programme aims to influence policies at various levels, including the European Union, to ensure that multinational enterprises and their suppliers make a positive contribution to post-conflict reconstruction.

The views expressed in this publication are the sole responsibility of SOMO and do not necessarily reflect the views of the Ministry of Foreign Affairs.

