



FIAN DEUTSCHLAND



Ministry of Foreign and European Affairs

Mr. Xavier Bettel, Minister for Development Cooperation and Humanitarian Affairs
6, rue de la Congrégation
L-1352 Luxembourg

Zurich / Phnom Penh / Luxembourg / Cologne / Brussels, November 24, 2023

Land Conflict between Indigenous Communities in Cambodia and the Luxembourg-based Company Socfin

Dear Mr. Bettel,

We are following up your predecessor Mr Fayot's reply on 1 August 2023 to the statement of civil society organizations regarding the land conflict in Bu Sra and the MRLG project in Cambodia (both attached).

We can assure you that we also assume that the mediation process was supported with the best intentions. We highly appreciate the consideration of a conflict resolution and reparation mechanism that involves also the affected indigenous communities and public authorities.

We value that you have urged Socfin to disclose all mediation documents. Although all parties have signed a confidentiality agreement with regard to the mediation, Socfin is not exempt from the principles of disclosure of documents outside the mediation process. According to the 2023 revision of the [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#) with its important additions on disclosure made to Chapter III, disclosure of pertinent documents should be standard practice for multinational companies. OECD member states have an obligation to require companies to comply with these guidelines.

On this basis, and with a view to further analysing the land conflict, we would like to ask you to request Socfin to disclose the following documents:

- the **Environmental and Social Impact Assessment (ESIA) on the three concession areas** (Varanasi, Sethikula and Coviphama), dated 1 September 2010 (*le Rapport Environnemental et Social, composé de l'Etude d'Impact Environnemental et Social (EIES), le Plan de Gestion Environnemental et Social (PGES) et le Plan d'Action de Réinstallation (PAR)*),
- the **Sethikula contract** (signed on 9 April 2010) and the **Coviphama contract** (date of signature unknown) on the investment of rubber and agro-industry plantation (between the Royal Government of Cambodia and the company)

- according to the [Varanasi contract on the investment of rubber and agro-industry plantation](#) (between the Royal Government of Cambodia and the company), signed on 8 October 2008 (also attached):
 - **Master plan** according to articles 1.3, 5.2, 6.1, 6.2, 7.1, 9.1 and 11
 - **approval of the master plan** by the Royal Government of Cambodia according to articles 1.3, 5.2 and 6.2
 - **official letter on concession land granting** according to article 3
- the corresponding **master plans, approvals of the master plans** and **official letters on concession land granting** of the **other two concessions (Sethikula and Coviphama)**
- **Documents and information according to Chapter III of the OECD Guidelines** for Multinational Enterprises on Responsible Business Conduct 2023, with regard to the three Economic Land Concessions held in Cambodia:
 - plans for implementing due diligence (paragraph 3(a))
 - the enterprise's identified areas of significant impacts or risks, the adverse impacts or risks identified, prioritized and assessed, as well as the prioritization criteria (paragraph 3(d))
 - actions taken to prevent or mitigate risks or impacts identified in paragraph 3(c) and (d), including where possible estimated timelines and benchmarks for improvement and their outcomes, including the enterprise's provision of or co-operation in any remediation (paragraph 3(e))

These documents are essential for the affected communities and civil society organizations to demand respect for human rights and redress where they have been violated. We also call on the relevant ministries of Switzerland and Germany (Cc) to join the request to Socfin to disclose the above-mentioned documents.

We are deeply indebted to you for your support in the search for justice.

In addition, recent field research and the related article "[Years-Long Mediation Leaves Bunong Farmers Indebted to Multinational Rubber Firm](#)" by CamboJa News, referring to the rubber contract farmers, show that conflicts are still unresolved and that mediation results are not being implemented (also attached).

Finally, we would like to ask you to keep us informed of the steps you are taking.

We would also like to express our appreciation for your willingness to support meetings and exchanges aimed at finding solutions to this matter.

Yours sincerely,

FIAN Switzerland (contact: Michael Nanz, michael.nanz@fian-ch.org)

BIPA, Cambodia (contact: Neth Prak, Neth.prak@gmail.com)

SOS Faim, Luxembourg (contact: Marine Lefebvre, Marine.Lefebvre@sosfaim.org)

Action Solidarité Tiers Monde – ASTM, Luxembourg

FIAN Germany (contact: Mathias Pfeifer, m.pfeifer@fian.de)

FIAN Belgium (contact: Florence Kroff, florence@fian.be)

HEKS, Switzerland

Solidar Suisse

Attachments:

- Statement of civil society organizations regarding the land conflict in Bu Sra and the MRLG project in Cambodia, 16 May 2023
- Mr Fayot's reply on 1 August 2023 to the Statement of civil society organizations
- Varanasi contract on the investment of rubber and agro-industry plantation
- Article «Years-Long Mediation Leaves Bunong Farmers Indebted to Multinational Rubber Firm» by CamboJa News

Copy to:

Swiss Agency for Development and Cooperation SDC

Swiss State Secretariat for Economic Affairs SECO

German Ministry for Economic Cooperation and Development BMZ

Deutsche Gesellschaft für internationale Zusammenarbeit GIZ



FIAN DEUTSCHLAND



Ministry of Foreign and European Affairs

M. Franz Fayot, Minister for Development Cooperation and Humanitarian Affairs
9, rue du Palais de Justice
L-1841 Luxembourg

Statement of civil society organisations to the government of the Grand Duchy of Luxembourg regarding the land conflict between indigenous communities in Cambodia and a Luxembourg-based transnational company



Zurich / Bu Cha / Luxembourg / Cologne / Brussels, 16 May 2023

Most-likely illegal land concessions, and indigenous resistance

In 2008 and 2013, the Luxembourg-based palm oil and rubber company Socfin, which is operated today from Switzerland, received three «Economic Land Concessions» in the highlands of Cambodia covering 12,000 hectares, in a forest area where hundreds of indigenous Bunong families of Bu Sra commune have practised agriculture and pasture farming for centuries. Their way of life is spiritually rooted in their sacred sites and burial grounds. The state granted the concessions without

prior consultation and consent of the indigenous communities and on land that was not even available for concessions according to the Cambodian land law.

Accepting concessions that are most-likely illegal and establishing rubber plantations on indigenous land is a serious abuse of indigenous territory and a violation of corporate human rights responsibilities.

For the Bunong inhabitants in the region, the loss of large parts of their territory, its conversion into rubber monocultures and the forced conversion of their traditional form of agriculture into stationary farming on residual land was a tremendous shock. It disrupted their daily lives in both social and spiritual ways.

The corporation gave the affected families three choices: accepting replacement land elsewhere; accepting financial compensation; or becoming rubber contract farmers.

These offers were problematic in many ways. For example, the options offered and the way in which they could be combined were not made clear enough. Also, the measurement of the size of land a family had lost was considered inappropriate; and it was no longer possible to measure the size of land lost by the families whose farms had already been bulldozed. In some cases, the timeframe within which the company dealt with certain compensation claims was much too long and left affected villagers in a precarious and uncertain situation. Since Socfin's arrival, village communities have been fighting against the confiscation of their land. A round of tripartite negotiations with the state and the company, initiated by Bunong Indigenous People's Association BIPA, ended after some years in 2016 due to a lack of funding.

The mediation process co-funded by Luxembourg

In 2017, the 'Mekong Region Land Governance' (MRLG) project, funded by Switzerland, Germany and Luxembourg, stepped in and commissioned the Independent Mediation Group (IMG) to implement a mediation process between the company and affected communities.

Roughly 210 families from five villages out of a total of 1000 families from seven villages participated in the mediation process through elected representatives. However, from the outset there was an almost complete lack of transparency due to a confidentiality agreement said to have been requested by the company. The mediation process was completed in autumn 2022 with the issuing of a 'Joint statement' and the conclusion of various separate agreements with each group of families from the various villages.

Because of the confidentiality, families as well as civil society organisations who were not involved in the mediation process did not get access to the mediation documents. Even many of the families who were involved were not informed about the outcomes, as conversations by different persons in 2019, 2021 and 2022 revealed. Nevertheless, civil society organisations received a copy of the 'Joint statement' and the agreements with the families of one village, but without the important annexes.

An analysis of the few documents available produced alarming conclusions: The agreements officialised and fixed the status quo which is in complete favour of the company. Nothing changes with regard to the access to land, and no land will be returned. The affected families give up all their claims. In return, they were given the promise of vague and limited 'community development' budgets and negligible road repairs. The land conflict is by no means resolved, especially as customary farmland - apparently the majority of farmland used by the communities - is allegedly not included in the agreements. With the absence of public authorities, the extreme power imbalance between the multinational corporation and the indigenous family representatives and with the almost complete lack of transparency, serious doubts remain about the legitimacy and fairness of the mediation process and its outcomes.

The mediation process even inflicted adverse impacts on the communities: «The process has divided and disrupted communities and has damaged mutual trust within Bu Sra commune. The communities are weakened», testified a Bunong villager. «It is like a house whose roof and walls are severely damaged and which must be rebuilt». Furthermore, other initiatives to resolve the land conflict were blocked because the opinion was spread that they would jeopardise the mediation process, and because it was kept secret which issues and areas were being negotiated.

The mediation evaluation report

Now an [evaluation report](#) on the mediation has been published by the Australian Disputes Centre. This report was commissioned by MRLG, the same entity that commissioned the mediation itself. In the manner of an advertising brochure, the report praises the mediation beyond all measure.

Civil society largely rejects the report because it is problematic in approach and methodologically flawed. The report relies on data gathered among representatives of a limited number of families (p. 9 and 10) but draws conclusions about entire «villages» and the «community» (all involved villages), thereby misrepresenting the group of affected Bunong people. Testimonies gathered over the past years in Bu Sra contradict numerous findings of the report.

Even as the report praises the mediation, it reveals the unacceptable premise of the mediation: «[...] the Community was pragmatic. They recognised that the land now in Socfin Cambodia rubber plantations would not be returned to them» based on the fact that «the land was no longer in its original state» (p. 20 and 21).

The responsibility of the donor states

The funding of this mediation process was presumably a well-intentioned effort on the part of the donor states Switzerland, Germany and Luxembourg. But tragically it uncritically supported — even if unintentionally — the conclusion and whitewashing of a present-day colonial process, failing to resolve the land conflict and to provide proper reparations to the disenfranchised and uprooted communities for the abuse of their territory. This places a significant responsibility on the donor states.

As one of Socfin's home states (state of domicile), Luxembourg is subject to human rights obligations. Indeed, the United Nations Committee on Economic, Social and Cultural Rights reiterated in its [General Comment No. 24](#), «that States parties' obligations under the Covenant did not stop at their territorial borders. States parties were required to take the steps necessary to prevent human rights violations abroad by corporations domiciled in their territory and/or jurisdiction [...]» (para. 26), and «a State party would be in breach of its obligations under the Covenant where the violation reveals a failure by the State to take reasonable measures that could have prevented the occurrence of the event» (para. 32).

Exchange between civil society and donor states

With a view to raising questions, seeking transparency, and exploring pathways towards possible solutions, various civil society organisations had virtual meetings and mail exchanges with public authorities of Switzerland and Germany. However, when the relevant Luxembourgish authority was asked for a meeting, the request was «respectfully declined». The authority did at least promise that «Luxembourg will further follow-up with SDC¹ and MRLG to solve the remaining issues at every stakeholder's content».

That is why we are respectfully raising the issue through this statement to the government of Luxembourg.

The «remaining issues» are as follows: There is still no solution to the land conflict in sight for the large number of families that were not involved in the mediation process. No arable land will be returned to the families involved in the mediation process, only the status quo of land tenure is fixed. The seven Bu Sra village communities as a whole are still dramatically lacking (secured) land for their livelihoods and cultural/religious practices. Stark inequities have emerged, as some have improved their economic situation while others have been impoverished. Proper compensation and reparations for the abuse of indigenous territory in the last 14 years are still outstanding.

¹ Swiss Agency for Development and Cooperation

Expectations

In this unacceptable situation, the undersigned civil society organisations call on the government of Luxembourg to take into account the human rights obligations emanating from ICESCR², UNDRIP³ and UNDROP⁴, and to

- **collaborate** in good faith with Switzerland (SDC and SECO), Germany (BMZ) and pertinent civil society organisations in
 - **independently assessing the mediation** process and its outcomes and impacts, based on the mediation documents (still to be disclosed)
 - **defining and implementing immediate compensation measures** for the adverse effects of the mediation process (e.g., requiring interim protection of the indigenous lands and effectively supporting the communal land titling process) and
 - **setting up a true and comprehensive, human-rights-based conflict resolution and reparation process** with the involvement of the public authorities of Cambodia, Luxembourg, Switzerland and Germany, and to
- **urge Socfin** (based on UN Guiding Principles on Business and Human Rights No. 11, 13 and 22)
 - to **agree to the disclosure** of all mediation documents and
 - to assume its human rights responsibilities and **contribute substantively** to the future conflict resolution and reparation process.

When envisioning justice for the Bunong communities, the **revocation of large parts of the economic land concessions** and their **return as titled communal land** to the communities must be a realistic option, as well as adequate **compensation for the long-lasting abuse** of their territories.

The undersigned civil society organisations will willingly supply further information and are open to a substantive exchange on the issue. We thank you very much for your attention and for considering the above-mentioned expectations.

With kind regards,

FIAN Switzerland
BIPA, Cambodia
SOS Faim, Luxembourg
Action Solidarité Tiers Monde – ASTM, Luxembourg
FIAN Germany
FIAN Belgium
HEKS, Switzerland
Solidar Suisse

Copy to:

Swiss Agency for Development and Cooperation SDC
Swiss State Secretariat for Economic Affairs SECO
German Ministry for Economic Cooperation and Development BMZ
Deutsche Gesellschaft für internationale Zusammenarbeit GIZ
Interdepartmental Committee on Human Rights, Luxembourg

² International Covenant on Economic, Social and Cultural Rights

³ UN Declaration on the Rights of Indigenous Peoples

⁴ UN Declaration on the Rights of Peasants and Other People Working in Rural Areas



LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Ministère des Affaires étrangères
et européennes

Le Ministre de la Coopération et
de l'Action humanitaire

Luxembourg,

Subject: Letter – “Statement of civil society organisations to the government of the Grand Duchy of Luxembourg regarding the land conflict between indigenous communities in Cambodia and a Luxembourg-based transnational company” dated on 16 May 2023

Dear all,

As one of the financial donors of the MRLG project, I would like to echo the key aspects of this case that were already highlighted by Germany and Switzerland.

To the best of my knowledge, and recalling that Luxembourg's development cooperation was not directly involved in the implementation of the project, the MRLG project has so far invested more than 500,000 USD to support the mediation process between the interested parties, which was conducted with the best intentions in order to resolve this longstanding conflict. It did certainly not intend to worsen the situation of the local communities concerned.

I understand that MRLG has commissioned the “Australian Disputes Centre” to conduct an independent assessment of the mediation process, which included the concerned communities, who have rated the process as rather positive. However, the evaluation has rightly pointed out that the implementation of the agreements has not fully been complied with, partly because no timeline for compliance had been defined within the mediation process.

As far as the definition and implementation of immediate compensation measures is concerned, it is rather difficult for the MRLG project to intervene at this level, as these compensation measures are defined by the government of Cambodia.

Setting up a conflict resolution and reparation mechanism could indeed be an element to consider that would need to be discussed and analysed by the project team, in consultation with the other donors, as well as with the national stakeholders, i.e. the Cambodian public authorities and indigenous communities.

I have urged Socfin to agree to disclose all mediation documents but, since all parties have signed a confidentiality agreement, I am not sure if Socfin will respond favorably.

Finally, I would like to express my support to efforts undertaken to organise meetings and to facilitate exchanges in order to find a solution on this matter.

Yours sincerely,

Franz Fayot

Copy to: FIAN Switzerland, BIPA Cambodia, SOS Faim Luxembourg, Action Solidarité Tiers Monde-ASTM Luxembourg, FIAN Germany, FIAN Belgium, HEKS Switzerland, Solidar Suisse, Suisse Agency for Development and Cooperation (SDC), Swiss State Secretariat for Economic Affairs (SECO), German Ministry for Economic Cooperation and Development (BMZ), Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ), Interdepartmental Committee on Human Rights, Luxembourg.

Appendix 2: CONTRACT

KINGDOM OF CAMBODIA
NATION RELIGION KING

CONTRACT

On

THE INVESTMENT OF RUBBER AND AGRO-INDUSTRY PLANTATION

Ref :

- The request of company dated 14 December , 2006.
- Law on Investment of the Kingdom of Cambodia promulgated by Royal Krom No. 03/៩៩/94 dated 05 August, 1994, and Law on Amendment of Law on Investment of the Kingdom of Cambodia promulgated by Royal Krom No. ៩៩/រក្ស/0303/009 dated 24 March, 2003.
- Land Law promulgated by Royal Krom No. ៩៩/រក្ស/0801114, dated 30 August, 2001.
- Sub Degree No. 17 អនក្រឹត្យ ថ្ងៃ ០៧ មេសា, ២០០០ on Organization and Function of the Ministry of Agriculture, Forestry and Fisheries.
- Sub Degree No. 146 អនក្រឹត្យ ថ្ងៃ ២៧ ធ្នូ, ២០០៧ on Economic Land Concession.
- Sub Degree No. 111 អនក្រឹត្យ ថ្ងៃ ២៧ កញ្ញា, ២០០៥ on Implementation of the Amendment of the Law on Investment of the Kingdom of Cambodia
- Letter No. 1459 លេខ ១៤៥៩ ថ្ងៃ ០៣ តុលា, ២០០៧ of the Office of Council of Ministers.
- Delegate of full Power No. 127 NLU dated 19 October, 2007 of the Royal Government of Cambodia.
- Result of Field Study of the Economic Land Concession No 030 អ.គ.វ ថ្ងៃ ២២ កញ្ញា, ២០០៨.
- Letter No. 1588/08 dated 20 June 2008 of the Council for the Development of Cambodia (CDC)

This contract made on the date of



Contract on the Investment of Rubber and Agro-Industry Plantation between MAFF and KHAOU CHOL DEVELOPMENT CO., LTD
(K C D) 2

Between

The Royal Government of Cambodia represented by H.E CHAN SARUN, Minister of the Ministry of Agriculture, Forestry and Fisheries, located at building No. 200, Preah Norodom Boulevard, Phnom Penh, Kingdom of Cambodia. Telephone: (855) 23 217 320, holding of bank account No..... with the National Bank of Cambodia, and hereafter referred to as "Party A".

And

KHAOU CHULY DEVELOPMENT Co, Ltd (K C D) located at office building No. 62A, Prash Norodom Blvd, Sangkat CheyChomnach , Khan Don Penh, Phnom Penh, Cambodia, Telephone: (855) 12 812 465 and, 016 710 888, holding of bank account No.010-12-10-038779-9 within the CAMBODIAN PUBLIC Bank and represented by Mr. KHAOU PHALLABOTH, Director of the Company, Nationality: Chinese, hereafter referred to as "Party B".

Pursuant to:

In accordance with the Rectangular Strategy of the Royal Government of Cambodia, the "Party A" has the objective to promote the investment on agro-industry sector and considered that the "Party B" has ability and techniques with aiming to invest on agro-industry sector, the "Party A" agrees to grant concession land where located in, Pech chanda District, Mondoukiri province to the "Party B" for investment of Rubber and Agro-Industry plantation development.

After critical discussion, the two parties have agreed to sign on this contract with respect to the contents of the articles stated as follows:

ARTICLE 1: LOCATION, PURPOSE, AND LAND USE OF ECONOMIC LAND CONCESSION

1.1 Location:

The size of the concession land to be granted to the "Party B" to invest in Rubber and Agro-Industry Plantation covered with a total area of 2.386 hectares as indicated on the location map attached which certified by the Local and Provincial Authorities. This map is annexed to this contract and hereafter referred to as "Location". The geographical coordinates are given below:

X : 767652	Y : 1390777
X : 769607	Y : 1390780
X : 769608	Y : 1388841
X : 770673	Y : 1388851
X : 770663	Y : 1383997
X : 770009	Y : 1384000
X : 770013	Y : 1383024
X : 766505	Y : 1382993

1.2 Purpose for Granting Economic Land Concession

The purpose of the Party "A" in granting economic land concessions is to enable Party "B" to

Contract on the Investment of Rubber and Agro-Industry Plantation between MAFF and KHAOU CHULY DEVELOPMENT CO, LTD (K C D)



exploit, produce and carry out operation as follows:

- Main production: Plantation of Rubber plantation;
- Secondary production: Other industrial crops production.
- Construction: Construction of rubber processing plant, wood processing plant to process the trees planted, and develop infrastructure to support production and plantation development.

1.3 Land Utilization for Economic Land Concession

After signing the contract, Party "B" must prepare the master plan and submit to the Party "A" for review and approval not later than 03 (Three) months and after the two Parties have completely fulfill the responsibilities as stated in Article 2. The preparation of master plan, Party "B" shall use the land where allocated by year as follows:

- year1: Tree hundred and eighty six (386) hectares
- year2: One thousand (1,000) hectares
- year3: One thousand (1,000) hectares

ARTICLE 2: DUTY TO BE FULFILL PRIOR TO GRANT THE LOCATION

The duty of the two Parties stated in this contract shall be carried out unless the main responsibilities and obligations that the two Parties have to be completely fulfilled, they are as follows:

- Party "A" and Party "B" shall collaborate with line-ministries and other competent authorities to conduct the study, field survey in order to clearly identify the location of the relevant area that the Party "A" has agreed in principle to invest, in consistence with the contents in this article, within the period of three (03) months after this contract signed and shall be cut off the areas which are:
 - Evergreen forest, semi-evergreen forest, deciduous forest, national cultural heritages, mine potential, natural conservation, mountains, lakes; and the sites where to be protected by other laws.
 - Peacefully uncoordinated with legal land owner, such as the location where people are living and productive. Meaning that, this permission shall not be granted the land concession with the size requested and indicated in the contract to company. For location where is incurred with the above-mentioned issues (if any), an Inter-ministerial Committee led by Ministry of Agriculture, Forestry and Fisheries shall conduct investigating and solved the related problems encountered in order to precisely identify and ensure that the investment supporting reforestation has to be carried out on degraded forest areas and avoiding of cutting anarchically down of evergreen, semi-evergreen and deciduous forests, which have economic value, and replanting agro industrial crops in stead. Meanwhile, if the location covered on the military development land, the company shall negotiate with military development unit in order to incorporate that land into the development with precisely make

Contract on the Investment of Rubber and Agro-Industry Plantation between MAFF and KIAOU CHULY DEVELOPMENT, LTD.
(K C D)



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contract to each other.

- Completely solve the issues of new-resettlement in accordance with the effective procedures within the period of not later than one (01) year from the date of signing contract.
- State land registration and land classification shall be made on the land areas remained after reduction within the period of not later than three (03) months after the master plan to be approved.
- Party "B" shall prepare preliminary environmental and social impact assessment document on the land use and development for this concession project and this document shall be submitted to the Party "A" to review and approve not later than one (01) year from the date of signing contract.

ARTICLE 3: CONCESSION LAND GRANTING

After the two parties have fully implemented all duties and obligations stated in Article 2, the Party "A" shall issue an official letter on concession land granting to Party "B" within the period of not later than sixty (60) days. This letter shall clearly clarify the re-setting of the size of land that the Party "B" can be utilized by indicating also the areas where cut off additionally to be consistency with the land area shown in the master plan.

ARTICLE 4: DURATION

This contract validates seventy (70) years effected from the date of issuance of concession land granting letter by Party "A" to Party "B". This period shall not be extended, except the results coming from the following situation:

- a. Extension for completion of remaining works or suspension of the process owing to the abuse of the contract by the Party "A", or by the actions of the other competent authorities.
- b. Extension for completion of remaining works or suspension of the process owing to force majeure as stated in the contract leading to the Party "B" could not recover the costs/expenditure or losses caused by the above situation, including the insurance of the project for the first concession period.

For the request of concession extension, the Party "B" shall make a written request to the Party "A" for continuation of the contract at least one (01) year prior to the expire date of the contract. Party "B" shall request for contract extension in case of :

- a) Party "B" properly or well performed the contract
- b) This land is not allocated for other purpose used by the state

ARTICLE 5: RIGHTS AND OBLIGATIONS OF THE PARTY "B"

5.1- Rights of the Party "A":

In the mandate of this contract, the Party "A" shall have the following rights

- Monitor and evaluate on the implementation of the obligations of the Party "B"

Contract on the Investment of Rubber and Agro-Industry Plantation between MAFF and KHAOU CHHUNTAI PROMBTEA, Ed. 5 (KCD)



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stated in this contract.

- Require the Party "B" to carry out activities followed the norms and techniques on cropping in order to increase productivity as well as the social-environmental benefits. Inspect the quantity and quality of the production prior to market. *
- Extend, suspend, and terminate the contract in accordance with the validated procedures as stated in the laws and regulations.
- Carry out other works as stated in the laws and regulations.

5.2- Obligations of the Party "A"

In the mandate of the contract and adding to the contents of Articles as stated in the contract, the Party "A" shall bear the obligations as follows:

- Facilitate and coordinate with relevant competent line-ministries and institutions as well as other local competent authorities to facilitate the Party "B" :
 - Successfully carry out business operation;
 - Receive investment incentives in accordance with the existing laws and regulations.
- Review and approve or make amendment on the master plan within the period of not later than one (01) month after receiving the mater plan from the Party "B".
- Provide interventions to the relevant institutions in order to solve the problems encountered and those who commit offense and violate the rights of Party "B" in relation of the contract implementation and location use or land grabbing of any part of the location.

ARTICLE 6: RIGHTS AND OBLIGATIONS OF PARTY "B"

6.1- Rights of the Party "B":

In the mandate of this contract, the Party "B" shall have the rights as follows:

- Transfer to his/her successor in accordance with the effective laws and regulation allowed.
- Raise the suggestions or request to the Party "A" for consideration and approval on the amendment of the Master Plan if considered the amendment shall be providing the better improvement in project implementation.
- Collaborate with partners in the investment on this location of the concession land, with agreement at least thirty (30) days in advance from the Party "A".
- Have the rights in legal mortgaging the economic land concession rights in order to secure finance for investment, however, this shall be agreed in advance from Party "A". Party "A" shall have reasonable/proper reasons, if rejected.

6.2- Obligations of the Party "B":

In the mandate of this contract and adding to the contents of Articles as stated in the contract, the Party "B" shall have obligations as follows:

- As stipulated in Article 2, a master plan indicating land utilization on concession land

Contract on the Investment of Rubber and Agro-Industry Plantation between MAFF and KHAOU CHULY BEVEIGIMBET Co., Ltd.
(K.C.D.)



location of planting areas etc. shall be completely prepared within the period of not later than three (03) months after obtaining the concession land and this master plan shall be submitted to Party "A" for review and approval and it should also be supported by the relevant technical ministries and institutions, as well as the support from local authorities and communities. This master plan shall contain of land use schedule in the concession area, technical practices and technology used, forest rehabilitation plan, and economic-financial plan for long-term development (from the commencement to the final stage of the development in the concession area, and the continual period). At the same time, the annual plan shall be precisely prepared for annual investment and implementation. Party "B" shall commence the process of works unless the master plan and annual plan to be approved in advance by the Party "A".

- Take responsibilities to bear all capital expenses for the investment project in terms of the development and use of economic concession land, including the expenses for fulfillment of the duties as stipulated in Article 2 as well.
- Strictly respect to the laws and regulations in forced.
- Give the rights to the activities of exploration on mining "if any" in the investment area. The technical ministries (Ministry of Industry, Mine and Energy and Ministry of Agriculture, Forestry, and Fisheries) shall conduct critically study and exploration in advance in the mine overlapping areas. In case of the study found that, any area in the concession location exited more economic potentials for any sector (between mine and agriculture investment) then that sector shall be granted to invest in that areas.
- Secure people who are living in the investment zone to get proper benefit from the investment project, such as the use of infrastructure, road, school, health center and the creation of job opportunity linking with the investment project, including the integration of household farmers' production.
- Pay taxes in accordance with the laws and regulations imposed.
- Pay deposit and fees according to the Article 9 of this contract until the termination of the contract.
- Use local labor force. In the event that Khmer experts are unavailable, the company has the rights to hire foreign experts to advise and instruct on technical issues related to the business production as needed and this shall be following the laws and regulations of the Kingdom of Cambodia.
- Consider in improving the livelihood as well as health and education to its employees; workers and their families by building the suitable houses, hospitals, temples, schools and recreation centers.
- Carry out of production & business activities as planned such as: land clearance, road construction, land utilization by respecting the terms and conditions to sustainable maintain the natural resources of the location and minimize the environmental impact caused by the production and business operation.
- Bear responsibility for the protection and conservation of evergreen forest, semi evergreen forest, and deciduous forest where existed in the conserved & protected locations inside the concession land.
- As said in its technical report annexed to this contract, the business & production

Contract on the Investment of Rubber and Agro-Industry Plantation between MAFF and KHAOU CHULY DEVELOPMENT CO., LTD
(K C D)



- operation shall be carried out as planned on the concession land.
- Facilitate and coordinate with the Party "A" and relevant institutions in monitoring and evaluation of its operation regarding on the environmental impact assessment.
Party "B" shall improve its operation in according to the guidance/advices from the Party "A" and relevant institutions in the matters related to environmental protection.
 - Prepare semester (06 months) and annual reports on the progress and achievements of the implementation of investment project and submit those to the Party "A".

ARTICLE 7: CONSTRUCTION PERMITS

- 7.1- Party "B" shall have the rights to develop and carry out all construction activities on the investment location by following the steps indicated in the master plan and time schedule agreed by Party "A" and Ministries concerned. These activities shall be made in accordance with the laws and regulation in effect in the Kingdom of Cambodia and these shall be response to the objectives specified in Article 1 of this contract.
- 7.2- All constructions of infrastructure, such as dams and canals that may affect to the people and surrounding areas, shall be permitted by Party "A" and/or relevant & concerned institutions.

ARTICLE 8: RIGHTS ON NATURAL RESOURCES AND HERITAGE

- 8.1- Before clearing the land for planting, the Party "B" shall request permission from Party "A". For the logs obtained from land clearance, the Party "B" shall collect and keep in a specific area and report to the Party "A" so as for the public procurement or for royalty & fee payment in accordance with the principles and Forestry Law in effect.
- 8.2- Mine resources and national heritage objects/items existed upper or underground are the state property, the Party "B" has no rights for management or utilization of these resources. If the Party "B" discovers mine resources, precious stones, gold or items of national heritage, either upper or underground, the Party "B" shall terminate the activities and inform those to Party "A" immediately. In the case that Party "B" does not cease activities and fail to inform those to Party "A" on time, the Party "B" shall has to bear all responsibilities that subject to the Laws and Regulations of the Kingdom of Cambodia.
- 8.3- In case of the concession land existed mineral resources which would be having highly economic potentials and those declared and certified by competent agencies, Party "A" has the rights to cut off partly or wholly these mineral resources' areas and extract those from the concession land.
- 8.4- The cultural and historical heritages found in the concession areas shall be kept as national or state properties or the areas existed of those heritages shall be cut off from the concession land location.



ARTICLE 9: DEPOSIT AND FEE

9.1- Deposit Payment

In order to guarantee the execution of this investment project, Party "B" shall pay a deposit of USD 10 (ten) US dollar per hectare into the bank account of the Ministry of Agriculture, Forestry and Fisheries at the National Bank of Cambodia after signing the contract.

Two (02) months after signing this contract, if the Party "B" fails to pay the deposit to the Party "A" as mentioned above, this contract should be abrogated. End of the period of two months after provision of concession land location, if the Party "B" does not prepare the master plan, this contract should also become abrogation and the deposit shall be automatically returned into national budget.

The above said deposit shall be refunded to Party "B" after completion of the cultivation or planting activities as planned, which indicated in the master plan.

9.2- Land Fee Payment

- Party "B" shall annually pay the land fee according to the concessionary land rate defined by the Royal Government of Cambodia and competent institutions through the letter No. 803 នជណ dated 31 May 2000 and the fee shall be re-checked every five (05) years. The fee shall be annually paid into the national budget through the bank account number 0102.35-121IT023 at the National Bank of Cambodia before January 31 of each year. After fee has been paid, the Party "B" shall send fee receipt to the Party "A" and the Ministry of Economy and Finance for monitoring purpose.
- In case of being late of fee payment up to sixty (60) days, the Party "B" shall be fined two percents (02%) per month on the amount of fee to be paid by each year. The amount of the penalty payment shall be calculated according to the composed interest rate formula.

ARTICLE 10: TRANSFERRING

The Party "B" cannot transfer this contract to the third party, except the Party "B" executed at least 30% of plantation development and after the evaluation made by Party "A".

The transferring the contract to the third party shall be made through new contract re-signed by all parties involved to enable that third party takes directly responsibilities with Party "A" in accordance with the terms and conditions of this contract.

ARTICLE 11: SUSPENSION OF THE CONTRACT

In addition to the rights for guidance, warning to the Party "B" who conducted faults or other mistakes, the Party "A" shall suspend the implementation of this contract, in partly or fully on the concession location within a specific period. The suspension shall be made by written letter to indicate any or all causes specified as follows:

- Party "B" fails to fulfill any terms and conditions stipulated in the contract, master plan or Environmental and Social Impact Assessment (ESIA) reports.

Contract on the Investment of Rubber and Agro-Industry Plantation between MAFF and KHIAOU CHULY DEVELOPMENT Co., Ltd (KCD)



- b. Disputes occurred with the local people or the third parties related to the rights of land tenures in parts of the concession land;
- c. Legally mining activities that to be considered high economic potentials.

ARTICLE 12: TERMINATION OF THE CONTRACT

The economic land concession contract shall be terminated by any cases that specified as follows:

- a. Following the contract duration which stipulated in the contract;
- b. Agreement of both parties;
- c. Confiscation of concession land followed by administrative decision: Party "A" shall unilaterally confiscate the economic concession land from Party "BOO without any compensation in any case that Party "B" :
 - Fails to implement the terms and conditions stipulated in the contract or fails to obey any rules and regulations defined by the laws;
 - Fails to start implementing the production, exploitation later than 12 (twelve) months after the concession land has been provided;
 - Fails to produce or carry out operation later than 12 (twelve) months without reasonable/appropriate reasons;
 - Convert concession land to become the private land;
 - Party "B" fails to pay land fee later than 0 1 (one) year counted from the date to be made payment;
 - Transfer the concession land without renewal of the contract with Party "A";
 - Commit mistakes or crimes considered as heavy condition.

The confiscation shall be made through the administrative decision with reasonable evident and will be informed within 60 (sixty) days. Party "B" could claim and request to Party "A" to review on decision made within 28 (twenty eight) working days after receiving the decision to confiscate the concession land. In the case that agreement is not to be reached, Party "B" has the rights to complain to the court followed by the procedures defined by the laws.
- d. Based on the court decision to terminate the economic land concession, Party "A" shall request the court to terminate the contract on economic land concession in any of the following cases:
 - Party "B" is in a position of bankruptcy or lost legal characteristic due to the reason of liquidation or closing of the company;
 - Party "B" fails to obey any of the obligations stated in the contract after receiving alert advises or warning by defining the time to correct mistakes, twice respectively.

Party "A" shall deliver the official letter to Party "B" within 28 (twenty eight) working days for Party "B" reacts before submitting the complaints to the court.



ARTICLE 13: RIGHTS OF PARTY "A" AFTER CONTRACT TERMINATION

In any form after the termination of the contract, the concession land, including all crops produced in according the master plan that Party "B" lost investment rights, shall be transferred to Party "A" for management. For the building, infrastructures in condition that can be utilizable in the location of concession land and also the intellectual property rights shall be automatically transferred to Party "A" and without compensation.

ARTICLE 14: RESPONSIBILITIES

- 14.1 Both parties agree to take responsibilities to fully obey all terms and conditions stated in this contract from the signing date;
- 14.2 In all cases of contract termination, even the contract terminated before contract validity period or at the validity date, there will not be allowed for any party to evade the obligations for the state/government and third parties' debts or other obligations which have been stipulated in this contract;
- 14.3 In the case that the contract terminated because of fault of Party "B", this party shall bear responsibilities in accordance with the law and regulations to the damages of environment, such as forest, and Party "B" must restore and rehabilitate the forestry, environment to become same condition as before contract implementation.

ARTICLE 15: PARTIAL INVALIDITY OF THE CONTRACT

If any conditions stated in the articles of this contract are in contradiction with the laws, invalidity or made ineffective, this case will not nullified to the whole contract. It is understood that this contract has validity through the validated articles existed. The purpose of signatory parties in this contract is to agree that any conditions in article considered invalidity or contradiction with the laws, shall not be implemented. However, the other articles shall be still fully remained validity and effectiveness for implementation.

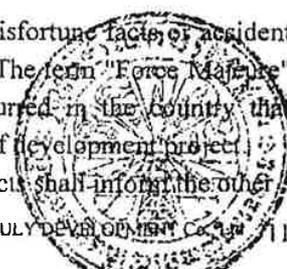
After any judgment to be made as stated in the above, the signatory parties shall promptly negotiate for creation of new terms and conditions or new article to replace those for revalidity by the ways that considered being possible to implement with consistency of original consideration or ideas.

ARTICLE 16: CASES OF FORCE MAJEURE

The failures to fulfill contract obligations of any party shall not be used to benefit compensations to another party in implementing this contract or shall not be regarded as abuse of the contract if the failures resulted from force majeure.

The characteristic of force majeure is referred to occurrences of misfortune facts or accident happened out of control and unmanageable for the party affected. The term "Force Majeure" refers to war, strike, civil unrest, heavy natural calamities occurred in the country that adversely affected to the project operation and/or the continuation of development project. In the case that force majeure occurred, party affected from these facts shall inform the other

Contract on the Investment of Rubber and Agro-Industry Plantation between MAFF and KHAOU CHULY DEVELOPMENT Co., Ltd
(KCD)



party by written within 14 (fourteen) days. The party affected by force majeure has the duty to convince to the other party for acceptance of the facts and the other party should not reject the proposal or request without appropriate reasons.

In the case that any party of this contract required using the measures of force majeure by reasons of inability to fulfill its obligations within 06 (six) months due to the occurrence of force majeure, each party has the rights to terminate this contract, but this required the party that wishes to terminate the contract to inform by written in advance to other party.

ARTICLE 17: OBLIGATIONS OF CONTRACT SUCCESSOR

The legal successors of both parties shall continue to fulfill obligations stated in this contract.

ARTICLE 18: AMENDMENT

The initiatives to amend any article of this contract shall be possibly made if the written request by any party proposed with mutual agreement by both signatory parties.

ARTICLE 19: PROVISION OF NOTICE

The provision of information or notice to any party shall be made by written in Khmer or English and this shall be signed by a full authorized representative.

The provision of information or notice considered as valid if:

- (a) Other party signed for acceptance the notice/information letter or
- (b) This notice/information letter received, on behalf, by local authority for delivering to other party accepted or
- (c) This notice/information is sent to other party by various means to the address specified in Article 20 which evident of receipt made.

ARTICLE 20: ADDRESS FOR NOTICE DELIVERY

- **Party "A" :**

No. 200, Preah Norodom Blvd, Sangkat Tonle Bassac, Khan Chamkarmon, Phnom Penh, Kingdom of Cambodia.

Telephone No.: 023-726 128 or 023-726 129

Fax No.: (855) 23-217 320

- **Party "B":**

House No. 62A, Prash Norodom Blvd, Sangkat CheyChomnach , Khan Don Penh, Phnom Penh, Cambodia,

Telephone: (855) 12 812 465 and, 016 710 888,

Fax No.: (855)

In the case that the address of any party is changed, that party should inform to the other party at least 30 (thirty) days before address changed.



Contract on the Investment of Rubber and Agro-Industry Plantation between MAFF and KHIAOU CHULY DEVELOPMENT Co., Ltd. (K C D)

ARTICLE 21: EFFECT OF THE CONTRACT

This contract shall be taking into effect from the date of signing the contract.

ARTICLE 22: GOVERNING LAW

This contract shall be governed by the laws and regulations of the Kingdom of Cambodia.

ARTICLE 23: DISPUTES AND RESOLUTION (ARBITRATION)

In case of dispute incurred during the execution of this contract, the two parties shall peacefully resolve the dispute with an understandable manner. In the event that the two parties cannot resolve the dispute within 02 (two) months, the dispute shall be resolved by the court of the Kingdom of Cambodia. The resolution of the dispute could also be possibly made through any international arbitration in accordance with the mutual agreement reached.

ARTICLE 24: LANGUAGES

This contract has been made in Phnom Penh with 11 (eleven) copies in the Khmer versions and 11 (eleven) copies in English versions. Each copy has equal value. In the event of discrepancy, the Khmer language version will be prevailed.

This contract archived at:

- Party "A" 02 copies for both versions
- Party "B" 02 copies for both versions
- Ministry of Economy and Finance 02 copies for both versions
- Council for the Development of Cambodia 02 copies for both versions
- Office of the Council of Ministers 01 copy for both versions
- Ministry of Justice 01 copy for both versions
- Mundulkiri Provincial Office 01 copy for both versions

Made in Phnom Penh, Day 08. Month ...A.O., 2008

Party "A"
 Minister,
 Ministry of Agriculture, Forestry and Fisheries



[Handwritten signature]

Party "B"
 Director,
 Khaou Chuly Development Co, Ltd



[Handwritten signature]
Oknha KHAOU PHALLABOTH

Years-Long Mediation Leaves Bunong Farmers Indebted to Multinational Rubber Firm

27 September 2023 3:16 PM / Jack Brook / Khuon Narim



Pu Lu villager farmer Maly Kim stands on his three hectare farm which Socfin had cleared and planted with rubber trees, which Kim now farms; however, the company demands he pay back the costs of planting and preparing the land. (CamboJA/Jack Brook)

More than a decade after subsidiaries of multinational rubber firm Socfin Group forcibly cleared and seized the farms, burial grounds and sacred forests of Bunong indigenous communities in Mondulhiri province, the company now seeks to collect tens of thousands of dollars from these farmers for the cost of “land preparation” and other fees.

Beginning in 2007, the Cambodian government awarded several economic land concessions for industrial rubber farming to subsidiaries of the Luxembourg-based Socfin Group, whose corporate slogan is “responsible tropical agriculture.” The company’s Asia subsidiary Socfinasia— which includes all its Cambodia-based rubber plantations — [reported](#) profits of more than \$75 million last year.

In Mondulhiri, upwards of 800 Bunong families across seven villages were impacted by concessions encompassing more than 12,000 hectares in total. Throughout Cambodia, traditional [indigenous land use rights](#) have [consistently failed](#) to be recognized, leaving communities vulnerable to land grabbing.



A rubber tree inside one of Socfin's 12,000 hectares of concessions across Mondulakiri province. (CamboJA/Jack Brook)

Some Bunong villagers remain [embroiled in a legal fight](#) against Socfin's largest shareholder Bolloré. Yet 210 families who chose to negotiate with Socfin subsidiaries completed a years-long mediation process in 2021, which was funded and supported by the German, Swiss and Luxembourg governments and the Office of the United Nations High Commissioner for Human Rights (OHCHR).

The mediation led to [settlement agreements](#) for five villages in Bousra commune, with Socfin promising to invest in small amounts of infrastructure, provide development funds to some families in compensation for lost lands, and leave intact the remaining Bunong cemeteries and spirit forests.

Human rights organizations and other Bunong residents of Bousra have [criticized the mediation's outcome](#) as legitimizing a land grab violating indigenous peoples' rights, though some families who participated in the negotiations say they felt the mediation was better than losing their land and receiving nothing in return.

But the years of mediation never resolved a long running aspect of the dispute: Socfin still demands tens of thousands of dollars from dozens of Bunong farmers in fees.

“I Was Forced to Accept”

After Socfin's subsidiaries faced protests and backlash from human rights groups for bulldozing Bunong lands, the company offered more than 850 impacted families several options for compensation starting in 2009. Many unwillingly accepted some form of compensation, according to a [2011 report](#) from the International Federation for Human Rights.

One option at the time presented to Bunong villagers set to lose their farms was to grow rubber inside the concessions as part of what Socfin calls its “family rubber farmland”

program. Socfin told CamboJA that 52 families joined the program, receiving technical training and assistance and signing contracts promising to repay the company for the costs of the rubber trees planted on their traditional farmlands. The farmers do not own the land, which remains in Socfin’s control.



Pu Lu resident Nges Nam at his farm in Bousra commune, where he is planting cashews and other crops separate from his rubber farm inside Socfin’s concession. (CamboJA/Jack Brook)

Pu Lu resident Nges Nam said he felt he had no choice when signing the contract.

“The company had planted rubber on land that had been cleared and if we didn’t take it, we would lose [land], so we were forced to take it,” Nam said. “I was forced to accept the rubber trees planted on the farmlands. They had already planted them.”

In these contracts, Socfin billed the families for the “cost of planting” at \$1 per rubber tree, as well as for “land preparation” and “fertilizer used during the planting” according to two contracts from 2009 and 2014, reviewed by CamboJA. The contract also included hundreds of dollars in “administrative” and “maintenance fees” and added 5% annual interest.

One hectare of farmland typically contains more than 500 rubber trees, Bunong farmers say. Multiple farmers claimed they were told by Socfin that they owed the company more

than \$10,000 under the original contracts, though most said they were no longer in possession of these contracts.

“Since it had been agreed upon by members of the community at the signature of their initial family rubber farmland contracts to reimburse the investment the company had made to prepare their farmland, it seems only fair that the communities should also honor their commitments, given that they themselves derive income from it,” Socfin said in an emailed statement.

“The company invested [a] huge amount of money to set up the smallholders’ plantations,” added Socfin. “New contracts are currently being renegotiated.”

Socfin said it conducted a survey in July to assess families’ ability to repay and “propose a culturally appropriate repayment method.”

Bunong villagers say Socfin did not agree to waive the interest payments from the contracts during the years of meditation which ended in 2021. The company told CamboJA it had verbally agreed to remove the interest and administrative fees earlier this year. Socfin declined to share the total debt owed by all 52 Bunong families.

But 18 farmers from Pu Lu and Pu Cha villages, using about 53 hectares of land inside the concessions, still owe Socfin more than \$60,000 combined according to documents titled “updated debt” which Socfin distributed to villagers this year. Farmers say their “updated debt” excluded the interest, maintenance and administrative fees — which, if included, would have brought the debt to more than \$100,000, CamboJA calculated.

In some cases, Bunong farmers appear to be paying Socfin more than they are receiving in compensation as a result of the overall mediation. Maly Kim, who represented Pu Lu village in the mediation, owes Socfin \$3,216 for his rubber farm and is receiving the equivalent of \$3,000 over a three-year period for the loss of other farm land as part of a separate aspect of the mediation, documents show.

លេខកូដ កៅ- ស៊ូគ្រួសារ	លេខ	យោងតាម	ឈ្មោះជា ខ្មែរ	ឈ្មោះជា ភាសាខ្មែរ	ភូមិ	ផ្ទៃសរុប ត្រូវបានដោះស្រាយ	លក់	នៅសល់	ជា ហិកតា	ចំនួន ដើមកៅស៊ូ	SETHIKULA	ទីតាំងស្រុក	ឆ្នាំដាំដុះ	ការរៀបចំដី (៣០០ ដុល្លារ/ហិកតា)	តម្លៃដាំ (១៨៧ ដុល្លារ/ហិកតា)	ចំនួនដុះ កៅស៊ូដុះ ១ដុល្លារ/ដើម
Code PHF	No	Reference	Nom	Nom Khmer	Villageo	Surface Totale à compenser	Vente	Reste	Ha	Nombre d'hectares	SETHIKULA	Location	Année de planting	Préparation du terrain (300\$/ha)	Cout de planting (187\$/ha)	Nombre de plants plantés (1\$/par plant)

An example of the contract Socfin originally provided to Bunong villagers who were part of the family rubber farmland program. (CamboJA/Jack Brook)

Village 6 - Pu Char

Updated debt of community members of Pu Char that took part in mediation on family rubber farmland

កូដប្រទេស Code of PHF	ឈ្មោះ Name	ឆ្នាំ Ha	ឆ្នាំ Year of planting	តម្លៃ Land preparation [៥០០]	តម្លៃ Cost of planting [៥]	ចំនួន Number of planted plants (1\$ per plant) [៥]	តម្លៃ Fertilizer used during planting [៥០០]	ចំនួន Plants received in 2013	តម្លៃ Price of plants received in 2013 [៥]	តម្លៃ Updated debt [៥]

A cropped photo of the “updated debt” document for Pu Cha village in Bosra commune. (CamboJA/Jack Brook)

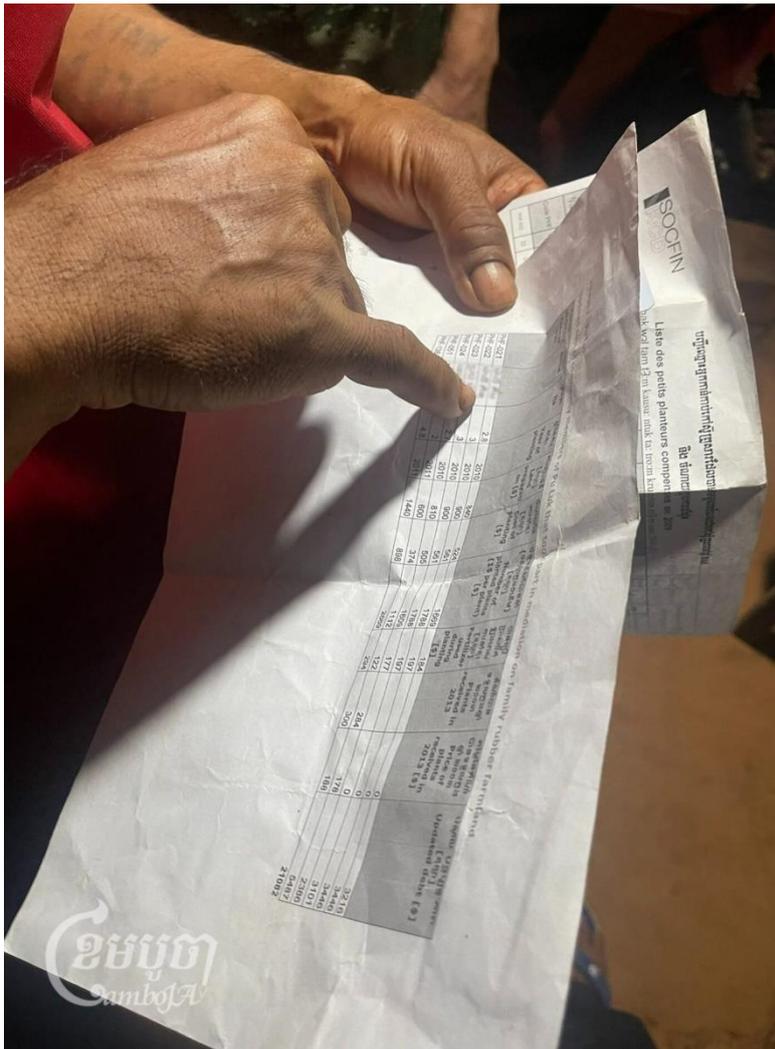
Several farmers CamboJA spoke with said they would accept new contracts for the family rubber farm program if Socfin follows through on its verbal promise to remove the interest rate and administrative fees. But the outstanding debt still represents a significant chunk of their income.

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Several farmers CamboJA spoke with said they would accept new contracts for the family rubber farm program if Socfin follows through on its verbal promise to remove the interest rate and administrative fees. But the outstanding debt still represents a significant chunk of their income.

“We could pay installment payments for five to 10 years, that’s fair, but if the company limits the repayment [timeline] to two years, it isn’t fair,” Kim said. “In my opinion, we are lacking [in income] and if the company forces us to pay, we can’t afford to do so.”

Pu Lu resident Maly Penh, Kim’s older brother, said he makes around \$4,000 annually from his three hectares of rubber in the concession and Socfin is seeking to collect \$3,446 from him. And Pu Cha village farmer Krek Trill earns around \$2,400 a year from his one hectare rubber farm while his debt is projected at \$1,500.



A Bunong villager in Bousra commune shows the updated debt list shared by Socfin. (Cambodia/Jack Brook)

When the mediation concluded in 2021, Pu Cha and Pu Lu village signed settlement agreements — as did the other villages, according to Socfin — stating they would continue to negotiate the family rubber contracts with Socfin and that the company would provide new contracts by June 2022. No contracts have since materialized, village representatives say; Socfin says it plans to present a “draft contract” later this year.

Poch Sophorn, a consultant who was paid to oversee the negotiation process, [told Cambodia/Jack Brook](#) last year via email that making new contracts for each family was “not possible” because it was “time consuming.” He also said he had “no experience in contract farming or credit/loan.” Sophorn did not respond to additional requests for comment.

Two years after the formal mediation process ended, the communities are now negotiating the family rubber farming contracts by themselves, directly with Socfin. Unlike during the five year mediation process, they have no legal representation or other civil society organizations supporting them.

The Mekong Region Land Governance project, an initiative run by two land rights NGOs, received more than \$500,000 in funding from the Swiss, German and Luxembourg governments to implement the previous mediation between Socfin and the Bunong communities, according to a letter from a Luxembourg official, obtained by Cambodia/Jack Brook. The United

Nations Office of the High Commissioner for Human Rights also provided funding, including for the communities to receive legal support and training.

Mekong Region Land Governance hired the Sydney-based consulting firm Australian Dispute Center to produce an [evaluation report](#), published in April, to assess the 2016 to 2021 mediation process. The report concluded that mediation succeeded in “resolving all...categories of claims in the dispute” which included “contract negotiations for family rubber production.”

Kim said he and others were “afraid” to speak out about their unresolved debt with the company when the Australian Dispute Center team came in mid-2022, because they worried that doing so might lead them to not receive the benefits the company had promised, which had yet to be delivered at the time.

The Australian Dispute Center did not respond to requests for comment.

Antoine Deligne, deputy team lead for Mekong Region Land Governance, said he could not comment on the specific details of the 2016 to 2021 mediation’s outcome because the company and the communities had promised to keep the settlement agreements confidential. He acknowledged that it would be useful “to understand how the mediation is implemented in practice,” but said there were currently no plans to follow up on whether the company actually delivers on the promises it made as a result of the mediation.



A rice thresher provided by Socfin to Pu Cha village earlier this year as part of a settlement agreement. (CamboJA/Jack Brook)

Protecting Indigenous Land Rights?

The evaluation report commissioned by Mekong Region Land Governance said the mediation signaled to international investors in Cambodia that “indigenous land rights are being

protected consistently with international instruments and norms”, citing the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

But Michael Nanz, co-president of the human rights group FIAN Switzerland that works closely with the Bunong Indigenous People Association, disagrees with this assessment.

“Indigenous land rights have been blatantly violated, not protected!” Nanz said in an emailed statement. “And UNDRIP is not about rights in mediation after consolidated land grabs, but about rights prior to land grabs.”

Among many provisions, [UNDRIP](#) mandates that “indigenous peoples shall not be forcibly removed from their lands or territories.”

Nanz argued that indigenous rights should be “protected and enforced” rather than “the object of negotiations.” He questioned whether donors such as the Switzerland, Germany and Luxembourg governments could support the mediation’s outcome when it “confirms these concessions and the eviction of the Bunong from their territory.”

A spokesperson for the Swiss Agency for Development and Cooperation (SDC), which provided Swiss government funding for the mediation process, said in email response on behalf of all government donors: “As the donors (Switzerland, Germany, Luxemburg) [sic] were not involved in the mediation process, SDC cannot comment...” The spokesperson added that donors deferred to the evaluation report.

The evaluation report touted the UN’s support for the mediation, stating that the OHCHR had a “balcony view of the mediation process...to vouch for its fairness” and was “wholly supportive.” The report noted the OHCHR provided “gap funding” and paid for the community’s legal support during the mediation.

Socfin said it “communicates transparently” with the OHCHR Cambodia office to “ensure that [Socfin’s] activities fully comply with applicable standards, including the UN Guiding Principles on Business and Human Rights and the United Nations Declaration on the Rights of Indigenous People.”

The OHCHR’s Cambodia public information officer Hammad Ahmad stated via email that only representatives of the OHCHR could make public statements about the OHCHR’s views. He added: “OHCHR will continue its activities in accordance with its mandate and maintain its close collaboration with relevant government institutions to ensure that Cambodia complies with its international human rights obligations.”

Pu Lu farmer Nam, like some Bunong residents of Bousra commune, affirmed the value of receiving a sense of closure from years of conflict but lamented that the community still lacks the ability to gain full rights over their land.

“We have lived here traditionally, we never paid rent,” said Na. “And we haven’t received full justice.”

83 views

[Bunong Farmers](#), [Indebted](#), [Leaves](#), [Mediation](#), [Multinational](#), [Rubber Firm](#), [Years-long](#)