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COMMUNIQUÉ

CAO Activity related to IFC's Investment in the Salala Rubber Corporation-01/Margibi and Bong (IFC Project #26510) in Liberia

Washington, D.C. June 29, 2020 – The Compliance Advisor Ombudsman (CAO), the independent accountability mechanism for the International Finance Corporation (IFC), a member of the World Bank Group, is addressing a complaint from Liberia regarding IFC's investment in Salala Rubber Corporation. CAO is currently conducting a compliance appraisal of IFC's environmental and social performance in relation to its investment.

Salala Rubber Corp. is the fourth largest rubber company in Liberia and, supplied by its plantation in Margibi County, produces semi-processed rubber used to manufacture tires. It is owned and managed by Socfin Group, who acquired it in 2007 after the civil war in Liberia. IFC provided a US\$10 million A-Loan to Salala Rubber in 2008 to finance rehabilitation and expansion of the plantation, which had been neglected during the civil war.

The complaint filed to CAO in May 2019 was from members of 22 communities from the Margibi and Bong counties, supported by the Liberian non-governmental organizations (NGOs), Green Advocates International, Alliance for Rural Democracy, Natural Resource Women Platform, and the Yeagbamah National Congress for Human Rights. The complaint raises concerns including land grab and forced eviction, lack of Free Prior and Informed Consent (FPIC) of Indigenous Peoples, destruction of ancestral graves and sacred sites, economic displacement and loss of livelihood, water pollution, employment conditions and labor rights violations, access to schools and health facilities, sex and gender-based violence (SGBV), threats of reprisals and intimidation, and non-compliance with national and international law, and IFC's Performance Standards.

CAO assessed the complaint during September and October 2019 traveling to Liberia and to Belgium, where the company is headquartered. CAO met with complainants from 22 villages to get more detail on the issues raised in the complaint and also met other community members who did not support the complaint.

The complainants indicated their willingness to engage in a dispute resolution process facilitated by CAO. However, the company raised concerns about the process and the partiality of CAO's local mediators. CAO also received letters addressed to the CAO Vice President and the World Bank Group President signed by the community members who were opposed to the complaint. These community members also expressed that Green Advocates International does not represent their interests.

To ensure appropriate action was taken to address these concerns, CAO's Vice President reached out to the local consultants in Liberia and considered input from CAO staff before responding, confirming CAO's satisfaction that the assessment process had been



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conducted in accordance with its Operational Guidelines. CAO reported its response to the letters received from community members to the World Bank Group President for his information.

CAO published its assessment report in March 2020 documenting the process followed and the perspectives shared by the complainants and the company. Given the company's concerns about engaging with the community through a CAO dispute resolution process, the complaint was referred to CAO's compliance function for appraisal of IFC's performance. This appraisal is currently ongoing. The [assessment report](#) and IFC's response, in addition to more information about the case is available at www.cao-ombudsman.org.

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About CAO:

The Compliance Advisor Ombudsman (CAO) is the independent accountability mechanism for the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA), members of the World Bank Group. CAO's mandate is to address complaints from people affected by IFC and MIGA projects in a manner that is fair, objective, and constructive, and to improve environmental and social outcomes on the ground. www.cao-ombudsman.org.