

Las Pavas Case

General Recount

Sustainability Department at The DAABON Group

Introduction

This document pretends to show a general overview of the questions usually generated by stakeholders on the Pavas Case and ultimately frame the reader in a chronological setting regarding the facts and main milestones of the process.

It is structured in 3 main chapter/blocks:

1. Refers to the chronological recount mentioned,
2. a description of the activities carried out by DAABON to solve the frictions, and
3. Stakeholders questions and answers.

1. Chronology of the Pavas Project

We start this chapter by clearing up that the Pavas Project is being executed by the Labrador Consortium that includes Aportes San Isidro and C.I. Tequendama (this last company is a subsidiary of The DAABON Group) with equal amounts of shares. Its total area nears 1200 hectares.

It is also important to state that on February 23rd, 2010, the INCODER (Colombian Institute on Rural Development- in charge of land tenure and conflict) ruled in favor of the consortium, clearing any doubt concerning legal acquisition or corporate ethical actions.



Land Acquisition 2004 – 2007

The consortium hired expert topographers to work on the area, to assess the agricultural development of the land and prepare for the planting phase. At this point, the consortium was not notified of any occupation to the site. In various occasions, the interested parties visited the land personally and found nothing but the usual, this first led to believe that no other people or community had the right to the ownership of the land.



Pictures taken April 19th and October 17th, 2007; soil conditions proved ideal for palm oil developments



RANCH

On **June 10th, 2004**, the delegates of the recently created Labrador Consortium visited the Pavas Farm for the first time to assess the viability of a purchase and a land development. It was evident that the land was primarily used for cattle grazing.




Pictures taken in June 2007, showing no occupancy of community, livestock usage and low flat vegetation (proper of the type of land use)



In 2006, following our strict purchase protocols, the legal department responsible, researched the titles of the land and found no annotations to the files that could delay or cancel the purchase. It is very important to keep in perspective that in no way smallholders, indigenous, High-Conservation Value or communal areas are considered for acquisition.

On January 23rd, 2007, the previous owner delivered the physical management of the land. The purchase was then carried out on March 2007 with a closing over a public document. Find attached the document that certified the clear tradition of the land to the date. On this public document, the PAVAS annotation includes the "Si Dios Quiere Farm" and the "Penaloza Farm":



SUPERINTENDENCIA DE NOTARIADO Y REGISTRO

MATRICULA No

064-0000395

FOLIO DE MATRICULA INMOBILIARIA

ANOTACION	NUMERO DE RADICACION	DOCUMENTO QUE SE REGISTRA				NATURALEZA JURIDICA DEL ACTO							VALOR DEL ACTO	PERSONAS QUE INTERVIENEN EN EL ACTO				
		NATURALEZA Y No.	DIA	MES	AÑO	OFICINA DE ORIGEN	CIUDAD	SERIE	MODIFICACION	GRAVAMEN	LIM. DOMINIO	LIM. CAPTALAR			TERRAZA	PASA TRADICION	INSTRUMENTO	ESPECIFICACION
00123	0567	RESOLUCION	5491	2	0567	INCORA	BOGOTA	170	x							ADJUDICACION DE BALDIOS		DE: INCORA A: RAMIREZ BUEDA, Abelardo
00423	0567	RESOLUCION	5492	12	0567	INCORA	BOGOTA	170	x							ADJUDICACION DE BALDIOS		DE: INCORA A: SIERRA, Heriberto de Jesús
00304	0958	ESCRITURA	273	29	0868	NOTARIA	EL BANCO	101	x							COMPRAVENTA	300.000,00	DE: SIERRA ALVAREZ, Heriberto de Jesús A: RAMIREZ BUEDA, Abelardo
00413	0969	ESCRITURA	301	23	0869	NOTARIA	EL BANCO	101	x							COMPRAVENTA	717.000,00	DE: RAMIREZ BUEDA, Abelardo CERVENO LONDONO, Alfredo GUERRERO, Domingo IGLESIAS RAMOEL, Luciano IGLESIAS RAMOEL, Florián A: GANADERIA LAS PAVAS LIMITADA DE: GANADERIA LAS PAVAS A: BANCO GANADERO
00520	0677	00177	ESCRITURA	267	21	0577	NOTARIA	MAGANGUE	210	x						HIPOTECA	4.150.750,00	DE: GANADERIA LAS PAVAS LIMITADA DE: GANADERIA LAS PAVAS A: BANCO GANADERO
00604	0581	00326	ESCRITURA	385	10	0481	NOTARIA 10ª	MEDELLIN	210	x						HIPOTECA ANPLIACION	3.449.250,00	DE: GANADERIA LAS PAVAS LIMITADA A: BANCO GANADERO
00706	0983	83-824	ESCRITURA	1570	16	0883	NOTARIA 10ª	MEDELLIN	650						005 CANCELACION HIPOTECA	7.600.000,00	DE: BANCO GANADERO A: GANADERIA LAS PAVAS	
00824	1183	83-1054	ESCRITURA	5456	26	0983	NOTARIA 15ª	MEDELLIN	101	x						COMPRAVENTA 5 predios	3.000.800,00	DE: GANADERIA LAS PAVAS LIMITADA A: ESCOBAR FERNANDEZ, Jesús Emilio
00925	1183	83-1078	ESCRITURA	5457	26	0983	NOTARIA 15ª	MEDELLIN	210	x						HIPOTECA 5 predios	12.000.000,00	DE: ESCOBAR FERNANDEZ, Jesús Emilio A: GANADERIA LAS PAVAS LIMITADA
01021	0984	917	Escritura	3378	18	0684	Notaria 15	Medellin	650	x						Cancelación de Hipoteca 5 predios	42.000.000,00	DE: Ganaderia Las Pavas Limitada A: Escobar Fernandez, Jesús Emilio
01120	0407	00835	ESCRITURA	619	10	0307	NOTARIA NOVENA	BARRANQUILLA	0125X							COMPRAVENTA	657.500.000	DE: ESCOBAR FERNANDEZ, Jesús Emilio A: C. I. FUNDAMA S.A. APORTES SAN ISIDRO S.A. ASI S.A.

AUTORIZACION DE CORRECCION DE ERRORES EN EL REGISTRO

Asntac: EL REGISTRADOR Asntac: EL REGISTRADOR Asntac: EL REGISTRADOR

SE EXPIDE ESTE CERTIFICADO CON ULTIMA ANOTACION CON FECHA

FIRMA DEL REGISTRADOR

EL INTERESADO DEBE COMUNICAR AL REGISTRADOR CUALQUIER PALLA O ERROR EN EL REGISTRO DE LOS DOCUMENTOS

OFICINA DE REGISTRO DE I.P.P. SECC. MAGANGUE

ES FIEL Y EXACTA COPIA FOTOSTÁTICA TOMADA DEL ORIGINAL QUE REPOSA EN NUESTRO ARCHIVO

MAGANGUE. 12 ABR. 2007

On **January 2009** the friction was evident when a group of people from the Buenos Aires Community¹ deliberately forced their way into the Las Pavas Ranch with the argument that there was a parallel extinction process to the ranch that made them the legal owners, since, according to them, the area was being exploited agriculturally after it was abandoned by the previous owner. The people approached the farm personnel as members of ASOCAB, translation to Buenos Aires Cocoa Association (Also recently known as Buenos Aires Farmer Association), backed by the Programa de Desarrollo y Paz del Magdalena Medio; an NGO that carries out their business in the South of Bolivar area (where Pavas is located) cased by the Peace Laboratory Program.

From **January to July 2009**, the Consortium followed the legal procedures to regain *Statu Quo* over the land using the proper legal rights:

STATU QUO RESTITUTION

1. Through the 001 Resolution dated Jan 22/09, 002 Resolution dated Jan 28/09 and 003 Resolution dated Feb 25/09 published by the Penon Mayoral Office, a ratification of ownership is given to Consorcio El Labrador mandated through the Police office



3. A higher court then revised the said sentence (June 5, 2009), neither Misael Payares or Eluid Alvear represent the families that they mentioned before, or there is people pretending to be involved in a legal action. The court ruled in favor of Consorcio El Labrador and changed the verdict.



2. Mr. Misael Payares and Eluid Alvear, acting ASOCAB leaders, presented in audience and sued the Police Office because they accomplished the ratification of the titles to Consorcio El Labrador. Furthermore the appointed judge ruled that the 123 families were occupying land since 1997 and that the police office was not acquainted with the due process that the farm was being put through in the INCODER.



4. A legal action against CEL was then presented by Ms. Elizabeth Ramirez. In this case she alleged that the Police Office had violated her constitutional right to work and decent living. The judge ruled against her since it was shown that she had a pension, her husband Mr. Pedro Moreno worked and sustained economically their whole family.



On August 18, 2009, The higher Cartagena District Civil Court decides over the legal action initiated by Mr. Misael Payares Guerrero, Eluid Cumplido and others, against the Bolivar Police Department and ruled officially that the extinction process started 18 after the purchase of the land, meaning on November 11, 2008; and the due process was not followed since the interested parties were not notified of this action in any way.

¹ The ASOCAB leaders have been repeatedly stating that the group consists of 123 families. This number has not been confirmed since the official members of the group do not add to the number stated.

The courts eventually ruled against the illegal occupants and ordered the immediate dismissal of the land. Representatives of the consortium met with the leaders to explain the situation but they refused to leave it.

On **July 14, 2009** after the ordinary justice emitted its final decision that favored the Consortium in regards to the legal land issues, with the help of the National Ombudsman Office and the Mayoral Office, a restitution of Statu Quo was set. Community members that actually participated on the process acquaint that there was no use of force or bullying. Members of the national police where in the area as backup since the area is flagged as guerrilla influenced zone.



1. National Police

2. National Ombudsman Office

3. Bienestar Familiar

4. Human Rights Office

5. Local Police Inspection

7. Catholic Church

8. Police Squadron

That same day, a dialogue was initiated within the interested parties; company representatives, the ASOCAB lawyer and control entities to develop the process clear and controlled; always respectful of the integrity of the community.

The Police Squadron mainly kept away from the discussion center precisely to leave the necessary ground to maintain an unpressured attitude towards an agreement and without ever employing any physical force. At the end, a pacific delivery of the land was done thanks to the local police department.

After this process concluded, the movement received the support of the Christian Aid and The Christian Peacemakers NGOs. To the local press, the leaders claimed that: *"they were forced out of their land and that all of their agricultural possessions were destroyed; including homes built during the permanence on the site"*. Parallel, the NGO's started generating protests on international grounds that claimed that private companies, backed by the National Government were fomenting a food scarcity issue in the poorest communities of Colombia and developed intimidation practices as well.

From July 2009 the consortium has followed an approaching protocol with all the interested parties, the community and the palm oil industry leaders searching for a good and practical solution to the problem. The majority of the activities carried out are led by DAABON since one of its subsidiaries is being targeted by stakeholders.

On **February 2010** the INCODER emits its final decision towards the real owner of the propriety and confirms The Labrador consortium to be it.

2. Daabon as a mediator to solve the conflict

The main focus of attacks has been C.I. Tequendama S.A., subsidiary of DAABON, because of its international profile and its recon as a sustainable and organic producer, open to stakeholders and clear of its acting. DAABON has played an important role in approaching to stakeholders, some of the activities are:

-Community Interviews

Felipe: *"I have been in this area for the past 25 years at least. When I first arrived there was still a lot of cattle and a nice looking pasture; you could see the animals from far away. From far away, the people used the land because the management permitted it since there was enough. But after that, they did not want to ask for permission to use the land but they are trying to keep it, it is the third time they try to do so."*

it is not true that they had any crops or anything. In this process there are people from the Buenos Aires area and also outsiders helping them. They are looking for bulk weight to make a case and eventually win, don't you see there are North Americans involved? They are bringing not only people but the power of other nations (he refers to the NGOs in the area). There is a teacher that gathered signatures for a so called housing project but he really used it to show it as people united to the invasion. We have a family member that was in that process and they asked them to keep quiet"

The arrival of the palm oil companies is considered as a way of earning resources, because we don't have anywhere else to work. In the days when the Pavas was invaded at first there was no way of making money, not even a way of moving soil to grow. Luckily I had a cow and a small area to pasture; and since I like hunting, we ate and sold the extra pounds left. This is why I have been telling them to leave the palm oil companies to enter the region and invest. The police also know this information because they invaded the land by night, there was no one there. Other people in the area sold the land they had and now they want it back, then why did they sell it in the first place?

-Faustina: "I arrived to this area around 20 years ago and have known Las Pavas ever since; I came here with my mother and my brother. We were employees of the farm; my husband was a cheese maker. There was a lot of work".

At that time, most of the farm was for cattle; but there was a lot water ways. When the river overflowed the owners had to take their animals to other places.

The employees came from different places, from the savannah area and from Plato, Magdalena. The community grew corn, and the managers gave them the land to do so and leave after the harvest. They do not live there; they all have their houses in Buenos Aires".

-Rafael:"The Pavas Ranch has always been known for its cattle, really good cattle; but the violence ended everything. The guerilla stole most of the assets and the owners could not return, but did not abandon, they just could not physically be here.

The school teacher once came here and asked for signatures, supposedly to save some spots at the local school; we found out that we were in the movement as well.

- Meetings and Conferences:

We have held numerous meetings in different scenarios around the area of influence, in different locations and different cities to hear the perceptions of the NGOs that are working towards a final resolution, building bridges for a positive ending. The majority of the interactions were very constructive, specially with Christian Aid, other NGO's like OXFAM and WWF have kept a neutral position, giving space to DAABON to work since they know our philosophy and our sustainable origins.



-Daabon has always had the time to interact with the community and answer any of their concerns. We have set on the table the options of working in a smallholder scheme system that we have implemented and have national and international recognition.



On September 1st 2009, a general meeting with the community of South of Bolivar was proposed, unfortunately no attendance was recorded from the interested or the leaders.

-DAABON has always been open to stakeholder scrutiny and revision of the process, we have held meetings with different organizations that have asked or proposed any solution to the conflict, further, our company has a strict communication protocol through <http://www.daabon.com/pavas>.

-DAABON has set up a research project aiming to involve all of the independent consultants to analyze the case, identify the failures and recommend a final solution. The study initially was criticized because it was financially funded by the consortium. But eventually an agreement has been achieved to fund it partly by

Christian Aid and a private stakeholder company. We are very positive towards the final results and recommendations and we are very pleased that the community finally accepted the terms of reference proposed.

3. Q's and A's

- Is DAABON a big producer/player in the industry?

It has been implied that C.I. Tequendama S.A. has a major role in the world palm oil industry, when in fact our operations are organic and relatively small with less than 4000 ha. Nothing compared heavy players that individually sum up to 200K ha. From an agricultural standpoint, it is not viable to produce organic on a big scale.

- What are the land acquisition policies of DAABON?

It is important to establish that none of our operations or acquisitions are, as said before, developed on community, culturally inclined, indigenous, smallholders or natural reserve lands. In no way would DAABON purchase land that has an unclear legal tradition.

To enforce this policy, our own Legal Department specialized on the subject, and they are initially the ones in charge of looking for any inconsistency mentioned above.

Also, our business is setup in such a way that results beneficial to work with the existing smallholders than to grow exponentially on different areas as sourced by the NGO's. We have had communications that assure DAABON has over 60 K ha.

- Have the growers/farmers been displaced as a result of the acting of the consortium?

No. After developing the before mentioned process with the NGOs, the growers installed themselves in 14 tents located near downtown Buenos Aires. They have wrongfully declared that 123 families are living there (the ASOCAB members), because they have lost their land to live because of the consortium. In fact none of these allegations are true since they all live in the town and not the tents.

Please find attached a photographic evidence taken February 6, 2010 were it is evident that the living quarters are abandoned and it is almost impossible to gather that much persons.



- Are the farmers in extreme poverty because of the Consortium?

No. The extreme poverty situation has been actually developed mainly due to the lack of economic development of the region that relies on the Nations funds; this has made the Buenos Aires community one of the poorest in the area. This has been evidenced by the Enlaza NGO; the English summary and the Spanish full report are available in <http://www.daabon.com/pavas>

- Has there been any environmental damage in the area?

The Labrador Consortium acts in a 1200 hectare farm, from which 950 are to establish a palm oil crop. From the left areas are kept aside for conservation, internal use and reforestation. To this date, only 120 hectares have been planted and at least 40 drowned in a very rainy season. All of our actions have been developed using an Environmental Management Plan.



On August 31, 2009 the local authorities inspected the project together with the Subdireccion de Gestion Ambiental of the Local Environmental Office (CSB). Both organizations confirmed no destruction to the land was generated and HCV were kept intact.



The Project has an environmental plan in place. Conservation areas including Lazaro, Solera y Matandreal Creeks, as well as Cerro Arango.

There is no real environmental baseline for the area but the report states the following:

Transitional Crops:	3.4 Percent
Mixed Crops	1.7 Percent
Grazing areas (Cattle)	38.8 Percent
Bushes	8.0 Percent
Secondary Forest	1.7 Percent (Natural Revegetalization)
Water Related Vegetation	18 Percent
Water Bodies	28.2 Percent
Urban Areas	0.1 Percent

To analyze a possible negative environmental impact to the area, the Labrador Consortium revised the environmental baseline with information from the surrounding farms, supported mainly by the Territorial Organizational Scheme (2001) and the Municipal Development Plan (2008)

To that date, the Pavas Ranch had 52.6% of pastures, 37.2 shrubs, 5.9% secondary forest and 4.3% of water vegetation. It is important to mention that for some decades, no primary forest has existed in the area. The neighbor land use has also been analyzed:

Surrounding Farms	Activities Developed
Finca El Oasis	Cattle
Manuel Torrado	Cattle
Las Brisas	Palm Oil
Dario Cortes	Corn, Cassaba and Palm
Francisco Ariza	Palm Oil
Miguel Ángel	Bushes
Francisco Flores	Bushes
José Nieto	Cattle
Palmeras de Tumaco	Palm Oil

From: Enlaza, 2009