

## **Vattenfall, Swedfund should assess impacts of failed biofuel project in Liberia**

**Shortly after Vattenfall's and Swedfund's exit from bioenergy venture Buchanan Renewables Fuel in Liberia 2012, the project collapsed. Six years later, local communities are still struggling for their livelihoods. The investors should assess the human rights impacts of the failed project and contribute to remedy for those affected, a Swedwatch briefing shows.**

In 2006, while Liberia was recovering from a devastating civil war, renewable energy company Buchanan Renewables Energy (BRE) started operating in the country. BRE's business idea was to produce biomass from old rubber trees, some of which were bought from local farmers. In 2010, Swedish state-owned energy company Vattenfall together with Development Finance Institution Swedfund acquired 30 percent of subsidiary Buchanan Renewables Fuel (BRF), which was to harvest the trees and provide assistance to farmers by rejuvenating their farms.

The project was expected to generate significant development benefits in Liberia. However, only two years after their investment, Vattenfall and Swedfund exited the project. Shortly after, BRF dismissed 600 employees and terminated contracts it had signed with 34 farmers as operations ceased. During a Swedwatch visit to the area in November 2017, rights holders claimed that they were still struggling to cope with the impacts of the project and its shut-down. Several farmers stated that they were plunged into poverty and had difficulty securing food for their families.

"When the project collapsed, people in the area were left to fend for themselves. As state-owned entities, Vattenfall and Swedfund should act as role-models. They should assess the adverse impacts that still remain and contribute to remedy for those affected", says Malena Wåhlin, researcher at Swedwatch.

According to the UN Guiding Principles on Businesses and Human Rights (UNGPs), companies have a responsibility to conduct ongoing human rights due diligence (HRDD). Furthermore, both states and businesses have a role to play in realising access to remedy for affected people and communities.

Swedwatch's dialogue with Vattenfall and Swedfund in 2018 shows that since their exit from BRF, both companies have implemented general improvements of their HRDD processes in line with the UNGPs. However, they have not yet assessed the adverse impacts in Liberia or discussed how they may contribute to remedy for affected rights holders.

The findings of Swedwatch's visit are summarized in the briefing *Human rights impacts of the exit of Swedish investors from Buchanan Renewables Fuel in Liberia*, conducted with Liberian non-profit Green Advocates. The briefing is a follow-up on the 2013 report *Cut and Run* by Swedwatch, SOMO and Green Advocates. Both publications elaborate on the importance of responsible investment practices, especially in vulnerable countries where land-related projects are associated with high human rights risks. Without responsible exit strategies in place, communities are often left to shoulder negative impacts alone in the case of a project stall or shut-down.

"We are still begging the investors behind Buchanan Renewables to help secure appropriate remedy for the victims of this disastrous project. The challenge for us is seeing the victims in the same condition every day, as people who are now worse off than they were before Buchanan Renewables arrived", said Francis Colee, Head of Programs at Green Advocates.

For more information, please contact: Malena Wåhlin, researcher, +46 (0)8 525 203 76