

ACTIONAID UK

Broken promises

The impacts of Addax Bioenergy in Sierra Leone on hunger and livelihood

Executive Summary

In 2014, the Swiss company Addax Bioenergy will begin exporting **bioethanol** from a sugar cane plantation in Sierra Leone to the EU **and export electricity to the national grid of Sierra Leone, increasing the country's power capacity by approximately 26%. This will be the first commercial quantities of biofuels to be exported from Africa to the EU.**

The Addax plantation **renewable energy and agriculture project** is often promoted as a sustainable biofuel project, not least by the European Commission. It has also received a sustainability certificate from the Roundtable for Sustainable Biomaterials. However, new research by ActionAid shows that the project is impacting on the food security and land rights of local communities. It is also threatening livelihoods more generally and lacked proper free, prior and informed consent from local communities before starting.

The statement of lack of proper free, prior and informed consent from local communities is simply incorrect. Addax Bioenergy, international consultants and legal representatives involved distributed the Land lease documentation (the Land lease, the Acknowledgement Agreement (signed with individual land owners) and the Explanatory note) on several occasions at large public meetings to which every single land owners was invited. The documentation was publicly disclosed during 12 months (from May 2009 to April 2010) for comments, in villages, in Makeni, on websites, in Freetown etc). Addax Bioenergy and the two law firms involved received a large number of comments. No comments or grievances were raised that land owners were not aware of the documentation during this period.

It is international campaigning organisations, who were not present during this period, who raise this issue and spin this message amongst local population and in the published document. It is unethical and unacceptable manipulation of facts.

The land lease process was documented and audited. In addition individual land owners were invited to sign an individual Acknowledgement Agreement in which they acknowledge the land lease. Payments are received directly in land rents under both of these legal instruments. These facts are frequently omitted by campaigning organisations.

The project is therefore not sustainable. This is not a true and adequately substantiated conclusion/statement resulting from earlier paragraph.

ActionAid has conducted research in the areas affected by the Addax plantation together with local NGOs and experts.

Which 'experts' were involved in your research and what expertise does Actionaid build on for its report? What methods were used – sample sizes – areas visited. The absence of all of this information in itself presents a direct challenge to the credibility of the statements made in this report whatever the justice in the cause. It is vital that these facts be made know to all readers. This is best practice and good science.

This has involved in depth interviews with local community members, especially women.

The report states that interviews were conducted in 10 villages. The project area covers more than 20'000 people, and close to 4'000 households live in around the project area in 60 villages.

The few interviews carried out under this report are anecdotal and hardly constitute sound research basis for the grand claims ActionAid is presenting as fact.

The research found that:

- 99% of respondents said that hunger was prevalent in the Addax project area

A statement like this can only be regarded as valid when it is put into context by a 'before and after' analysis. Does ActionAid have any proper baseline research data to back such a bold statement? Again what is the sample size and in which geographic location were these statements made? 99 per cent of what, who, where?

Malnutrition has been a major health concern in Sierra Leone for many decades and it is the fourth most common cause of morbidity in the Bombali district (see UNDP, FAO, UNICEF, reporting for more information). Low crop yields, access to land, poor feeding practices through poor education and severe poverty are reported as major causes. There is adequate data from the primary health care level with chronic malnutrition rates at between 25-35%.

The health situation and marginalisation of women in these communities is a real concern, also to the Company. The extreme low levels of water and sanitation systems is a real concern, also to the Company, as it affects the overall health situation, also for the people employed by the company.

As part of the Addax Bioenergy ESHIA process a Baseline Health Study was made for the project area by Dr. Mark Divall and Dr. Mirko Winkler of NewFields and Dr. Mary Hodges of Hellen Keller International, in 2010.

Nutrition indicators showed "that 16.9% and 41.8% of children were severely and moderately stunted, respectively. 1.4% of children were severely wasted while 4.8% were moderately wasted showing relatively low rates of acute malnutrition in the area. The mid-upper arm circumference (MUAC) levels at 1.4% and 5.6% for severe and moderate acute malnutrition supported the low wasting rates mentioned above. 97.4% of the children were reported as having any anaemia with 9.7% classified as having severe anaemia. The levels found were significantly higher than those reported at the national and regional level.

It was due to this reality that Addax Bioenergy created its Farmer Development Programme (FDP) to improve food security and train farmers in improved agricultural practices to increase their productivity. Farmer training lasts 30 weeks in the Farmer Field and Life School (FFLS) courses. Under the FDP, Addax Bioenergy is preparing around 2,000 hectares of community fields for communities in the project area and training approximately 2,000 farmers in better agricultural practices.

As part of our exhaustive ESHIA process, comprehensive baseline studies were conducted. These studies showed that people were experiencing food insecurity to different degrees in the project area which underlined the need for mitigation of potential threats to food security. This is why

Addax Bioenergy created the Farmer Development Programme which is now the largest food producing project in Sierra Leone.

Addax Bioenergy has greatly enhanced food security since inception of its project and is continuing to do so, a fact completely disregarded in the statement above. Our on-going socio-economic monitoring programmes provide support for this assertion. Addax Bioenergy welcomes ActionAid present data that may contradict this and welcomes ActionAid to make scrutinise or make use of our data.

- 90% said that hunger was due to the loss of land to Addax

Addax Bioenergy maintain and manage information regarding the land used by Addax Bioenergy and residual land that is available for alternative uses including access to a range of resources and land for food production. The ratio of productive land used by Addax Bioenergy and access to and availability of residual land for food production is the key issue here. No assertion from whatever source can be validated without at least some understanding of these basic land planning statistics.

Addax Bioenergy maintain a record of these ratios for every village inside the operations area. The vulnerability of villages with regard to access to land and food security using these measurable parameters and GIS is kept under constant review. Within the Addax Bioenergy area development of land for cane has been altered and even cancelled altogether where communities have asked for land to be retained. Design amendments have been made on several occasions to accommodate this wish.

The FDP is currently making use of residual land for food production. Improved accessibility to land brought about by the new road networks means that access to new lands now provides enormous potential for food production.

Evidence from historical land assessments and aerial photography (GIS) suggest that whilst land has been lost due to Addax Bioenergy development for communities this has been replaced by new land being opened by both villagers and the FDP. With one exception out of 39 villages involved in the Addax Bioenergy FDP, more rice and more land is under cultivation today than ever before. Combined with this many communities have a better livelihood diversification and cropping options, and more potential income opportunities at household level than before. There are no authoritative reports from any recognised authority claiming that there is starvation caused by Addax Bioenergy in the project area, or that overall livelihood options were better prior to inception of the Addax Bioenergy project.

Such assertions on increased hunger, whether blamed on Addax Bioenergy or not, therefore need to be treated with extreme caution. Since this is not sourced or supported by facts or figures this highly damaging statement is difficult to accept and must be strongly challenged.

- 99% of respondents suggested that food production had declined in their communities

As above this is highly anecdotal and not supported anywhere in the report by verifiable production figures. What does 'suggested' imply? Is Actionaid able to present data to support this suggestion?

It is commonly known that the agriculture sector in Sierra Leone continues to be driven by subsistence farming rather than commercial agriculture. The majority of smallholder farmers in our

project area are caught in what is commonly referred to as a 'low production cycle'; farmers produce the same staple crops using traditional, low input/output systems, and invest little to achieve higher levels of productivity. Lack of knowledge, insufficient technical and institutional support, are some of the barriers that have prevented them from breaking this cycle of poverty and hunger in the past.

The FDP programme aims to give them the skills and know-how to do just that. As mentioned before, under the Farmer Development Programme over 2'000'000 kilos of rice were harvested in 2012 for the local communities in our project area. Seed rice was produced for further planting. No one would argue that there were similar levels of agricultural productivity prior to inception of the Farmer Development Programme.

Note that the programme is anchored in a proven and internationally recognized methodology, developed by the UN's Food and Agriculture Organisation (FAO), and aligned with the Government of Sierra Leone's Smallholder Commercialisation Programme.

Here are some facts based on Household Surveys of 4,969 families in the Addax Bioenergy project area in 2010-2012. It shows a different reality than the one the authors are trying to portray. These household surveys take place annually in the whole Addax Bioenergy project area and are externally verified and quality controlled. Gross income for all affected villages has shown a significant increase over the 2010-2012 period. Particular sources of income that have increased include income from agricultural sales, self-employment and migrant remittances. Land lease, compensation and acknowledgement agreement payments have also made a significant contribution. Overall Agricultural sales generated USD 449,766 - double the ABSL payments. We would be happy to share additional data with ActionAid.

- 78% of community respondents said that they have never seen the land lease agreements

Please see our comments above and below in relation to ActionAid allegations regarding lack of free prior and informed consent. All villages were provided with information packs which contained summary information. This was in addition to the many public meetings that were held.

- 85% of respondents said that information provided to communities on the advantages and disadvantages of Addax's investment was inadequate.

ActionAid have not reviewed how Addax Bioenergy conducted their ESHIA and social environmental management programme, nor were they present during 2009-2011 when the ESHIA process took place.

The draft ESHIA was publicly explained and disclosed during 3 months for comments during November 2009 to February 2010. International campaigning organisations, like Actionaid, were not present during this period.

- 82% of respondents said they are dissatisfied with Addax's operations.

This is not serious. We encourage Actionaid to find one happy subsistence farmer in Sierra Leone. Looking at the context of Sierra Leone, a country characterized by poverty, post-conflict traumas and impacts, low levels of education, a concerning general health situation, high mortality rates, gender inequality, low levels of development, poor infrastructure, lack of jobs, a significant skills gap, and people in many parts of the country relying on an unsustainable slash and burn agriculture lifestyle as subsistence farmers, etc.

How many people would you expect to answer they are content in their current situation?

Would Actionaid be able to bring forward a single "happy" or "pleased" person under these circumstances?

The pleased / displeased - happy / unhappy are not measurable parameters – especially given the context listed above. This is a seriously flawed way of conducting research and drawing conclusions. We are surprised given the highly serious nature of the debate that you have chosen to use this statement. This statement cannot be taken seriously.

Research has further shown that:

- land loss mitigation programmes have failed to provide the local populations with sufficient food and alternative employment

There is not the slightest attempt in the report to quantify or seek evidence to support this assertion.

How can ActionAid state this when the facts show Addax Bioenergy currently employs 2'007 local people from its project area and that Addax Bioenergy's Farmer Development Programme currently is Sierra Leone's largest food producing project with 2'044 hectares of rice fields developed from which in 2012 more than 2'000'000 kilos of rice were harvested for local communities, at no cost to these communities?

- compensation levels for land loss was poor and badly carried out

In the absence of an official and binding national crop compensation list, Addax Bioenergy has been widely credited for its transparency and documentation of compensation paid to affected landowners, and for having developed a detailed agricultural asset list. A dedicated team is assigned to work solely on this.

This asset list states compensation values for 59 different crop and tree types, which also includes values for farm huts and fence lines. The compensation rates that Addax Bioenergy pays for lost crops and felled trees are higher than those that Ministry of Agriculture Food security and Forestry or Sierra Leone Road Authority recommended.

Addax Bioenergy does receive compensation related grievances from land owners for which procedures are in place to adjudicate and resolve.

We would be happy to share any detail on compensation levels from our records with ActionAid as proper details are missing in your document.

- there was a lack of free, prior and informed consent (FPIC) of the local communities, effectively making this a land grab

Addax Bioenergy has leased land from the Chiefdom Council in accordance with the laws of Sierra Leone law in a very public and internationally audited process and introduced an innovative dual land lease process that includes direct agreements with the traditional land owners and respects their rights.

Addax Bioenergy believes that projects of this scope can only be developed in close collaboration with the local communities. For this reason a bottom-up approach was adopted, engaging all stakeholders in a transparent manner.

In May 2009, Addax Bioenergy commenced a very public land lease process in line with the requirements of the Government of Sierra Leone and in accordance with IFC Performance Standards. This involved local lawyers and international consultants, The land lease process took more than one year to complete (May 2009-April 2010 for the land lease and the AA process is continuous) and involved numerous documented public meetings and public disclosures of all the land lease documentation (the Land lease, the Acknowledgement Agreement (signed with individual land owners) and the Explanatory note. In addition, Addax Bioenergy established Community Liaison Offices to enable local communities to making suggestions or lodging complaints.

The draft of the lease agreement was discussed and negotiated in several meetings during this 11 month period. It was first introduced to the traditional landowners, the Districts Councils and the Chiefdom Councils. Meetings were subsequently held with affected villages. Invitations to these meeting were sent out to the landowners and Addax Bioenergy covered the transport costs of those attending the meetings. Following these meetings, all stakeholders were encouraged to send their questions and comments relating to the lease agreement to the lawyer representing them, for further discussion with Addax Bioenergy.

Under the system introduced by Addax Bioenergy, land owners and households sign a total of three documents with Addax Bioenergy: an Acknowledgment Agreement that enables them to receive direct lease payments for their land; a Compensation Agreement for assets on their land; and a MOA for the Farmer Development Programme, which Addax Bioenergy has set up to provide training for local farmers under an FAO-developed program.

The Acknowledgement Agreement was introduced by Addax Bioenergy as part of the land lease process and these are signed directly with Addax Bioenergy. It should be noted that through the introduction of these Acknowledgement Agreements, it is the first time that the rights of landowners are contractually confirmed by a company in Sierra Leone. Landowners are neither considered in the Sierra Leone Land Act, nor does it specify how rent is to be distributed. The Acknowledgement Agreements ensure that landowners receive their fair share of the land lease payment.

It is important the Acknowledgment Agreements are recognised as they are the key to detailed field planning and issues of food security. It is not sufficient to consider tenure arrangements and their impacts on planning only in terms of the land lease.

It is important to note than all of these initiatives were fully participative, transparent and are equitable. They cannot by any measure be categorised as a 'land grab'. Almost daily contact is made with landowners on field operations and formal meetings are held in the villages every month.

- communities feel that promises were made by Addax and public officials that have not since been met.

Addax Bioenergy has been highly conscious of the need to manage expectations from the start in this area that was devastated by civil war and characterised by a strong reliance on NGO activity during its post-war recovery process.

Addax Bioenergy has therefore been extremely careful never to make any promises that it could not commit to. It has been very clear on its intentions from the start in 2008, explaining all aspects of the project in detail, including the distillery, fields, roads, irrigation, electrical installations, etc. Addax Bioenergy has never promised to construct hospitals, schools or substitute itself for the local authorities in any way.

On the contrary, Addax Bioenergy is delivering on its promises, including infrastructure development, compensation, job creation, vocational training and enhanced food security. To date, it has fostered real development in the project area.

To illustrate this: as of July 2013, Addax Bioenergy had constructed 344 km of roads; employs 2'007 national staff; had paid US\$ 1,324,006 to the District Council/District Offices (50% goes to the landowners) in lease payments plus an additional US\$ 437'150 paid directly to the landowners in lease payments under the Acknowledgement Agreements; US\$ 1,583,170 million in compensation payments paid directly to landowners for asset values on land developed by the project; had planted 2,044 hectares of rice under the Farmer Development Programme at a cost for the three year programme of US\$1.4 million; established 75 Farmer Field and Life Schools and trained 2'442 farmers in more productive agricultural practices through its 30-week training programmes.

It is worth noting that Addax Bioenergy has film evidence many of its public meetings in order to document its commitments and prevent attempts to misrepresent its engagement. We would be happy to share this evidence and would welcome the opportunity to see yours?

Addax Bioenergy has never been presented with evidence of having promised things it could or would not deliver. The Company keeps asking for evidence from the NGO's claiming otherwise and asked several times to provide proof of these alleged 'promises'; to date, no one has come forward with evidence that supports this claim. The burden of proof lies with these organisations as much as it lies with ActionAid now.

The project is financed by a number of ~~multilateral and bilateral institutions~~ **Development Finance Institutions, whose mandate it is to foster development in less developed countries and require investors to adhere to strict social and environmental criteria when partnering with them.** ActionAid calls on donors to demand that Addax dramatically improves the lives of the communities in the project area by (as a minimum): paying better wages and fair compensation; employing local people (particularly the young) on long term contracts; stop further land being taken for the plantation; relinquishing bolilands (important seasonal swamp land for growing rice); and overhauling the Farmer Development Programme to enhance food security after consultation with the communities (and delivering the whole programme free for the duration of the lease). If necessary, this should be done through the renegotiation of the land lease agreements.

Can the below achievements not be regarded as 'dramatic improvements to the lives of local communities?'

In the period April 2010-July 2013, the company has injected US\$51.39 million or 222.9 billion Leones in cash or cash equivalents into the local economy. As of July 2013, Addax Bioenergy had constructed 344 km of roads; employs 2'007 national staff; had paid US\$ 1,324,006 to the District Council/District Offices (50% goes to the landowners) in lease payments plus an additional US\$ 437'150 paid directly to the landowners in lease payments under the Acknowledgement Agreements; US\$ 1,583,170 million in compensation payments paid directly to landowners for asset values on land developed by the project; had planted 2044 hectares of rice under the Farmer Development Programme; established 75 Farmer Field and Life Schools and trained 2'442 farmers in more productive agricultural practices through its 30-week training programmes.

As importantly, Members of the European Parliament have an opportunity at a vote during the second week of September 2013 to change the damaging EU policies that drive the rush for land grabs from companies such as Addax. MEPs should vote for:

- A 5% cap on the use of land based biofuels that can count towards targets in EU biofuel legislation, with a view to phase out the use of such biofuels as soon as possible.
- The introduction of a binding carbon methodology that accounts for indirect land use change (these should be feedstock specific).
- The introduction of binding social sustainability criteria for all bioenergy, including wastes, residues and other biomass.

It is not understandable why ActionAid wants to deny African farmers to produce certified, low carbon bioenergy for both domestic and export use.

Introduction

The Bombali district of northern Sierra Leone has witnessed a massive land grab over the last five years. All 13 chiefdoms of the district (some 800,000 hectares) have been 'acquired' in part or in whole by foreign companies, 11 by a British company called Whitestone SL Ltd¹ and two by a Swiss biofuel company, Addax Bioenergy.²

The Addax Bioenergy project is important for a number of reasons:

- It is about to start commercial production of biofuels, one of the first in Africa.
- By 2014, most if not all of the ethanol produced (from sugar cane) will be exported to the EU;³ despite EU attempts to downplay the impacts of EU biofuel policy on developing countries by claiming that the EU does not import biofuels from (Africa's) poorest nations.⁴
- It recently received a sustainability certificate from the Roundtable for Sustainable Biomaterial (RSB).
- It is funded by the African Development Bank (AfDB), five European bilateral institutions and two other donors.⁵
- It is promoted as an example of an environmentally and socially responsible biofuel plantation, not least by the European Commission.⁶

At its height, the project will produce some 85,000 cubic meters (85 million litres) of ethanol a year (ethanol is blended into petrol). In the reporting year 2011/2012, this one project would have been enough to meet 12% of the UK's ethanol consumption for transport.⁷

ActionAid visited the project site in January 2013 and subsequently commissioned an independent study of Addax.⁸ In July, the study conducted 100 interviews in 10 villages and two focus group discussions with affected communities.

If ActionAid visited the project in January and July why did you not contact Addax Bioenergy? And why if you have conducted studies in 2013 are you using harvesting figures from 2010/2011? All harvesting facts and figures for 2012 and plans for 2013 planting are publicly available and regularly announced in the monthly village meetings. The 2012 data show a significant improvement due to ABSL's farmer development programme. This omission is a serious flaw in their narrative and poor science.

This briefing focuses on a number of issues, primarily the effects of the Addax project on food security locally, impacts on wider livelihood and jobs issues, and on broken promises made by the company and public officials.

The Addax project

Overview

Addax's lease runs for 50 years and originally extended to 57,000 hectares (19kms x 30kms), covering two chiefdoms in the Bombali district and one in the neighbouring Tonkolili district. The land lease agreements include a provision to extend the lease for a further 21 years.⁹ The area is bordered to the west and south by the Rokel River from where the project will draw water for irrigation.

The actual project currently covers about 14,300 hectares (ha) of land comprising approximately 10,000ha of irrigated sugarcane estates, land for the project's infrastructure including an ethanol factory, a power plant, resettlement areas, roads and irrigation infrastructure and supporting infrastructure. An estimated 2,000ha have been developed as part of the project's Farmer Development Programme (FDP). Land for the sugar-cane plantation began to be cleared in 2010 and will finish in 2013/14.

The balance of the lease area – 43,000ha – is also under the 'control' of Addax. The company has a relinquishment option which allows them to surrender lands that are not needed for its operations within a five year period. This provides the company some flexibility to move exact field locations.¹⁰

Planning for exact field locations is largely determined by the Acknowledgement Agreements (AA) signed between landowners and Addax Bioenergy in addition to the leases. Where land is required for food production Addax Bioenergy has respected requests from communities to move or cancel some of the cane fields.

It is important the AAs are recognised as they are the key to detailed field planning and issues of food security. It is not sufficient to consider tenure arrangements and their impacts on planning only in terms of the leases.

Against this background the use of the term 'land grab' is very emotive and given the consent given by communities through day to day consultation on issues of compensation and location of developments it is not correct to say that free prior and informed consent is absent.

By March 2013, Addax reported they had surrendered more than half of the land, but still held about 24,500ha.¹¹ Many of the leases were signed in 2010 which suggests that for these lease areas, the option lapses in 2015. The land lease also contains a clause that the company may seek to extend the area under sugar cane to 20,000ha but there is no indication that Addax is planning such a move.¹²

More land will indeed be relinquished. It should be noted that many communities are opposed to this as they will lose the vital income they currently receive in rents from land lease as AA agreements.

EU drivers and institutional donor involvement

The Sierra Leone Investment and Export Promotion Agency (SLIEPA) is driving much of the land investment in the country.¹³ Addax has been a beneficiary of the process and makes no secret of the fact that its ethanol production, from one of the poorest countries in the world will be exported to the EU¹⁴ and that it meets the requirements of European legislation, namely the Renewable Energy Directive (RED).¹⁵ The RED is currently being re-negotiated but it requires that by 2020, 10% of EU transport fuels must come from renewable sources.

European countries are currently planning to meet this 10% target almost exclusively from land-based biofuels (ie food crops or other dedicated energy crops grown on land). Together with preferential trade links to the EU and tax incentives in Sierra Leone, the RED has been a powerful driver, incentivising Addax and other biofuel companies to acquire land in Africa and other developing countries.¹⁶ The Addax project has also received support directly or indirectly through a number of European institutional donors, including Swedfund,¹⁷ a risk capital company specialised in investments in emerging markets in Africa, Asia, Latin America and Eastern Europe owned by the Swedish state.

It is the policy itself that is being opposed here and there is an attempt to build a case for malpractice and lack of respect for international norms against Addax Bioenergy to support that objective. By definition if the policy is flawed so will be its consequences and the manner in which it is implemented. The statements made then become a self-fulfilling prophecy designed to support the logic of a flawed policy. This compromises the paper as its objectives and statements are, by design seldom impartial.

Certification

The Addax project received a sustainability certificate from the Roundtable on Sustainable Biomaterials (RSB)¹⁸ in February 2013.¹⁹ At the time, RSB announced that “Addax Bioenergy has become a model for sustainable projects in Africa.²⁰”

The certification will ease the entry of Addax’s biofuels onto the EU markets, as the EU requires all biofuels that count towards its renewable targets to have received sustainability verification.²¹ Despite this, many issues regarding the sustainability of the Addax project are outstanding, including an unresolved water course change dispute.

Addax, water and the RSB

Addax altered a number of water courses; but at the time of the RSB audit in early 2013, one major unspecified water issue had still not been resolved.²² ActionAid believes this is the construction of a new well in the village of Romaro which took two years to build after the company destroyed the village’s original water source.²³ Despite this non-conformity, RSB went ahead and awarded a certificate regardless. Whilst water is not specifically part of the sustainability criteria of the RED, it is one of the 12 principles and criteria of the RSB.

ActionAid needs to better study the RSB standard and how an audit takes place.

The impacts of Addax operations on food security and land rights

“Well, the situation is getting worse now. Before Addax came we used to plant on those lands and feed ourselves sufficiently... we even used to have something to give to our friends when they came. But now we can no longer have food to give them because Addax has said they are going to do the planting for us, but the planting that they are doing for us is not even enough for us to eat... So things are becoming difficult, prices are now increasing for food stuff.”

Yaema Koroma (alias), female with two dependent children, interview with ActionAid in January 2013

Some 90 villages lie within the area leased by Addax although pre-project studies - many commissioned by Addax - say that only 60 villages will be directly affected. Within these 60 villages, some 13,617 people will be affected, i.e. through displacement in one form or another (for example from economic activities). 50 people have been physically and involuntarily resettled²⁴ which in itself is a violation of the RSB principles.

39 villages are directly engaged with the project today. Can ActionAid confirm they spoke to the villages or other villages not engaged by Addax Bioenergy?

To mitigate against the loss of agricultural land, the company developed the Farmer Development Programme (FDP) and training whereby each affected person is ‘allocated’ 0.14 hectare of land (on average 35 metres x 35 metres).²⁵

Land preparation and seeds are supplied free in the first year of the FDP. In year two, Addax will continue to meet two-thirds of the cost of land preparation; in year three, one-third of the cost. Seeds, except in year one, and all other inputs are supplied at cost. After the third year, the farmers have the option to continue to use the FDP but they must pay the full costs.²⁶ Costs incurred by Addax as part of the programme are sometimes met by the company taking part of the rice harvest.
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This is a farming model – mechanised with high cost external inputs such as fertilizers – that is alien to the communities and provides great uncertainty for farmers as to what will happen after the three years.²⁸ This comes at the expense of promoting sustainable agriculture approaches which are likely to be of more benefit to poor farmers.²⁹

But whilst the FDP has worked for some communities, it hasn’t for others. Even if one community goes hungry because of the activities of Addax, which it has, this is unacceptable. In 2010, the first year of the FDP, which was focused around the initial phase of the project, the promised ploughing, harrowing and seeds arrived too late. Planting usually begins in May but the seeds only arrived in July and the promised fertilizer arrived even later. As a consequence, there was “less food in the communities as farmers were not able to plant on time. Now the community members stated that they are starting to worry that they will soon not have enough food.”³⁰

In 2010 hardly any of the Addax Bioenergy field systems were in place and FDP was only just getting started.

Villages that were involved in the 2010 initiative were re-started on the FDP in 2011 and are still in this phase. Many of the subsistence plots pre-Addax Bioenergy were still in place including village gardens.

Addax confirmed to the NGO Bread for All that the FDP failed in the Pilot Phase in 2010³¹ and has acknowledged on-going problems, for example the timely allocation of cultivated rice plots to individuals.³²

In the 2011 season, some 1,400ha were planted but some villages produced significantly less rice than anticipated, even though the target amount of land was ploughed and planted. For three villages this was due to late ploughing by Addax. Unfortunately, Yainkisa, which suffered a previous FDP failure in 2010, was one of these villages.³³

Why, if ActionAid have conducted studies in 2013, are you using harvesting figures from 2010 and 2011? All harvesting numbers for 2012 are publicly available. This is a serious flaw and poor science. There is no evidence for late ploughing and harrowing. Operations took place within the windows currently operated by subsistence farmers.

Yainkissa have retained almost all of their land and very few traditional field systems have been disturbed. In 2012 they harvested all of the FDP rice from 21 ha without notification or declaring any of the harvest for weighing. Later they declared that FDP had not produced any rice for them and that they were starving. There was no participation or support and no weeding. The yield was an estimate based on controlled cuts – a low 945 kg/ha (below the average of 1,176 ha). This resulted in 30kg per head for the 664 registered persons in the villages.

In 2011, the local NGO SiLNoRF also interviewed many communities who indicated that the 2010 and the 2011 rice harvests on the FDP fields were low and therefore not sufficient to ensure their food security. In fact SiLNoRF go on to say that rice harvests were poor in a third of villages. In more recent interviews with SiLNoRF, many farmers and communities also reported low harvests in 2012 from the FDP which was not sufficient to ensure their food security.³⁴ As evidence, community chiefs point to the all year round presence of Asian rice in their local markets when previously it had only been present seasonally during the rains.³⁵

This needs to be more specific – which community chief in which area?

This is selective and biased reporting which does not take in to account recent yield data and information. Why, if ActionAid have conducted studies in 2013, are you using harvesting figures from 2010 and 2011? All harvesting numbers for 2012 are publicly available. This is a serious flaw and poor science. Also ActionAid does not seem to be aware of basic knowledge regarding local nutrition or diets etc.

Since Addax came we are presently experiencing hunger, so we don't have enough food to eat, presently our children are crying for food but we don't have food to give them"

Edriam Gulama (alias), female with three children, interview with ActionAid in January 2013.

Many of the people that ActionAid spoke to said that the allocated plots in the FDP were too small. Others confirmed that the planting by Addax is not enough for the family to eat.

Since 2011 Addax Bioenergy have repeatedly received complaints that the plots were too big and unmanageable and that they could not weed. These were bigger than plots previously cultivated under subsistence systems. Early plot allocations have addressed this issue and enabled ownership of plots. With the higher yields achieved there is absolutely no evidence of shortages of rice.

SiLNoRF reports that yields and rice harvests were low because of: 36

- the late land preparation by Addax tractors
- the fact that many communities could not afford the costs of fertilizers
- the late allocation of plots to farmers
- the decrease in FDP soil fertility because fields are in constant use for the second and third years
- the quality of the seeds was poor or were not adapted to the type of soils
- some communities reported that different seeds varieties were mixed (seeds were not pure).

The problem of seed type was confirmed in the 2012 report for Swedfund. Also, Addax sought expert advice (from a local agricultural institute) on the selection of rice varieties, instead of planting the varieties preferred by local people. The resulting yields were lower than expected.³⁷ In interviews conducted for ActionAid across the 10 villages and from the focus group discussions, opinion was unanimous that in most instances in 2010 and 2011 rice yields were low from the FDP plots; and 99% of respondents suggested that food production has declined in their communities.³⁸

Others reported to ActionAid that farming is proving difficult when young men are employed on the sugar cane plantation which produces crops for biofuels. Whilst many of these jobs are temporary, some coincided with critical periods for the land preparation and planting (May-July) of the key food crop, rice.

This is a double edged complaint. Communities claim they are not being employed by Addax Bioenergy – but yet also complain there are not enough people to work the land.

Addax insists that the FDP is producing a surplus of rice but the weighing of rice bags has been contested by communities and is thus overstated.³⁹ Indeed, the 2013 monitoring report for Swedfund stated: “these figures [production and yields] must be treated with a degree of caution as weighing and maintaining the integrity of the measuring and sharing process [of rice] remains a central problem in the field”. The report also confirms that 70% of bags were not weighed.⁴⁰

Yields were based pre- and post-harvest checks and on estimates and controlled cuts. Some weighing was compromised because some communities did not want to surrender seed rice taking all of the harvest. Much was being sold and large quantities were being dried in the villages. Figures produced were partially extrapolated and partially based on weighed crops. Addax

Bioenergy estimates 2012/13 figures were understated. Independent Lenders' Monitors suggest there was no shortage of rice in the current season.

Addax also claims that the local people are not giving their maximum support to the Programme.⁴¹ The concerns listed above, and the fact that this is a model of farming that they are unfamiliar with, is perhaps at the heart of the problem. Also the FDP cannot replace the full range of products, services and sources of income that people previously gained from the land and water.

The 2013 report for Swedfund also concluded: "The overall performance of the FDP in terms of sustainability cannot be gauged until sometime after it has been implemented for all sites within the project area."⁴³ This brings into question as to how the RSB was able to award a sustainability certificate for the project.

Impacts on women

Women are often the main providers of food for families, and are also more likely to suffer from food insecurity. As such, they are at a particularly vulnerable position when land and food rights are under threat, as they are in the areas affected by the Addax project.

Women in the areas affected by the Addax project have indeed reported gender specific concerns (see box 2).

Box 2

July and August 2012⁴²

NGOs are not alone with regards the collection of statements from local communities about the activities of Addax. The following are taken from an independent report written for one of the donors, Swedfund.

FDP and food security

Question: *We may also want to know why you do not have enough land to farm on?*

Respondent 1: *We have given our lands to Addax*

Respondent 2: *When Addax came, they went into our bushes and demarcated the plots of lands they want before they came to us. What they left for us is not enough for all of us in the community.*

Gender

Question: *When Addax leased the lands from you, were you paid, or were the lands forcefully taken from you or was an agreement made?*

Respondent: *Yes, they paid the land owners, but we the women are faced with serious challenges as the money is only used by the men; the money was only used by the men - that is our grievance.*

A complicated procedure for land compensation eventually resulted in payments for crops and trees lost and for land appropriated. Addax has paid this money in accordance with the land leases and other agreements.

The insertion of the word eventually suggests a retrospective mitigation rather than one that has been in place since project inception. It is not complicated. Rates have been set by Government and Addax Bioenergy has adhered to these. ActionAid has not investigated any facts and details or how the compensation process actually works.

But the amount of compensation and the way it is distributed raises concerns:

- Productive trees, such as palm, are compensated at US\$8-10 each (about €6.00 -7.50 depending on exchange rates at the time)⁴⁴ but according to SiLNoRF, the palm trees are worth about US\$19 (€14.5) per year.⁴⁵
- The level of land compensation is minimal, at just US\$7.90 (€6.00) per hectare per year.
- **Land is not included in compensation payments only assets on the land. Land payments are made through Lease and AA payments**
- Despite the fact that there are more women in the project area, and that many women are land users and are equally active in farming activities, all the land money is controlled by and paid via a small number of male land owners or elected elders in the village. Most people, particularly land users and women see very little, if any of this money (see Box 2).

One woman that ActionAid interviewed said that she farmed about 15 acres (6ha) as a land user but this was taken by Addax. The compensation money goes to the land owner who so far has given her about 200,000 leones, about US\$45 (€35) since they started clearing her land. This is for her whole family of six. She described the money as irregular, perfunctory, very small and not sufficient to provide for her family. As a land user, she confirmed that whilst she attended stakeholder meetings and saw the lawyer, she was not consulted on whether they could take her land or not. Other community members interviewed for ActionAid have also confirmed that the amount of compensation money is inadequate.

The impacts of Addax operations on jobs and livelihoods

Respondents also told ActionAid that jobs were promised to locals and to young people of families that had given up their land. But in interviews conducted by ActionAid in early 2013, many people complained that this had not happened; and that when they were employed, the conditions of employment were not made clear to them (not least because contracts were not in the local language); for example the length of contracts and when their employment would end. Table 1 reveals that nearly a half of those employed are not locally (displaced) people but come from a distance greater than 20 km from the project.

Impacts of low wages on food security

The company has supplied hundreds of jobs, pumping millions of leones - mainly through wages - into the local economy. These wages are on a par with what other companies pay and above the minimum wage.

From payment slips seen by ActionAid, the daily wage at Addax for manual work without overtime is between 15,000 - 20,000 leones (or between 300,000 and 400,000 leones per month, between US\$70/€50 and US\$90/€70 per month);⁴⁸ if a family has lost their land or the FDP is not working and/or still being implemented, the wage could provide their only income.

Wages at this level are not sufficient to cover their daily food needs let alone other daily expenditure such as housing, clothing or school fees, especially when considering the costs associated with the FDP if farmers choose this option.

In early 2013, ActionAid interviewed many people as to how much it would cost to feed a family for a day. At a daily wage of 15,000 leones (about US\$3.5/€2.60) in January 2013, this would have bought the following; five cups of rice, three onions, two Maggie (stock) cubes, a small bag of tomatoes, half

a bottle of palm oil, some chillies and two bags of charcoal for cooking. This is barely enough for one meal for one family. Two meals a day would cost at least 30,000 leones. Some families confirmed to ActionAid that they are now surviving on one meal a day (four to five cups of rice).

Table 1 Addax Labour Data as of 30th November 2012 – Sierra Leone Nationals⁴⁶

Type	Numbers/percentage
Permanent employees	523
Casual employees	911
Total employees	1434*
Percentage of National Employees within 20km of factory site	58
Percentage of National Employees within 20 km of factory + the town of Makeni	70
Percentage of Females	8

“Before we were eating up to 10 cups of rice [per family, per day] because of the produce we were getting from our farms. But since Addax came, we can no longer eat that amount of rice we used to eat. Now we are eating 5 cups we cannot even imagine to get 6 cups because our source of getting money is very slim.”

Zaria Conteh (alias), female farmer with nine children, interview with ActionAid in January 2013

All this is at a time when daily costs have risen massively over the past few years since Addax started operations. Respondents for another study in the Addax area reported that the prices of bush meat (per cut) and a cup of pepper, groundnuts or beans had all risen 300% compared to before the company arrived. The price of plassas (leafy greens) per tie had risen between 150% and 400% over the same time period.⁴⁹

Many farmers also now have additional costs associated with the FDP, and this will continue if farmers have few other options. So despite Addax reporting that average household incomes have improved by 200% since 2010,⁵⁰ the massive increase in local costs in part explains why so many people are finding it difficult to subsist.

With the exception of seed rice payments in kind – mostly made during the 2012/13 harvest - no costs related to the FDP have yet been paid by any village at any time. Throughout the 3 years of their involvement.

In addition, many of these jobs are temporary and casual as shown in Table 1. Many people told ActionAid that the company was failing to employ a significant number of young local people on long term contracts, that Addax was paying low wages and failing to provide adequate information about employment conditions. In mid June 2013 there was a strike at the plantation. The issues of contracts, end of term benefits and regular wage payments were central to the worker’s grievances.⁵¹

Broken promises

The lack of free, prior and informed consent

Addax conducted consultation processes, undertook numerous pre-assessment studies (some of which went further than the performance requirements of international donors), produced land maps and has dialogue with stakeholders.

However, a key aspect of sustainability is the principle of 'free, prior and informed consent' (FPIC); the right of all stakeholders to be consulted in a timely, appropriate and 'informed' way is of paramount importance on which consent or veto is based. These are all key requirements of the RSB certification.

To the company, it appears that consultation and ensuring that a small number of people signed-off the land lease agreements constituted consent. From the survey conducted for ActionAid, only 66% of respondents said they attended consultation and stakeholder meetings. Moreover, there was essentially no dialogue at these meetings as speaker after speaker from the company or public officials reinforced the benefits of Addax's investments to the country and host-communities. Consequently, 85% said that information provided to communities on the advantages and disadvantages of Addax's investment was inadequate.⁵²

The land lease agreements were signed by few elected elders, such as the Paramount Chiefs and Chiefdom Counsellors. But 78% of the community respondents have never seen the agreements.⁵³ The land leases seen by ActionAid were also in English, not the local language Temne.⁵⁴ One of those who signed the land lease agreement said he did not understand it.⁵⁵

Addax could argue that the details of the land lease agreements were meant for the signatories only and they should have been responsible for consultation with their communities. This would however have been an abrogation on the part of the company that is not allowed under the RSB certification. Here it is the responsibility of the feedstock producer, feedstock processor and/or biofuel producer to comply with the requirements to meet FPIC.⁵⁶

See above. The land lease documentation (the Land lease, the Acknowledgement Agreement , the Explanatory Note) were publicly disclosed between May 2009 and April 2010 to the communities, landowners, Chiefdom Councils and District Councils in a number of public meetings at which individual landowners, civil society and media attended and were given hard copies.

Special meetings targeting only the land owners took place in July 2009 and September 2009 at which many valuable and critical comments were given.

The land lease documentation (the Land lease, the Acknowledgement Agreement, the Explanatory Note) were also part of the publicly disclosed ESHIA documentation which was publicly disclosed in a number of public meetings with the communities landowners, Chiefdom Councils and District Councils and in Freetown and in media between November 2009 and February on 2010, also on company websites and the websites of the international consultants involved.

The company arranged for a lawyer to represent the communities, paid for by the company: "landowners and local authorities were represented by a respected law firm of their choosing to ensure negotiations were held on a level playing field".⁵⁷ As the RSB audit says, this was done to "represent their interests and to ensure that the lease agreements were well understood by all affected."⁵⁸

This claim stands in sharp contrast with the claims of landowners and local people. 75% of community resident respondents claim that they never saw the lawyer that was supposed to represent them. Only 2% believe that they were well represented by the lawyer.⁵⁹

To illustrate this point, the leases include the wording: "The Company ... shall be entitled to have exclusive possession over all that forms part [of the] Demised Premises including villages, rivers, forests and all other forms of environment."⁶⁰ But the local NGO SiLNoRF (the Sierra Leone Network

on the Right to Food) states that community members would have objected to this clause because of their heavy reliance on resources from forests and water courses.⁶¹

Moreover, at the time of writing in mid-2013 (some three years after Addax started clearing the land) local communities told ActionAid that they are still not adequately informed on a range of important issues that should have been clearly resolved prior to the project starting, including:

- What jobs would be provided to them and over what period? This issue remains largely unresolved as noted in the RSB audit - there was a “lack of understanding of conditions of employment agreements”.⁶²
- What land would be taken, including the most productive low-lying seasonally flooded land for rice (‘bolilands’) and when it would be taken? As the AfDB states: “the Addax land selection strategy was based on avoiding the lower lying swamp lands which are currently used for rice production by local people (this is given more consideration in the next section)”.⁶³
- The way that the FDP would work? An independent report for Swedfund in 2012 (one of the major donors) confirmed that: “In a few cases, insufficient consultation with villagers has meant that the FDP, and the respective roles of Addax and local people in its implementation, have not been made sufficiently clear to locals”.⁶⁴
- What would happen regarding the provision and building of social amenities such as schools and medical clinics?

In addition, a requirement of the RSB certification demands that informed consent should have a specific gender perspective. Women are not allowed to own land (but may use land) and therefore were not party to _____

The project is far from sustainable and is undermining communities’ rights. Many the negotiations and many were simply not consulted by the company as to whether they gave their consent. The absence of free, prior and informed consent (FPIC), and a gendered perspective are key components in the lack of sustainability of the project and makes the Addax plantation a land grab as defined by the Tirana Declaration.⁶⁵

Communities allege to have been misinformed

In interviews with ActionAid in January 2013, respondents voiced a number of issues that they said had left deep resentment within the project area; some of these are in relation to the ‘promises’ the respondents say were made to the communities in return for allowing the project to proceed.

When people agree to give up their land, affected communities place great faith in the project or the company to help lift them out of poverty. The provision of jobs and social amenities are key in this respect. But it appears that any promises made were not written down. Even if promises were not made by the company itself, Addax failed to control expectations on the ground. It appears the promises respondents referred to may have come from public officials.^{66,67}

Respondents told ActionAid that promises were made regarding the building of schools and medical clinics but these have not materialised. Addax claims that it should be the responsibility of the District and Chiefdom councils to which some of the land compensation is paid.⁶⁸

One further issue is the use by the company of bolilands. The 2012 report for Swedfund confirms there is a presumption against the use of bolilands.⁶⁹ Clearly, the issue of bolilands was discussed

with communities; but here the communities' expectations may again have been raised – that the company would avoid these areas and confine its activities to other land, but hasn't.⁷⁰ There is still widespread belief in communities that Addax is going to use bolilands for only three years, which terminates in 2013.⁷¹ One village is still resisting the taking of bolilands by the company.⁷²

Conclusions and recommendations

_____people told ActionAid that because their land has been taken, the failure in places of the FDP, poor wages and job insecurity as local prices and costs rise, they now simply do not have enough to eat. Of those interviewed for ActionAid, 99% said there was hunger in their communities and 90% said this was due to the loss of land to Addax.⁷³

Overall, 82% of respondents said they are dissatisfied with Addax's operations. But the vast majority (96%) want Addax to stay and make amends.⁷⁴

ActionAid calls on donors to demand that Addax dramatically improves the lives of the communities in the project area by (as a minimum):

- paying better wages and fair compensation
- employing young local people on long term contracts
- stop further land being taken for the plantation
- relinquishing bolilands and overhauling the Farmer Development Programme to enhance food security after consultation with the communities (and delivering the whole programme free for the duration of the lease).

If necessary, this should be done through the renegotiation of the land lease agreements.

Additionally, Members of the European Parliament have an opportunity at a vote during the second week of September 2013 to change the damaging EU policies that drive the rush for land grabs from companies such as Addax. MEPs should vote for:

- A 5% cap on the use of land-based biofuels that can count towards targets in EU biofuel legislation, with a view to phase out the use of such biofuels as soon as possible.
- The introduction of a binding carbon methodology that accounts for indirect land use change (these should be feedstock specific).
- The introduction of binding social sustainability criteria for all bioenergy, including wastes, residues and other biomass.

Addax Bioenergy welcome strict sustainability criteria but fail to understand why African farmers are going to be hindered to produce certified low carbon biofuels for domestic use or export.