UNDERSTANDING LAND INVESTMENT DEALS IN AFRICA

COUNTRY REPORT: SIERRA LEONE
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The Oakland Institute
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ABOUT THIS REPORT

This report is part of the Oakland Institute’s (OI) seven-country case study project to document and examine land investment deals in Africa (Ethiopia, Mali, Mozambique, Sierra Leone, Sudan, Tanzania, and Zambia) in order to determine social, economic, and environmental implications of land acquisitions in the developing world.

The research team conducted a thorough examination of the actual agreements and the extent and distribution of specific land deals. Through field research, involving extensive documentation and interviews with local informants, multiple aspects of commercial land investments were examined including their social, political, economic, and legal impacts.

The report provides background on the institutional and political context of the country, the current macroeconomic situation, the state of food and agriculture, and the current investment climate. Additionally, it documents detailed information regarding four land investment deals currently being carried out in Sierra Leone.
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<tr>
<td>A4D</td>
<td>Agriculture for Development</td>
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<tr>
<td>ABC</td>
<td>Agricultural Business Centre</td>
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<td>AJME</td>
<td>Sierra Leone Association of Journalists on Mining and Extractives</td>
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<td>AOG</td>
<td>Addax &amp; Oryx Group</td>
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<td>APC</td>
<td>All People’s Congress, Sierra Leone</td>
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<td>ATI</td>
<td>African Trade Insurance Agency</td>
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<td>AU</td>
<td>African Union</td>
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<td>CAADP</td>
<td>Comprehensive African Agricultural Development Program</td>
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<td>CDM</td>
<td>Clean Development Mechanism</td>
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<tr>
<td>CER</td>
<td>Certified Emission Reduction</td>
</tr>
<tr>
<td>CES</td>
<td>Coastal and Environmental Services (South Africa consulting company)</td>
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<tr>
<td>COPAGEN</td>
<td>Coalition for the Protection of Africa’s Genetic Heritage</td>
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<tr>
<td>Crad-I</td>
<td>CAPARO Renewable Agriculture Developments Ltd.</td>
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<tr>
<td>DACO</td>
<td>Development Assistance Coordination Office (Sierra Leone)</td>
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<td>DEG</td>
<td>German Investment and Development Fund</td>
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<td>DFID</td>
<td>Department for International Development (UK)</td>
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<td>EAIF</td>
<td>Emerging Africa Infrastructure Fund</td>
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<td>ECOMOG</td>
<td>Economic Community of West African States Monitoring Group</td>
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<td>EIA</td>
<td>Environmental Impact Assessment</td>
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<td>ESHIA</td>
<td>Environmental, Social and Health Impact Assessment</td>
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<td>FAO</td>
<td>United Nations Food and Agriculture Organization</td>
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<td>FBO</td>
<td>Farmer-based organization</td>
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<td>FIAS</td>
<td>Foreign Investment Advisory Service (World Bank Group)</td>
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<td>GAFSP</td>
<td>Global Agriculture and Food Security Program</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GIEWS</td>
<td>Global Information and Early Warning System</td>
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<td>GIZ</td>
<td>German International Cooperation (formerly GTZ)</td>
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<td>GoSL</td>
<td>Government of Sierra Leone</td>
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<tr>
<td>GST</td>
<td>Goods and Services Tax</td>
</tr>
<tr>
<td>ha</td>
<td>Hectare (1 hectare = 2.4175 acres)</td>
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<tr>
<td>HIPC</td>
<td>Highly Indebted Poor Countries</td>
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<tr>
<td>IAASTD</td>
<td>International Agricultural Assessment of Knowledge, Science and Technology for Development</td>
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<td>ICF</td>
<td>Investment Climate Facility</td>
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<td>IDA</td>
<td>International Development Association (World Bank Group)</td>
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<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<td>IFC</td>
<td>International Finance Corporation (World Bank Group)</td>
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<td>IIED</td>
<td>International Institute for Environment and Development</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>ITC</td>
<td>International Trade Centre</td>
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<td>LIMS</td>
<td>Land Information Management System</td>
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<td>MADAM</td>
<td>Mankind’s Activities for Development Accreditation Movement (Sierra Leone)</td>
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<td>MAFFS</td>
<td>Ministry of Agriculture, Forestry and Food Security (Sierra Leone)</td>
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<td>MCC</td>
<td>Millennium Challenge Corporation</td>
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<tr>
<td>MIGA</td>
<td>Multilateral Investment Guarantee Agency (World Bank Group)</td>
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<tr>
<td>MOU</td>
<td>Memorandum of Understanding (and Agreement)</td>
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<tr>
<td>MP</td>
<td>Member of Parliament</td>
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<td>NARP</td>
<td>National Agricultural Response Program (Sierra Leone)</td>
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<td>NASSIT</td>
<td>National Social Security and Insurance Trust (Sierra Leone)</td>
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<td>NEADER</td>
<td>Network of Economic and Development Reporters (Sierra Leone)</td>
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<td>NEPAD</td>
<td>New Partnership for Africa’s Development</td>
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<td>NARP</td>
<td>National Agricultural Response Program (Sierra Leone)</td>
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EXECUTIVE SUMMARY

As of October 2010, little had been published about the scale or number of land deals in Sierra Leone. Only one large lease had garnered media coverage – that of the Swiss-based Addax Bioenergy for a 20,000 hectare (ha) plantation of sugarcane and production of ethanol for export to the European Union, a project for which Sierra Leone’s President Koroma has shown great support.1

Based on field research conducted between October 2010 and January 2011, this report provides new and important information on the social, political and economic implications of current land investments in Sierra Leone. The report examines how land agreements are being negotiated and the impacts these deals have had on local populations.

The study examines four case studies of foreign investments in land in Sierra Leone by the following investors:

- Addax Bioenergy (Switzerland): 20,000 ha, sugarcane plantations for ethanol production for export to Europe
- Quifel Agribusiness (SL) Ltd. (subsidiary of Quifel Natural Resources, Portugal): more than 120,000 ha, stated purpose is palm oil production, but company now claims to be interested in food production
- Sierra Leone Agriculture (subsidiary CAPARO Renewable Agricultural Developments, UK): 43,000 ha for an palm oil plantation
- Sepahan Afrique (Iran): 10,117 ha, palm oil and rice production (appears to be on hold or canceled)

Fieldwork resulted in the following key findings:

- Early 2011, close to 500,000 ha of farmland had been leased or were under negotiation for lease in Sierra Leone. The figure doubles if all land deals involving foreign carbon credit schemes and “pre-identified” land availabilities are taken into account.2
- Agricultural projects are still in early stages, with minimal clearing as of yet. Most of the large agricultural investments in Sierra Leone are still very recent, signed after 2007, and are not yet fully operational.
- A lack of transparency and public disclosure exists in all aspects of the four land deals. Land leases are negotiated directly with chiefs and landowners, and often the signatories do not have copies nor are they aware of the terms of the leases or even the land area covered. Only one of the four investors studied, Addax Bioenergy, has signed a Memorandum of Understanding (MOU) with the government of Sierra Leone (GoSL). As a result, there is little critical or accurate media coverage of the land deals, Sierra Leoneans don’t know how much of their farmland has already been leased to foreign investors, and there is no serious public debate on the subject.
- Foreign investors often employ local “agents” or “coordinators” to identify land for lease and negotiate leases with local communities, chiefs, and landowners. There is evidence that these “agents” take unfair advantage of local traditions, perceptions and vulnerabilities in order to convince local populations that they will benefit from the lease deals, while refraining from discussing potential risks such as loss of farmland or negative environmental impacts.
- The GoSL provides myriad financial incentives to encourage foreign investment. General fiscal incentives include a 10-year tax holiday on agricultural investments in tree crops and rice3 and zero import duty.4 Sierra Leone also allows 100 percent foreign ownership in all sectors, requiring no restrictions on expatriate employees and permitting full repatriation of profits.5
- The regulatory framework for the negotiation of land investments is extremely weak. The policy guidelines and incentives for investors, developed by the Ministry of Agriculture, Forestry and Food Security (MAFFS), contain a number of loopholes, and appear to be non-binding.6 Without the establishment of an MOU, the government and people of Sierra Leone are vulnerable to environmental degradation and loss of local rights to land.
- There is confusion surrounding the purported “availability” of cultivable land: the oft-quoted notion that 85 percent of arable land in Sierra Leone is available to investors appears to be based on outdated surveys, conducted over thirty years ago, as no recent land survey documents have been identified.
• SLIEPA, Sierra Leone's investment promotion agency, emphasizes opportunities for investors in sugar and palm oil in order to produce raw stock for agrofuel. Two of the investors profiled (Quifel and Addax Bioenergy) have taken out leases allegedly to produce agrofuels for export – utilizing valuable farmland to produce non-food products while Sierra Leone is still faced with chronic food insecurity.

• There is a lack of environmental protection. The land investments profiled in this study, as well as other private sector projects, have been implemented without due compliance with the Environment Protection Agency Act (2008). The Sierra Leone Environmental Protection Agency (SLEPA) is responsible for administering and enforcing the environmental, social, and health impact assessments (ESHIA), which are legally required for all development projects. However, evidence shows that these assessments are non-binding and investors have not been held accountable to them.

• The ongoing land reform process in Sierra Leone, which is supported by the World Bank, is driven by the government’s desire to accommodate foreign investors and facilitate their access to secure land holdings. Civil society groups argue that land tenure reforms should be focused, instead, on ensuring equitable access to land for women and youth.

• Questions regarding investors’ connections to the government surround Sierra Leone land deals. The law firm of Franklyn Kargbo & Co. represented local landowners and chiefdom councils in the Addax deal and represented the foreign investor, Quifel, in their land lease. At the time of the lease negotiations Franklyn Kargbo was an advisor in the Strategy and Policy Unit in the Office of the President. Later, in December 2010, Franklyn Kargbo was appointed Minister of Justice and Attorney General, with a key role in the development of land leases and with the responsibility of the ongoing land tenure reform process.

• Local farmers, landowners and community members have protested land leases in three of the four cases studies. In the majority of cases, formal grievance mechanisms have not been established, and with the Addax Project where a “grievance box” was made available complaint letters received no response.

• To date, none of the four case study investments adheres to the World Bank principles for responsible agro-investment, nor do they conform to the set of core principles laid out by the United Nations Special Rapporteur on the Right to Food, to address the human rights challenge posed by large-scale land acquisitions.

Based on the findings of this study, OI concludes that several major problems characterize the land acquisition trend in Sierra Leone:

1. There is a great lack of transparency and disclosure of land deals, to the extent that local communities cannot make informed decisions regarding lease negotiations.

2. The weak legal framework and lack of inter-agency coordination within the GoSL leads to weak oversight of land deals and lack of enforcement of protections and safeguards.

3. Confusion surrounding the “availability” of land for investment in Sierra Leone poses great risks to local communities. Without proper land inventories, smallholders’ land will continue to be infringed upon.

4. Land is being cultivated for agrofuel production as opposed to food production for local markets raising serious doubts about the value of investments for local food security.

5. The manner in which land deals are negotiated takes advantage of local vulnerabilities and social structures. The process lacks safeguards and grievance mechanisms.

6. The non-binding nature of Environment Impact Assessment requirements, and their lack of enforcement, allows investors to ignore their responsibilities and the health of ecosystems.

7. Promotion of land investment by the government and the World Bank Group leads to important questions regarding who benefits from these investments – a small privileged group or the majority of Sierra Leoneans.
8. Land deals are being negotiated in a manner that alienates local landowners and creates social conflict. Investors are not fulfilling pledges to the community and grievance mechanisms are not being honored.

Given this range of problems, the conditions surrounding agricultural investments in Sierra Leone are ripe for exploitation and conflict.

Improving the current situation in Sierra Leone will require cooperation from a number of actors and institutions. First, the World Bank Group and its agencies (International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA), among others) must apply their own Performance Standards to their investment projects, their advisory services, and the technical assistance they provide.

Second, the GoSL and related agencies (such as SLIEPA) must allow for transparency and full disclosure regarding land investments to ensure that community members are given their basic right to information so that they may make informed decisions. In addition, it is imperative that the regulatory framework surrounding land investments be improved, and stipulations made binding for investors.

Third, NGOs, international institutions, and other civil society advocates for human rights have a role to play in educating and assisting local communities who are affected by land deals or who may be affected in the future. Community consultation measures must be improved and the establishment of grievance mechanisms must be enforced. Further, international agencies must lend their expertise to the GoSL in leading a land tenure reform process that emphasizes equitable and secure land access for all Sierra Leoneans, including women.

Finally, there is an urgent need for all parties to assist with and carry out comprehensive land-use surveys and mapping. It is imperative that the government of Sierra Leone document current patterns of land use, vegetation cover, and water resources. A clear definition should be established to classify “used” versus “available” land; this should consider the full range of uses involved in smallholder farming, including the bush fallow system.

Until these recommendations are implemented, and until a complete inventory of foreign land holdings in the country is carried out and made public, international institutions and donor partners should discontinue support for large-scale land acquisitions in Sierra Leone.
FIGURE 1: Locations of Sierra Leone Land Deals
INTRODUCTION

Around the world, fertile land is being made available to investors, often in long-term leases and at giveaway prices. This trend, commonly referred to as “land-grabbing” by its critics, gained traction after the global food and fuel crisis of 2008. By the end of 2009, such investment deals covered 56 million ha of farmland around the world. Corporations, fund managers, and nations anxious to secure their own future food security have sought and secured large land holdings for offshore farms, or simply for speculation. The United Nations Food and Agriculture Organization (FAO) has suggested that this can engender a “win-win” situation, and the World Bank has laid out a set of principles for “responsible agro-investment” that in theory, could make this the case.

However, many civil society and human rights groups, smallholder farmer associations, and scientists disagree. They argue that “land-grabbing” threatens food security and the human right to food and land. They call instead for investment in and support for smallholder agro-ecological farming systems.

Africa has been a particular target of land- and water-hungry investors, comprising more than 70 percent of the investors’ demand. They are welcomed with many appealing fiscal incentives and strong investor protection in Sierra Leone, a small West African country of just 72,000 square kilometers (km²). President Ernest Bai Koroma makes no secret that he believes foreign investment is the answer to his country’s many development challenges. The government as well as SLIEPA claim that only 12 to 15 percent of the country’s arable land is being “used” or “cultivated,” implying that the rest is available for investors.

Sierra Leone is still struggling to rebuild after an 11-year civil war, which lasted from 1991 until early 2002. The brutal conflict was fueled by “blood diamonds” and long-standing grievances regarding inequitable distribution of power and resources in the country. The war decimated the nation’s infrastructure, agriculture, and the well-being of its people.

In some ways, Sierra Leone has since demonstrated positive recovery. There have been two democratic elections and economic growth, yet Sierra Leone still remains one of the least developed countries in the world. The government has made food security one of its main priorities; but at the same time it strongly promotes foreign investment with large land leases and plantation agriculture - mostly for export.

This report is divided into four sections. The first section provides a contextual overview of the political and macroeconomic situation of the country as well as the current state of food and agriculture. The second section provides an institutional overview which examines Sierra Leone’s current “investment climate”; this includes information on the country’s current agricultural development strategy, its campaign to attract foreign investment, and the involvement of external institutions, particularly the World Bank Group. The third section examines land use and land tenure and the “availability” of cultivatable land, discussing reform, and the regulatory framework governing land investments in the country. The fourth section presents the four case studies of land deals examined during OI fieldwork. A fifth section outlines ways for agricultural land acquisitions to be conducted in a potentially equitable manner and how land deals in Sierra Leone fall short of these recommendations.
I. SIERRA LEONE: OVERVIEW

Sierra Leone is a small West African nation bordered to the west by the Atlantic Ocean, to the north and northeast by Guinea, and to the south and southeast by Liberia. Sierra Leone is richly endowed with natural resources and fertile lands. Its mineral wealth includes deposits of diamonds, bauxite, rutile (titanium dioxide), iron ore and chromite. Its lands, particularly the inland valley swamps and “bollilands” (floodplains and lowlands that flood each year), are well-suited to rice production.

BOX 1. SIERRA LEONE AT A GLANCE

Area: 72,000 km² (7.2 million ha)
Four main physiographic zones:
- Coastline Plain (much of it swampy), 50 km wide and maximum elevation of 50 meters (m), 15 percent of the country
- Interior Plains, occasionally broken by rocky outcrops (inselbergs), altitude 50-200 m, covering 43 percent of the country
- Guinea Highlands (northeast), altitude ≥ 500 m with highest point at 1,948 m, covering 20 percent of the country
- Plateau Region, immediately south of the Guinea Highlands

Country can be generally categorized as:
- Uplands (60,650 km²)
- Lowlands (11,650 km²)

Land suitable for cultivation estimated at 5.36 million ha or 53,600 km², about 74 percent of the total land area:
- Arable lands (uplands) estimated at 43,000 km²
- Arable lands (lowlands) about 10,600 km²

The lowlands can be categorized by four ecosystems:
- Inland valley swamps (6,300 km²)
- Mangrove swamps (2,000 km²)
- Bollilands (1,200 km²)
- Riverine grasslands (1,100 km²)

Sierra Leone is home to 5,246,000 people with around 38 percent of the population living in urban areas. Dominant ethnic groups include the Temne (35 percent), Mende (31 percent), Limba (8 percent) and Kono (5 percent) tribes. In addition, 2 percent of the population is Kriole (or “Krio”), an ethnic group comprised of descendants of freed slaves from the Americas who were settled in the capital of Freetown in the late 18th and early 19th centuries. Life expectancy in Sierra Leone is approximately 55 years, and the infant mortality rate is 80 deaths per 1,000 births. Literacy rate among the total population is only 35.1 percent, with the average Sierra Leonean completing 7 years of school.24

The legal system in Sierra Leone is based on English law as well as customary laws to indigenous local tribes. Political parties include the All People's Congress (APC), the party of the current president, Ernest Bai Koroma; the Sierra Leone People's Party (SLPP); People’s Movement for Democratic Change (PMDC); the Peace and Liberation Party (PLP); and several others.25

In general, Sierra Leone is an extremely poor nation with tremendous income inequality. Nearly half of the working-age population engages in small-scale agriculture. Manufacturing consists of the processing of raw materials and light manufacturing for the domestic market. Alluvial diamond mining remains the major source of hard currency earnings, accounting for nearly half of Sierra Leone’s exports. The 2010 GDP totaled USD 4.8 billion (ranked 161 in the world), with a GDP per capita of USD 900. Agriculture comprises 49 percent of the GDP, industry 31 percent, and services 21 percent (2005 est.). The population below the poverty line is 70.4 percent.26

Conflict and Recovery

Few countries have dealt with as much recent conflict, poverty, and suffering as Sierra Leone – much of which can be related to the country’s colonial legacy. In 1787, the British founded Freetown as a base, and it later became Britain’s largest naval base in the South Atlantic. Later in the 19th century, British forces conquered the inland tribes and organized a state comprised of different peoples, speaking 23 languages and hundreds of dialects. Following anti-colonial struggles in the 1950s, Sierra Leone was granted independence in 1961. Reaction against corrupt ruling elites was a contributing factor in the country’s 11-year civil war.

From 1991 to early 2002, civil war plagued the country, and many citizens fled or sought refuge in the capital, Freetown. For much of the war, anarchy prevailed and massive human rights abuses were committed.27 Much of the conflict spawned from an unequal distribution of natural resources, money, and power, but it was also fueled to a great extent by the illicit trade in “blood diamonds.”

In recent years, the country has slowly begun to recover from the conflict that decimated infrastructure, halted agricultural production, hurt education and, above all, crippled the confidence and welfare of the population. In 2004, the country ranked last – 177 of 177 nations on the United Nations Development Program (UNDP) Human Development Index. By 2010, it had risen significantly to 158 of 169 countries on the Index.28 Economic growth has also been positive. Sierra Leone, like Africa in general, weathered the global financial downturn somewhat above the world average. The effect of the financial crisis of 2008 was felt in 2009, when the real growth rate plunged from 5.5 percent to 3.2 percent.29 However, growth in the agriculture,
mining, and services sectors is expected to boost this rate to 4.8 percent in 2010–2011. The International Monetary Fund (IMF) reported that Sierra Leone was not as hard hit economically as wealthier industrialized countries because “it is less integrated, in terms of financial integration, which helped to insulate it.”

Food and Agriculture in Sierra Leone

Major food crops in Sierra Leone include rice (upland varieties as well as those suited to inland valley swamps and bolilands), cassava (both tubers and leaves), sweet potatoes (tubers and leaves), several kinds of green leaves for “plassas” or sauces, cocoyams, beans and pigeon peas, palm oil, plantains, peanuts, sesame, sorghum, and a wide variety of vegetables and fruits, both from domesticated exotic species (banana, mango, orange, avocado, papaya, guava, grapefruit, limes, pineapples) and local “wild” species of undomesticated plants and trees.

Farms in Sierra Leone are typically very diverse and worked manually by smallholders. Family farms tend to include a wide range of annual crops produced in dispersed fields or swamps, small-scale animal husbandry and various tree crops. Also, diets are often supplemented by the collection of wild plants and by artisanal fishing and hunting.

Following independence from Britain, and throughout the next two decades, Sierra Leone was a net exporter of food. Major agricultural exports included rice, spices (especially ginger), palm products (oil, kernels, kernel oil), cocoa beans, green coffee, kola nuts, fiber crops, cassava (tapioca) and tobacco. However, during the 1980s, even before the initiation of the war, a host of factors began to take their toll on agricultural production, which included cuts to research and agricultural extension programs, as well as political stagnation and deteriorating transport infrastructure. According to David Carew, Sierra Leone’s Minister of Trade and Industry, the collapse of the nation’s infrastructure was a key factor in the country’s transition from a net exporter of food to a net importer, as poor infrastructure slowed the transport of food from farm gates to the market.

Furthermore, beginning in 1989, World Bank and IMF intervention led to the curtailment of state-led agricultural programs and large-scale government investments in agriculture in an effort to encourage a market-based economy driven by the private sector. Some claim that this intervention was also partially responsible for Sierra Leone’s transition to a net food importer, as low levels of private sector investment coupled with the collapse of state farms and state-supported agriculture crippled Sierra Leone’s food security. Indeed, only in recent years, with the global market’s volatile fuel and food prices, have foreign investors shown interest in Sierra Leone’s agricultural sector.

State of Food Security

Sierra Leone remains a low-income and food-deficit country. In 2010, Sierra Leone was categorized by the FAO as one of five African countries with critical problems of food insecurity. This is attributed to its “slow recovery from war-related damage [in which] depreciation of currency led to higher inflation rates, negatively impacting households’ purchasing power and food security conditions.” Indeed, it is estimated that about half of the population was internally displaced by the war, and many of the internally displaced were youth from farming areas in the east and north of the country who sought refuge in urban areas and the artisanal diamond mines. This displacement resulted in a severe labor shortage in many rural farming communities. Today, many youth remain unemployed or under-employed and lack the means to return to their family farms.
Destruction of the country’s infrastructure during the civil war is another factor contributing to food insecurity. In 2008, the World Food Program (WFP) identified poor access to local markets as one of many serious impediments to increasing smallholder farmer revenues. The WFP survey found that for 22 percent of the villages studied, an average trip of 15 miles (about 24 km) is required in order to transport goods to market, and 6 percent of the villages were more than 30 miles (about 48 km) away from the nearest market.39

Oftentimes, local producers cannot compete in local markets because of poor market access as well as cheap prices of imported goods. In many towns throughout Sierra Leone, for example, nearly all the eggs on the market are imported from India, but still labeled “Farm Fresh.” Markets throughout the country are stacked high with onions from the Netherlands, rice from Pakistan and Thailand, chicken necks and backs from the United States, and palm oil from Malaysia. These relatively inexpensive food imports sustain urban populations (at least when global food prices are low) but undercut the incomes of local farmers.

The WFP survey also suggests that food access (due to financial constraints) is a greater problem than food availability.40

In post-conflict Sierra Leone, then President Ahmed Tejan Kabbah (who served as president during and after the war, from 1996-97 and again from 1998-2007) of the Sierra Leone People’s Party (SLPP) prioritized food security and the right to food. In 2004, the GoSL set up a Right To Food Secretariat in the Office of the Vice President. This effort was part of the country’s Poverty Reduction Strategy, which was based on the principle of the human right to food, a central plank in the SLPP government’s commitment to realize the right to food.
for all Sierra Leoneans by 2007. The government further set up District Food Security Committees to monitor food security results at a local level.41

However, the Right to Food Secretariat, as a functioning office in the Office of the Vice President, did not survive past 2007, when funding expired and the government changed. The new government reportedly planned to maintain the office within the Ministry of Agriculture, but other evidence indicates the office was to be taken over by FAO, pending further donor support.42 However, currently, the Secretariat is not a part of FAO and is no longer in existence.43

Today, Sierra Leone remains a net importer of food, with an estimated 80,000 metric tons of the staple rice entering the country in 2010.44 The country, however, is seeing an improvement in its own food production. In the second half of 2009, food imports dropped to USD 15 million (down from USD 32 million for the first half of 2009), driven largely by a substantial increase in domestic rice production due to an expansion in areas of cultivation. Food security remains a top government priority under President Ernest Bai Koroma’s “Agenda for Change,” and debate continues as to how agricultural development and food security can best be achieved.

Cassava and sesame beans on a family farm
Agricultural Development Strategy

Sierra Leone’s agricultural development strategy is characterized by the desire to attract foreign investment and a market-led approach for private sector development of commercial agriculture. This strategy is based on the assumption that the private sector drives the organization of value chains that bring the market to smallholders and commercial farms, a concept known as Agriculture for Development, or “A4D,” according to the World Bank’s 2008 Report.45

This strategy was formalized in Sierra Leone’s long-term National Sustainable Agriculture Development Plan (NSADP), signed in 2009.46 The overall objective of the NSADP is to “increase the agriculture sector’s contribution to the national economy by increasing productivity through commercialization and private sector participation.” The program aims to facilitate and strengthen the productive capacities of small and medium scale farmers and promote the development of agribusiness and commercialization in the transition to larger and more mechanized farms. Its focus is on agricultural products as commodities, and the Plan aims to facilitate access to markets and value addition for a selected range of agricultural commodities: rice, cassava, palm oil, cocoa, fisheries and non-timber forest products (firewood, charcoal, rattan, raffia).47

Furthermore, in response to the food and fuel crises of 2008, the GoSL formulated a National Agricultural Response Program (NARP), which, like the NSADP, promotes commercialization. The government then launched the first phase of its Smallholder Commercialization Program (SCP) on July 31, 2010, with a budget of more than USD 400 million for the next five years.48 The SCP is supported by Irish AID, FAO, WFP, European Union (EU), and also the World Bank’s Global Agriculture and Food Security Program (GAFSP).49 However, critics allege that the SCP is very top-down in its approach. It is claimed that this smallholder program will, in fact, do little to empower smallholders to develop their own local storage and processing facilities, which would increase capacity of smallholders to reduce post-harvest losses and increase their own access to and understanding of markets.50

Each of these programs emphasizes commercial agriculture and the commoditization of agricultural products, linking smallholders to markets and commercial value chains.51 An aim of NARP and the SCP is to establish 150 Agricultural Business Centers (ABCs) throughout the country.52 These are to be developed with processing equipment, materials to reduce post-harvest losses, and eventually, according to the coordinator, there is hope that the farmers can organize themselves and turn the ABCs into private companies. The World Bank is also providing funding intended to improve feeder roads.53

The relatively new emphasis on large-scale, commercial agriculture has been attributed to the 2007 transition of Sierra Leone’s government. While the former SLPP government encouraged smallholder agriculture as a legitimate sector of the country’s overall economic development strategy, the current government tends to view smallholder systems as no longer viable. Curiously, a 2004 government review of agriculture in Sierra Leone, prepared with the assistance of the World Bank and FAO, among others, characterized subsistence-based agriculture as “a system which is capable of satisfying the food needs of a balanced rural population and, at the same time, to produce some surpluses.”54 Furthermore, the same report stated, “the agricultural production system of Sierra Leone is based
on small-scale farmers. They should be supported and backed in their effort."55

Yet, no more than six years later, voices from these same offices and institutions now claim that traditional farming methods are outdated and impractical. Prevailing views, as expressed by Sierra Leone’s Minister of Agriculture, the FAO representative in Sierra Leone, and other policy-makers in the country, maintain that traditional smallholder farming with “hoe and cutlass,” is no longer viable.56 According to the Minister of Agriculture, farmers in the country have not been engaging in subsistence farming, but rather, “they’ve been sub-existing ... even what they were producing was not enough to feed themselves, let alone to feed the nation.”57 Indeed, the current government’s view is that modern, mechanized, industrial agriculture is the more appropriate path towards food security and economic development.

Critics say that this “new agriculture” – the agribusiness framework – will benefit only the traders and retailers while transforming smallholders into out-growers within the global division of labor, rather than sustaining the ecological and cultural integration of small-scale farming.60 Nevertheless, according to reports and presidential speeches, the GoSL, with funding from major donors, is strongly promoting the “Agriculture for Development” model to increase overall production, with an emphasis on agribusiness and commercialization in the transition to larger and more mechanized farms.61

Sierra Leone’s Campaign to Attract Investment

According to this agricultural development strategy, the GoSL, under President Ernest Bai Koroma, has made attracting and protecting foreign investment in agriculture one of its main priorities. Sierra Leone’s drive to draw direct foreign investment is an aggressive one, with the president and his ministers making numerous trips to the Middle East, Asia and Europe and offering invitations for potential investors to visit the country. In 2010, President Koroma received a delegation of 24 top investors from China who, following the president’s invitation, traveled to Sierra Leone to visit several agricultural sites, including large rice fields, palm oil plantations, a large Chinese-run sugar plantation at Magbass, and a rubber plantation.62

The 2009 Sierra Leone Trade and Investment Forum, held in London, was a landmark event in the country’s campaign to attract foreign investors. The stated goals of the Forum were to:

1. Inform the global investment community of Sierra Leone’s stability and the richness of the investment opportunities via presentations by leading members of government, including president Ernest Bai Koroma;
2. Validate the positive investment case for Sierra Leone through the endorsements of renowned international figures and investors, including Tony Blair and George Soros;
3. Expand in detail on the principal growth sectors in the economy, through a series of sector-specific presentations and open discussion; and

“You need to commercialize by providing machinery, labor-saving equipment. You know hoes and cutlasses are not anything for agriculture any more. You can use them for small jobs, but go out in the West, in America, we are talking about machines.”

–Dr. Joseph Sam Sesay, Minister of Agriculture, Forestry and Food Security, Sierra Leone68

“[In Sierra Leone], one of the biggest problems that farmers have is that they don’t have any traction, they work with a hoe. I don’t know if you’ve ever worked with a hoe, you can’t do too much land preparation with a hoe.”

–Kevin Gallagher, FAO Representative, Sierra Leone69
4. Guide investors on the many options available for financing investments and ongoing business operations in Sierra Leone, as well as discussions on the accessibility of insurance and investment support offered by international agencies.53

The forum was funded by the UK Department for International Development (DFID), the International Finance Corporation (IFC) of the World Bank Group, and the EU. It was organized in part by the African Governance Initiative, a charity of the former British Prime Minister, Tony Blair. Spearheading the Forum were Oluniyi Robbin-Coker, President Koroma’s special private sector advisor, and SLIEPA.64

The GoSL has also developed an incentives package of tax breaks and customs duty exemptions to attract large-scale agricultural investors.65 Incentives include 10-year corporate tax holidays on investments in “tree crops and rice”66 (which also include palm oil), as well as timber.67 In addition, agricultural investors in 2011 will benefit from zero import duty.68 Finally, the country allows 100 percent foreign ownership in all sectors; there are no restrictions on foreign exchange, full repatriation of profits, dividends and royalties and no limits on expatriate employees.69

These fiscal incentives are being offered to investors at the same time the GoSL has increased domestic revenue through new domestic taxes, including the new 15 percent “Goods and Services Tax” (GST), implemented in January 2010. This tax burden on citizens, coupled with the generous fiscal incentives offered to foreign investors, is a cause for concern. The Minister of Finance and Economic Development admitted in a 2011 budget speech that “the existing regimes and volume of requests for duty and other tax exemptions have tended to severely erode our tax base and undermine the effective progressivity, fairness, and efficiency of the tax system.”70 Also, an IMF official has stated that the generous tax incentives on offer in Sierra Leone – which SLIEPA and the government advertise widely to attract foreign investors – should be minimized. He believes the country should work instead to develop infrastructure that would appeal to foreign investors instead of granting them tax holidays.71 The IMF has shown that tax incentives, portrayed as a way to attract foreign investors in developing countries, merely reduce much-needed tax revenues for governments without promoting growth.72

SLIEPA: A Major Player

Perhaps the most important tool in the government’s efforts to market the country as a profitable and safe place for foreign direct investment is the Sierra Leone Investment and Export Promotion Agency (SLIEPA). Officially, SLIEPA is an agency under the Ministry of Trade and Industry; however, it operates independently, and physically sits apart from the complex that houses most government ministries.73 Created by an Act of Parliament in 2007 to replace the Sierra Leone Export and Development Corporation, SLIEPA began operation in May 2008 as Sierra Leone’s “official agency to assist and inform investors and exporters.”74 SLIEPA is responsible for facilitating the business of the Investment Promotion Act of 200475 and for supplying information and facilitation services sought by investors. The agency also provides a forum for the private sector to discuss investment policy with government.

This investment promotion agency was created with the direct assistance of the IFC and its Foreign Investment Advisory Service (FIAS), the UK Department for International Development (DFID), and the International Trade Centre (ITC), in both financial and capacity-building terms.76 IFC also provides foreign consultants (often referred to as “technical assistance” or “advisory services”) to promote investment opportunities in sugar and palm oil, the raw stock for agrofuels.77

SLIEPA advertises Sierra Leone as a prime location for agricultural investments, touting the extremely low rural labor rates by comparing them to higher rates in other agricultural investment destinations, such as Brazil, Thailand, and Indonesia.78 The SLIEPA website states, “Sierra Leone is ideal for resources, a tropical climate, rich soil, and lowland and highlands areas. A current base of production in staple foods (rice, cassava, vegetables), cash crops (sugar, cocoa, coffee, ginger and cashew), and tree crops (oil palm, coconut), [Sierra Leone] has potential for significant expansion. A communal/chiefdom land tenure system and strong government...
facilitation makes land easy to obtain in most agricultural areas through secure, long-term leases.”

SLIEPA further publicizes the following key points to attract potential investors:

- Agricultural labor costs range from USD 2 to USD 3 per day, on par with other African countries, and considerably less than alternate locations in Asia or Latin America
- Labor regulation is relatively flexible, with productivity-based payments widely applied
- Leases on good agricultural land range from USD 5 to USD 20 per ha per year (compared to USD 100+ in Brazil, USD 450+ in Indonesia and USD 3,000+ per ha in Malaysia)
- Currently, there is no charge for utilization of water resources
- Electricity rates are high, but it is expected that palm oil producers will generate their own power and sell to the grid – so high rates are beneficial
- Tax rates are very attractive, with 0 percent corporate income tax and 0 percent duty on imported inputs for qualified investors

Additionally, SLIEPA provides foreign investors with a very detailed document, “Leasing Agricultural Land in Sierra Leone,” which includes information about the people of Sierra Leone, their land, and how to access it. This document is not available to the general public or on the SLIEPA website. Prepared by SLIEPA and its “partner ministries” in the GoSL, with support from the IFC, the brochure helps investors “navigate through the land acquisition process in Sierra Leone” and provides a draft template lease agreement. Under “Get started: Create a local presence,” SLIEPA advises investors to “engage with an agent, facilitator, or joint venture partner, familiar with national and local-level stakeholders, to support the land acquisition process. SLIEPA may help with the identification of such individuals depending on the profile required.”

The document further offers investors the choice of targeting a site for sugar or palm oil, pre-identified by SLIEPA for a large project (10,000+ ha), or identifying a new area in the country to lease. It is unclear how SLIEPA identifies sites for such foreign direct investment.

SLIEPA offers little to no public information regarding its internal operations or the nature of land acquisitions in Sierra Leone. Details of location, size, or interests involved in land deals are rarely published. The first edition of SLIEPA’s newsletter in August 2010 makes mention of several large investments, without offering any details about the parties involved or leases being negotiated. A 2010 SLIEPA presentation provides an incomplete list of “top deals closed and top prospects closing” and offers no details on the location, duration, and nature of the actual and potential land deals. In addition, despite numerous phone calls and in-person visits to the SLIEPA office, the OI research team was unable to obtain a meeting with a SLIEPA official.

Furthermore, despite its key role in promoting investment throughout the country, SLIEPA is relatively unknown among Sierra Leoneans. None of the OI interviewees in local communities affected by land leases was aware of SLIEPA or its role in facilitating land investments in their country.

**World Bank Group Involvement**

SLIEPA was established as a project of the International Finance Corporation (IFC), the private sector arm of the World Bank Group, which has been working at many levels in Sierra Leone and throughout Africa to promote foreign direct investment through technical assistance and advisory services. IFC’s pro-investor mission is clear, with the stated aims of working with multilateral agencies to “deliver programs and advisory services that improve the investment climate, mobilize private sector investment, and enhance the competitiveness of private enterprises in Africa.”

The IFC program to “Remove Administrative Barriers to Investment” (RABI) led to the establishment of the Sierra Leone Business Forum (to act as the main vehicle for public-private dialogue on improving the business environment) as well as SLIEPA, and the IFC continues to provide financing and advisory services to both. In 2010, the IFC established for SLIEPA an Agribusiness Investment Task Force, whose
stated objectives are to:

- undertake preliminary land identification, community sensitization, as well as detailed land ownership mapping and land-use planning; and
- begin some of the groundwork with the local community, so that the process of acquiring land becomes easier and faster for the investor, and the communities are better informed and prepared to receive and negotiate with an investor.93

The Agribusiness Investment Task Force serves to introduce investors directly to communities and local authorities to access land. These objectives suggest that investors working through SLIEPA will be able to bypass MAFFS policy guidelines for agricultural investment that require investors to work through government ministries.

The IFC also provides funding and expertise to the World Bank Group’s Investment Climate Facility (ICF).94 The ICF is a “public-private partnership” backed by a number of powerful corporate sponsors, among them Anglo American, Coca Cola, Shell Foundation, SAB Miller, Unilever, and Standard Bank.95 In Sierra Leone, the ICF is running a land registration project in the Western Area where land is freehold (absolute and permanent tenure in which land can be bought and sold freely), with the aim of digitizing all land holdings and issuing deeds to landowners. This initiative shows the influence of IFC, the ICF, and its corporate partners in pushing for increased privatization of land throughout the continent.

Presumably due to the involvement of the World Bank Group, Sierra Leone is now reportedly “among the 30 most improved economies in the world over the past five years” and is highly ranked in “ease of starting a business” and in “protecting investors in West Africa.”96 The Bank ranks Sierra Leone as number two in Africa and number 27 worldwide for investor protection.

Investors in the country are protected under accords with two World Bank-affiliated risk insurance agencies. One is the African Trade Insurance Agency (ATI), established in 2001 with financial and technical support from the World Bank. ATI provides services to investors in need of various kinds of insurance to protect their investments, including political risk insurance “to protect themselves against specific losses that could negatively impact their performance such as government action, inaction, or interference that would result in financial loss.” It offers protection to investors, suppliers or lenders against these and other risks.97

The second is MIGA (Multilateral Investment Guarantee Agency) of the World Bank Group, which protects investors from a host of potential losses, including political upheaval. According to DeRisk Advisory Services, an authorized marketing agent for MIGA, the Agency “acts as a potent restraint on potentially damaging government actions... MIGA’s leverage with host governments frequently enables the agency to resolve differences.” In addition, bilateral investment protection agreements are also in place with several countries.98

Indeed, the amount of foreign investment that has begun to pour into Sierra Leone is testament to the pro-investment climate of the country. From 2000 to 2005, FDI in Sierra Leone averaged a mere USD 18 million a year. However FDI in 2007 alone reached USD 81 million.99 Investors now look to Sierra Leone as a competitive market with profitable benefits.

This has led prominent British businessman and personality, Lord Dennis Stevenson of Coddenham, current member the Advisory Board of ManoCap, a private equity fund that operates in Sierra Leone, Liberia and Ghana, to state that, “[Our investments] are not philanthropic investments, but a hard-headed pursuit of opportunities. We are in Sierra Leone because we see great returns there.” ManoCap currently manages two funds, the Sierra Leone Investment Fund that invests in all sectors except mining, and the ManoCap Soros Fund that invests in agribusiness and related sectors.100 Lord Stevenson is also the non-Executive Director of Western Union, of The Economist, Director and Chairman of the Halifax Bank of Scotland and Governor of the Bank of Scotland PLC.101
Despite the high level of institutional organization for attracting foreign investment in land markets, Sierra Leone lacks institutional capacity when it comes to the governance of land use and land tenure issues. A weak regulatory framework and little oversight of land deals leaves local landowners vulnerable to investor coercion. There is even evidence of speculation in the Sierra Leone land market, which is one of the more dangerous threats to local food security. Yet, Sierra Leone's legal framework for land issues appears to have no safeguard mechanisms for protecting locals' access to land.

Land Availability?

A major pillar of Sierra Leone's marketing strategy is the message that the country has vast areas of “available,” “unused,” or “under-utilized” land. However, it is unclear what is meant by these terms and whether Sierra Leone’s “cultivatable” land is, in fact, used or unused.

SLIEPA's promotional material claims, “Sierra Leone’s investment opportunities in agriculture are among the best in West Africa…. Only 15 percent of the country’s 5.4 million ha of cultivatable land were being farmed as recently as 2003.” Other quoted figures on land availability include:

- Sierra Leone has “more than 4 million ha of rich arable land not yet under cultivation.” – President Ernest Bai Koroma
- The country has 5.4 million ha of cultivatable land, “of which nearly 90 percent is available.” – SLIEPA
- “I’m telling you authoritatively that 12 percent of the arable land is cultivated.” – Dr. Joseph Sam Sesay, Minister of Agriculture, Forestry and Food Security
- “It turns out that we [Sierra Leone] actually have a lot of land, probably about two to three million ha that needs to be programmed somehow [and] I think food security is easy to achieve because we have a lot of land.” – Kevin Gallagher, FAO representative in Sierra Leone.

Despite the assuredness of Sierra Leone officials regarding the availability of arable land, recent data on land use and vegetation cover in Sierra Leone are scarce, if not nonexistent. OI’s comprehensive research among all concerned ministries and institutions failed to identify any recent original data or land-use survey that could have produced such figures. It appears that the figures generally cited originate from land surveys conducted in 1979 by UNDP/FAO when the Sierra Leone population was about half of what it is today.

The oft-quoted figure of 15 percent (805,000 ha) of the country’s total arable land as being cultivated is cited in a 2010 FAO publication – a draft Bioenergy Background Review, intended to determine how much land is required for food security in Sierra Leone and to assist the Ministry of Energy in developing a bioenergy policy. The report suggests that the rest of the land (85 percent of arable land) is available for agricultural development and large-scale investors.

However, the FAO report uses data from an outdated forest inventory, completed in 1975. Since that time, deforestation has been rapid, and current estimates show that around five percent of original forests are still standing. Based on these obsolete figures as well as rudimentary calculations of population growth, basic caloric requirements and areas needed to cultivate crops, the draft FAO bioenergy report concludes that Sierra Leone requires only 28 percent of its land area.
to ensure its own food security; that Sierra Leone has the potential to produce enough ethanol to supply 10 percent of its own fuel needs on just 3,000 ha; and that the country has about 4.6 million ha of land available for large-scale agricultural investors.  

Incredibly, it seems that this short draft report, prepared by a student at FAO in Sierra Leone, is being used by the GoSL for policy- and decision-making. Indeed, a director at the Sierra Leone Environmental Protection Agency (SLEPA) refers to the draft report as something that will help the country develop policies that will “ensure that the biofuel companies [leasing Sierra Leonean land] leave a good deal for the country.”

Furthermore, the terms “under cultivation” or “used” by government officials or investors do not fully encompass or understand the smallholder system of agriculture in the country.

Smallholder agriculture in Sierra Leone is heavily reliant on the “bush fallow system”, in which fields are cultivated for only a few years until soil fertility is deleted, and then are left fallow for 10 to 15 years. During the 10 to 15 years period, bush fallows perform important environmental services, such as soil nutrient replenishment, weed suppression, carbon sequestration, and protection of watersheds and water resources. They also promote re-growth of many plant and tree species, conserving biodiversity. Bush fallows also provide important resources such as firewood, construction materials, fodder for livestock, medicinal plants, and wildlife for “bush meat.”

The aforementioned 2004 government review of agriculture states that the bush fallow farming system predominates in Sierra Leone, and occupies 60 percent of the arable land “at the date of the last census” (completed in 1984-85), with smallholdings usually ranging from 0.5 to 2.0 ha of cultivated land under food crops. The report also affirms that this kind of farming accounts for about 60 to 70 percent of agricultural output and employs two-thirds of the farming population.”

If, in fact, 60 percent of arable land is occupied by the bush fallow farming system (or was in 1984-85 when the population was half of what it is today), then a majority of cultivatable land in Sierra Leone is indeed being “used” by smallholders.
Land Tenure Reform – For Whom?

Under colonial rule, the British established a dual system of land tenure in Sierra Leone. In the Western Area, which includes the capital, Freetown, and the entire peninsula where the capital is located, land ownership is freehold. This means that land can be purchased and sold.

In the rest of Sierra Leone (the Provinces), land cannot be bought or sold. Leasehold in the Provinces is governed by The Provinces Land Act of 1961, which is based on the Protectorate Ordinance of 1927 and the Tribal Authorities Ordinance of 1938. Under these laws, land is the “property” of indigenous land-owning families who are legally known as “natives” and who hold usufruct rights on it. The custodians of the land are Paramount Chiefs and the Chiefdom Councils, which hold land for and on behalf of the native community. Thus land is inherited from one generation to another and is controlled by families, villages, townships, clans or chiefdoms, and each family member is entitled to a piece of land for farming. As a result, non-natives who wish to acquire land, whether Sierra Leonean citizens or foreigners, often face numerous, unclear, and frequently-changing requirements.

According to the 1927 Protectorate Land Act, land leases in the Provinces cannot exceed 50 years for non-natives (including Krios), foreigners, foreign companies and even missionary churches), with possible extensions of up to 21 years.

There has been widespread interest for many years in land tenure reform in Sierra Leone for a number of reasons. First, under customary law in the Provinces, women are excluded from land ownership, with only a few exceptions. Many argue that women should receive more secure access to land, as they are major food producers and farmers. In addition, under the current land tenure system, it is difficult for Krio citizens to lease land outside of the Western area. There is also a push for land tenure reform in order to improve investor access to land. According to a 2009 UNDP report on land tenure issues in Sierra Leone, “International Financial Institutions, such as the World Bank, have long considered this tenure system as posing restrictions on agricultural investment and development.”

In March 2010, Sierra Leone’s Law Reform Commission began work on a policy document that would be the basis for new land tenure legislation. The project to develop a new land tenure policy is headed by the chairperson of the Commission and comprises of a team of five others who conduct the research and hold consultations with stakeholders in the Provinces. The chairperson says the aim is to “put all Sierra Leoneans on the same foot” when it comes to acquiring land in the country. However, interestingly, the Law Reform Commission’s work on land tenure reform is funded by the World Bank, and the recent push for rapid land tenure reform appears to be driven by a desire to facilitate large-scale agricultural investment. According to the chairperson, “Basically, the government is trying to make it much easier for investors.” The idea is to reduce the number of actors involved in land negotiations and then to ensure security of those deals.

Indeed, a 2009 policy document on agricultural investment policies produced by the MAFFS suggests that government priorities lie with investors. The document offers a stop-gap measure by the GoSL to ensure that large-scale land deals are not impeded by the existing land tenure laws or delayed while the land tenure reform goes through. It states: “Government will serve as intermediary between the land owners/host communities and the foreign private investor. For that purpose, the Government will lease the land of interest to the foreign private investor from the landowners and, in turn, sub-lease it to the investor.”

There are concerns that the land tenure reform, by favoring investors, will overlook the rights of local peoples, particularly women. For example, civil society groups fear that foreign investment will displace women farmers who currently have no title to land and thus are not eligible for compensation from land leases. Such concerns are shared by Olivier De Schutter, the UN Special Rapporteur on the Right to Food, who, in a 2010 report, acknowledged that security of land tenure is crucial, but he argued that creating a market for land is not necessarily the most appropriate way to achieve it. The report recommends that if market-led reforms are undertaken, that they be compatible with human rights, that governments regulate to prevent
speculation, and that imbalances in access to land between men and women be removed. Despite UNDP recommendations that Sierra Leone, in its land tenure reform process, undertake assessments of current regulations, compile data on new large-scale land investments, and audit the quality of land and related resources, such as water, the OI research team found no evidence that any of these recommendations are being implemented.131

Weaknesses in Regulatory Framework
Sierra Leone’s regulatory framework surrounding agricultural production and investment in agricultural lands is weak and unclear. Gray areas in existing legislation provide loopholes for investors and do not guarantee equitable distribution of revenues from agricultural production. In 2009, the MAFFS laid out a set of policy guidelines for agricultural investment and incentives in Sierra Leone.132 This section examines excerpts from the 2009 MAFFS guidelines, entitled “Investment policies and incentives for private sector promotion in agriculture in Sierra Leone,” and finds several shortcomings.

First, the MAFFS guidelines are non-binding. For example, Section II, article 4 of the document states, “Generally, the MAFFS will be responsible for facilitating the investor’s activities.” In reality, there is no clear or binding policy statement that obligates investors to go through government ministries or agencies. Technically, SLIEPA is the entry point for large-scale investors, who are then directed to the relevant personnel in the sector ministry. In the case of a land lease, the Ministry of Lands would have to be consulted first. In the case of a purely “agricultural” project, the responsible sector ministry is MAFFS. If an investment involves production of agrofuels, such as ethanol from sugar, then four Ministries would be involved – Ministry of Trade and Industry, Ministry of Energy and Power, Ministry of Finance and Economic Development, and MAFFS.133 However, there are cases of land deals in which investors have completely bypassed negotiation with government ministries.

MAFFS further requires that every investment program or proposal successfully undergo environmental screening (Environmental Impact Assessment, EIA). However, if investors negotiate directly with local chiefs and landowners, bypassing MAFFS or other ministries, it is unlikely EIA obligations will be enforced.

Additionally, the MAFFS guidelines state, “The investor will pay USD 5 per acre (USD 12 per ha) per year for any lease agreement.” This stipulation is clearly non-binding, as Sierra Leone Agriculture (SLA), which leased 43,000 ha of land for palm oil, pays only USD 2 per ha per year, having negotiated its lease directly with chiefs and landowners, bypassing MAFFS altogether.134 Similarly, Quifel Agribusiness (SL) Ltd. leased more than 120,000 ha, for which it is also paying far less than the rate stipulated by MAFFS of USD 12 per ha per year.

Second, the document states, “Between 5 and 20 percent of company shares should be offered to Sierra Leoneans, especially to those from the investment area.”135 But, as this study shows (see Section IV), this proposition is also non-binding.

Indeed, the document includes only weak stipulations for compensation to host communities. It states that an investor must “clearly spell out the description, specifications, quantities and locations of support to be given to host communities in the form of infrastructural development and/or rehabilitation or reconstruction, community capacity building, and possible networking for that community to benefit from other sources of assistance.” However, it is not clear how this compensation is defined and how, or whether, it will be monitored.

The guidelines are also unclear about land to be used for agrofuel versus food production, stating, “only land that is non-competitive for other agricultural uses (normally referred to as “marginal lands”), especially for food production, will be allowed to be cultivated for bio-energy production.” It then goes on to contradict its own policy, stating “there is a tendency to grow bio-energy crops in more fertile lands.” Indeed, OI research concluded that none of the lands leased for agrofuel production could be construed as “marginal” – the local farming communities all affirmed that their land is fertile and productive.

According to the Minister of Agriculture, Forestry and Food Security, companies investing in agriculture
in Sierra Leone must sign a Memorandum of Understanding (MOU) with the government, as well as submit a 3-5 year investment plan to the Government Negotiating Team that outlines the composition of production. One reason for this agreement is to ensure that biofuel production does not displace lands that could be used for food production in the country. However, there is evidence that investors have also bypassed this requirement, as detailed in the Addax Bioenergy case study (see below), where local people have lost their fertile bolilands that were drained for production of sugarcane for ethanol.

Finally, there is no policy guideline requiring public disclosure of land deals, and thus, there are no measures to ensure even a minimum level of transparency and accountability.

The MAFFS guidelines appear to be inconsistent with SLIEPA’s 2010 document for investors, Leasing agricultural land in Sierra Leone. While the SLIEPA document informs investors that they need to register their company, it does not inform them that they must go through any government ministry or develop a business plan for approval by the Government Negotiating Team.

The Minister of Agriculture, Forestry and Food Security says the normal entry point for agricultural investors is his ministry, which would advise on the areas that investors could go and look for land, depending on what they were interested in producing. He is adamant that in Sierra Leone the investors “cannot just go directly and get the land; we have to be involved.” However, the Ministry of Internal Affairs, Local Government and Rural Development (under which Paramount Chiefs and District Councils fall) assisted at least two large-scale foreign investors (SLA and Quifel) in negotiating their land leases directly with local leaders – without going through MAFFS.

Thus, there appears to be considerable confusion among government ministries about land investment requirements and about the entry point, control, and monitoring of investments.

Based on weak and often contradictory policy documents, it is clear that a number of loopholes exist, which allow investors to bypass negotiation with the appropriate ministries and other government agencies, resulting in a lack of oversight and monitoring of land deals. Indeed, OI research confirms that many investors with land leases in Sierra Leone have signed no formal agreement with government ministries.
Despite the lack of official information on land deals – and the unclear information that does exist – the OI has attempted to collate and compile a list of the agro-investors in Sierra Leone. Findings show that about 500,000 ha have already been leased or contracted out to large-scale agricultural investors, mostly foreign. Many of these land holdings are for large-scale, industrial cultivation of sugarcane or palm oil. However, based on the following projections (see Tables 2 and 3), and on SLIEPA promotional materials showing “target” areas for large-scale land leases for sugar and palm oil, OI estimates that the actual figure for land leased, or soon to be leased, is likely much higher than the figure of 500,000 ha.
<table>
<thead>
<tr>
<th>Investor</th>
<th>Origin</th>
<th>Province / District</th>
<th>Chiefdoms</th>
<th>Size (ha)</th>
<th>Estimated Investment</th>
<th>Product / company focus</th>
<th>Status/ MOU signed/ Available?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addax Bioenergy Sierra Leone Ltd./ Addax &amp; Oryx Holdings BV Addax &amp; Oryx Group (AOG)</td>
<td>Switzerland</td>
<td>Bombali</td>
<td>Makarie Gbanti</td>
<td>2 phases, each 10,000 ha, total 20,000; 15,500 ha according to ESHIA.</td>
<td>300 million Euros (phase 1: 2010-13); 300 million Euros (phase 2: 2013-15)</td>
<td>Sugarcane/ Ethanol (export) Electricity (15 MW for sale to grid phase 1; 30 MW phase 2)</td>
<td>MOU with GoSL available; Land lease not made available to OI</td>
</tr>
<tr>
<td>AIM Agroindustriale</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10 million USD</td>
<td>Energy</td>
<td>Yes, with GoSL/not made available to OI, not mentioned by Minister Agriculture</td>
</tr>
<tr>
<td>Chicason Group Conglomerate of over 20 companies</td>
<td>Nigeria</td>
<td>Offered by President Koroma anywhere in the country</td>
<td>20,200 ha (50,000 acres offered by President Koroma anywhere in the country)</td>
<td></td>
<td></td>
<td>Company’s interests include: Manufacturing, mining, oil and gas</td>
<td>Lease/MOU not made available to OI</td>
</tr>
<tr>
<td>Complant</td>
<td>China</td>
<td>Northern Tonkolili</td>
<td></td>
<td>1,200-2,000 ha</td>
<td></td>
<td>Sugarcane cultivation; Rehabilitated old sugar mill</td>
<td></td>
</tr>
<tr>
<td>Malaysian Government, Islamic Development Bank</td>
<td>Malaysia</td>
<td>Southern Bonthe</td>
<td>Mattru</td>
<td>2,500 ha</td>
<td>15 million USD</td>
<td>Palm oil 10 ton/hour processing plant</td>
<td></td>
</tr>
<tr>
<td>MOST Ethanol Co; Grynberg Petroleum</td>
<td>USA</td>
<td></td>
<td></td>
<td></td>
<td>600 million USD</td>
<td>Sugarcane to ethanol Company activities: Oil and Gas Exploration/ Production Ethanol Refinery Projects/ Central America and West Africa</td>
<td>Yes with GoSL/not made available to OI</td>
</tr>
<tr>
<td>Quifel Agribusiness (S.L.) Limited Quifel Natural Resources</td>
<td>Portugal</td>
<td>Northern Port Loko</td>
<td>Upper Koya, Loko Masama, Lower Masimera</td>
<td>126,000 ha; 25,000 ha (Lower Masimera); 27,000 ha (Upper Koya); 74,000 ha (Loko Masama)</td>
<td></td>
<td>Rice, pineapple, cassava, vegetables (palm oil originally planned, but company now conducting trials to decide what to cultivate)</td>
<td>Leases signed for three areas with chiefs and district council.</td>
</tr>
<tr>
<td>INVESTOR</td>
<td>ORIGIN</td>
<td>PROVINCE / DISTRICT</td>
<td>CHIEFDOMS</td>
<td>SIZE (HA)</td>
<td>ESTIMATED INVESTMENT</td>
<td>PRODUCT / COMPANY FOCUS</td>
<td>STATUS/ MOU SIGNED/ AVAILABLE?</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>-----------------------------</td>
<td>----------------------------</td>
<td>--------------------------------</td>
<td>-----------</td>
<td>----------------------</td>
<td>-----------------------------------------------------------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Sepahan Afrique Ltd.</td>
<td>Iran</td>
<td>Northern Port Loko</td>
<td>Marampa, Buya Romende</td>
<td>10,117 ha</td>
<td></td>
<td>Only nursery is functional, with palm, oil castor, jatropha, lemon grass (latter being dried &amp; exported). Community says the contract is annulled, report negotiating with Danish investors now.</td>
<td>MOU signed in 2007/not available</td>
</tr>
<tr>
<td>Sierra Leone Agriculture (SLA) CAPARO Renewable Agricultural Developments Ltd. (Crad-l), CAPARO GROUP</td>
<td>UK</td>
<td>Northern Port Loko</td>
<td>Bureh Masseh (BKM)</td>
<td>43,000 ha + &quot;maybe&quot; seeking more land (CEO interview); 46,000 (according to Crad-l website)</td>
<td></td>
<td>Palm oil plantation for comestible oil for local market (CEO interview); Palm oil (agrofuels, soap) (interviews with informants working with company)</td>
<td>Land lease signed 2003 (CEO), no contract necessary with GoSL(CEO)</td>
</tr>
<tr>
<td>SocFin</td>
<td>Belgium/Luxembourg</td>
<td>Southern, Pujehun (Malen Chiefdom)</td>
<td></td>
<td>6,475 ha</td>
<td>100 million USD</td>
<td>Palm oil and rubber</td>
<td>Land lease for 50 years signed in early 2010, with plans to expand later</td>
</tr>
<tr>
<td>Siva Group Biopalm Energy (BioPalm Sierra Leone)</td>
<td>India</td>
<td>Southern, Pujehun</td>
<td></td>
<td>80,000 ha</td>
<td></td>
<td>Palm oil</td>
<td></td>
</tr>
<tr>
<td>Sub Sahara Biofuels (S.L.) Limited</td>
<td>Sierra Leone</td>
<td>Northern Tonkolili</td>
<td></td>
<td>?</td>
<td></td>
<td>Sugar and ethanol mill</td>
<td>Seeking operational and financial partner</td>
</tr>
<tr>
<td>Vedico Mange Bureh Farm Ltd in co-operation BHB GmbH Projektmanagement; Cuu Long Delta Rice Research Institute</td>
<td>Germany/Vietnam</td>
<td>Northern Port Loko</td>
<td>Bureh</td>
<td>Up to 50,000 ha (phase III)</td>
<td></td>
<td>Rice</td>
<td></td>
</tr>
<tr>
<td>Whitestone Charles Anderson</td>
<td>UK</td>
<td>Northern Koinadugu</td>
<td>Sulima Sengbe</td>
<td>115,000 ha</td>
<td></td>
<td>To sub-lease to other investors (one source) Biofuel (another source)</td>
<td>Seeking investment</td>
</tr>
<tr>
<td>Windcliffe Ziad Tassabehji</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100 million USD</td>
<td>Palm oil</td>
<td>First quarter of 2011</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>499,992–508,292 ha</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. Addax Bioenergy Sierra Leone Ltd/
Addax & Oryx Holdings BV

OVERVIEW

Addax Bioenergy is a division of the Swiss-based energy corporation Addax & Oryx Group (AOG), created in 2007. AOG is a private oil and gas/petroleum trading company founded in 1987, with a focus on the energy sectors in sub-Saharan Africa, including Sierra Leone. Its Chairman is a Swiss billionaire, Jean Claude Gandur.

In Sierra Leone, the Addax Bioenergy project will produce sugarcane on 20,000 ha for ethanol production, to be exported to the European Union. Addax benefits from a duty-free access to Europe through an Economic Partnership Agreement. The sugarcane by-products will be used to generate about 15 megawatts (MW) of excess power, which will be sold to Sierra Leone and fed into the national grid.

The President’s special advisor on the private sector describes the project as the country’s “flagship” investment.” The Addax project has been strongly supported by President Ernest Bai Koroma, who traveled with Mr. Gandur to the lease area in the Northern Province to sign the Memorandum of Understanding (MOU) on February 9, 2010.

The Addax land lease is for 50 years, with a possible extension of 21 years. Rents from the annual rental fee of USD 12 per ha are to be divided among landowners (50 percent), Chiefdom Councils (20 percent), District Council (20 percent) and the national government (10 percent), in accordance with the MAFFS policy document on lease payments and distributions.

Employment figures vary according to the source. The MOU states that in the first phase of production (2010-2013) the project will employ an estimated 3,000 people, increasing to 4,000 in phase two of production (2013-2015). The Addax website states that the project will provide more than 2,000 “direct jobs,” without defining what a “direct job” entails, whether permanent or seasonal. The Environmental, Social and Health Impact Assessment (ESHIA) for the project said Addax
would employ approximately 2,200 permanent and 2,500 seasonal workers, locally recruited.  

The MOU for the project was passed by the Sierra Leonean Parliament on November 10, 2010. The main opposition party, the SLPP, expressed concern that the use of land to produce bioenergy consumes lands that should be used for food production, and that food security is at risk. However, the ruling party that has championed the project, the APC, as well as the smaller PMDC party, supported the MOU, and the project was approved. 

The MOU states that Addax shall be exempt from any law that comes into effect, or is amended, modified, repealed, withdrawn or replaced, that has a material adverse effect on Addax (or its contractors or shareholders). This means that any new land tenure legislation or tax regime developed by the current or future governments will not affect the land agreement or the Addax project. Thus, future governments and generations are locked into the terms of this MOU, and presumably the actual land lease, until 2060.

### CONTRADICTIONS AND CONCERNS

There are many discrepancies among what Addax, the Environmental Social and Health Impact Assessment (ESHIA), government officials and other proponents of the project claim, and what is actually happening on the ground. 

First, the Addax Project ESHIA states that the lease site has been previously degraded through human activity, and scarred by former tobacco plantations up until 1980. It also states that most of the original vegetation has long been cleared or burnt to make way for irregular use as pastures and for subsistence farming. Furthermore, the Minister of Agriculture, Forestry and Food Security says that the soils are sandy and “not favorable” for rice, and that people have been waiting to see the area between Lunsar and Makeni (part of the lease area) cultivated.

These assertions are firmly denied by local farming communities. In response to suggestions that the land was degraded and the soils were not favorable in the leased area, an elder in Lungi Acre replied, “It’s a big lie. It’s nonsense . . . it’s here we used to get the most rice to service the whole place . . . This place is called Lungi Acre because of its rich productive capacity, and we schooled all our children from the [rice we grew].” These claims have also been refuted by an agricultural extension officer who worked in the lease area before the project began. The officer stated in November 2009 that many farmers and many women’s farmer groups earned their livelihoods from the land, cultivating rice, cassava, and vegetables. They used no fertilizers and farmed “organic” produce because the land was “rich and fertile.”

Second, the Addax website states, “Presently, only small parts of the project area are used for food production.” It explains that a land use analysis of the site concluded that the most valuable food-producing areas on the site are the permanent rice paddies, located in land depressions. The website then states, “Addax has designed its plantation to get around the rice paddies, which will continue to be farmed and accessible by the local population.”

However, contradicting this assertion is the ESHIA document, which states that Addax will utilize a significant portion of land which was previously cultivated for staple foods such as rice and cassava. It warns about the negative impact on food security through an increase in food prices or decrease in food availability for the local population. The ESHIA also recommends that this negative impact be mitigated.
through a Smallholder Outgrower Scheme, which, to date, has not materialized. Furthermore, it states, “Future land for Addax should continue to be selected based on land which is underutilized, degraded/non-arable… and, apart from avoiding physical displacement, Addax land selection strategy must be based on avoiding cultivating the lower lying swamp land currently used for rice production.”

To convince local communities to accept the project, Martin Bangura, Member of Parliament (MP) for the area, who describes himself as the “champion” of Addax and the “bridge” between his people (the communities in the Addax lease area) and the company, promised community members that their lowland rice-growing areas (bolilands, or what the ESHIA calls “rice paddies”) would not be used. He pledged to them that Addax would use only the upland areas. Community member Mohamed B. Turay, in the village of Lungi Acre in the lease area, said he was in favor of the project initially because of these assurances that they could continue to farm the bolilands.

In 2010, about one year after Addax began its operations, community members began to realize that such promises had not been respected. Addax has reneged on their pledges and has ignored ESHIA recommendations. For example, Addax is failing to use only “underutilized, degraded/non-arable land”, for it is in fact cultivating the lower lying swamp land used for rice production. The very bolilands that the community of Lungi Acre had been assured would not be touched, were dried out in late 2010; large and deep channels were dug to drain them.

“When [Addax] came, they told us categorically that they will not touch our bolilands. But when they started touching it, we reported to our Honorable [Martin Bangura], and he reported back to us that, well, there is nothing you can do now as they’ve worked on it already and since they’re here to bring development, just go ahead. So we accepted for three years, because they are already working on it. But they have dried the bolilands up. Even if they return it to us, we will not be able
to use it, it will be useless... it’s spoiled, it’s dried up.” – Elder in Lungi Acre.\textsuperscript{175}

Finally, the MOU states that Addax will pay the negligible amount of 3 Leones [$.007 US cents] per cubic meter of water it will draw from the Rokel River. There is no mention of how much water the project intends to draw from the river for its irrigation or whether water extraction will be monitored.

The ESHIA for the project notes that there is a “severe” risk to the Sierra Leone River Estuary due to water extraction from the Rokel River for the project, the risk of which, with mitigation measures, becomes merely “moderate.”\textsuperscript{176} Moreover, mitigation measures are vague and difficult to monitor. The ESHIA states,

“The irrigation scheme will result in a stress on water resources. This can be effectively mitigated by implementing rainwater harvesting and irrigation water conservation measures. This will reduce the amount of water Addax requires, thereby reducing the stress on water resources. . . the cumulative impacts of the project on the Seli/Rokel River could result in very high impacts if unmitigated.”\textsuperscript{177}

The Sierra Leone Environmental Protection Agency (SLEPA) is responsible for monitoring such mitigation measures, but the agency suffers from a lack of capacity. It was recently transferred from the jurisdiction of the Ministry of Lands, Country Planning and Environment to the Office of the President, and as noted earlier, President Koroma is a supporter of the Addax project. Therefore the prospect of effective monitoring is unlikely.

THE COMMUNITY CONSULTATION PROCESS – TRANSPARENT AND INCLUSIVE?

Community consultation should be a key element in any land acquisition that will affect local populations. On its website, Addax states,

“Numerous public town hall meetings, formal presentations, and consultations have been held in
The project area during the last two years to inform the local communities and other stakeholders about all the features of the Addax Bioenergy project. People in the project area are continuously invited to ask questions and comment on the project. A formal grievance mechanism has been established which includes working committees as well as letter boxes installed throughout the project area.178

These statements are misleading and inaccurate. A major shortcoming in the Addax community consultations is that women, who cannot be landowners in the lease area, were not active participants in the consultation process. In November 2010, OI found women farming in the area who were not aware of the project. Women and other non-owners of the land do not qualify for a distribution of the rental fee, and yet they still lose their farmland to the project.

In addition, it is important to note that the law firm that is supposed to be representing the rights of landowners has explicit ties with the GoSL. Addax states on its website,

"Addax Bioenergy has, from the start, adopted a bottom-up approach, liaising directly with the communities and individual landowners. The landowners and the chiefdom councils were assisted by the reputable Franklyn Kargbo & Co law firm of Freetown in order to make sure their rights are secured."179

Addax fails to mention, however, that Franklyn Kargbo was, at this time, an advisor in the Office of the President, in the Strategy and Policy Unit, and in December 2010, he was named Minister of Justice and Attorney General in President Koroma’s cabinet.

The other key actor in the negotiating process between Addax and the communities/landowners was (and, as of this publications date, still is) another elected APC (ruling party) MP, the Honorable Martin Bangura.180

An elder and landowner in Yenkassa, a village in the Addax lease area, who signed the lease, didn’t know how much land the company was taking, for how long, or for what purpose. He said he agreed to the lease because he was led to believe that he would be paid a lot of money for the land, that he could rent the land for a certain period and then he could “drive [Addax] away” because the land belonged to him, and because he trusted his MP, Martin Bangura, who convinced him to support the project. In the elder’s words, “I have to accept because the Honorable is a well-educated man, he knows everything. So he [Bangura] get information and he convinced me to accept the coming of the company.”181

The company and its proponents clearly took advantage of traditional authority structures that prevail in rural Sierra Leone, where people do not question the word of respected community members, including Chiefs and MPs. In addition, some in the area felt they could not oppose the project because they knew it was being supported by the president.182

**BOX 3. ADDAX – GOOD EMPLOYMENT OPPORTUNITY FOR LOCAL PEOPLE?**

- Casual laborers are paid 10,000 Leones (approximately USD 2.25) per day, and are paid for only two out of every three weeks; a week’s wages are “held back.” Promises of a monthly salary have not been fulfilled.
- Casual laborers have no job security or benefits. No contributions are made on their behalf to the National Social Security and Insurance Trust (NASSIT).
- Laborers receive no transport or transport allowance. Laborers walk as far as 8 to 12 km to and from the site.
- The work is dangerous (cutting sugarcane with cutlasses); laborers have no protective gear and injuries are common.
- Laborers could be fired for offenses as minor as being caught eating a piece of sugarcane (and yet their work until the ethanol factory is completed and running, is to cut the cane and dump it for disposal).
Addax’s grievance mechanism is also ineffective. When the disenchanted farmers of Lungi Acre drafted a letter of complaint in October 2010 regarding the destruction of the bolilands, they sent it to the Addax community liaison officer and put it in the grievance box. No response had been received three months later.

NEGATIVE IMPACTS ON LOCAL PEOPLES
The African Development Bank reports that a total of 13,617 people will be directly and indirectly affected by the Addax project through four phases of development that will involve 52 villages. Addax states on its website,

“According to World Bank standards, nobody in the project area should be worse off than before. This aims at protecting vulnerable people like so-called land tenants who have been farming land or raising cattle on lands belonging to traditional landowners. Addax will make sure that these people can continue to live off alternative lands in the neighborhood or offer other compensation measures.”

Addax promised, for example, development in the form of schools, health facilities, a community center, and water wells. To date, none of these promises have been fulfilled.

By October 2010, the project had employed only about 200 people from the area as casual laborers. This left the rest of the population in the Addax project area without land to farm and without work. Even those few employed as laborers were bitter about work conditions and payment, as their daily wage does not cover even their daily food needs. Those with permanent positions – as supervisors, drivers, security guards – were brought in from elsewhere in the country, even though so many who had lost their farmland remained unemployed. Project operations are run by Agricane, a South African contractor, who brought in its own expatriates to run the nursery and construction projects.

In multiple ways, Addax has failed to live up to its public pledges. Before the company began clearing land for sugarcane in 2010, community members were farming and producing food. In convincing them to accept the project, the company and the local MP led the people of Lungi Acre and other villages on the lease site to believe that they would benefit from full employment. “They came here telling us they would remove us from our poverty,” said one young man in Lungi Acre. “Instead, they are adding to it.”

In 2009, some civil society activists in Sierra Leone, together with the NGOs MADAM, Brot für Alle in Switzerland, and Rettet den Regenwald in Germany, initiated public awareness campaigns to protest the Addax Project. In response, an Addax proponent allegedly took a pre-prepared document expressing local support for the project to Lungi Acre. He then had the community leaders sign the letter of support for Addax, which read as if the people of Lungi Acre had written it themselves. However, when this same individual attempted to get the community to sign another pre-written letter of support for the project in November 2010 – in response to growing local criticism of the project – the people of Lungi Acre refused.

Despite promises of compensation, the Smallholder Outgrower Scheme (SHOG), initially recommended by the Addax ESHIA, has yet to be established. The ESHIA states:

“Addax is aware of the critical issue associated with the establishment of a large scale agricultural endeavor – the land required for planting and the associated pressure this might place on food production by local communities who subsist from this land by growing food crops. Hence, they will establish and manage a SHOG at the Makeni project area, to develop farmer based production for food, as well as sugarcane, cassava and sorghum for the production of feedstock for the ethanol distillery... The SHOG program is a priority for Addax and will be used to support those farmers and communities who are directly affected by the project development; e.g. those landowners who lease land to Addax and other identified land users on these lands.”

During fieldwork, however, OI found that no outgrower scheme has been established; despite the statement that this would be a “priority” for Addax. Rather, FAO is supporting Addax by providing training for 25 farmers through a Farmers’ School. This is part of what Addax
now describes as a Farmer Development Program, which will prepare and sow about 2,000 ha of rice fields in the project area, and train about 2,000 farmers throughout the life of the program. According to the FAO representative in Sierra Leone, by plowing 200 ha of land for farmers on the lease area in 2010, Addax is helping the local people with food security. In his view, “it’s probably the first year that they achieved food security.”

Community members in the lease area refute this generalization from the FAO representative, who has never hidden his support for the Addax project. They maintained that the area Addax plowed for them was too far away and prepared too late to produce rice in 2010. This area is no substitute for their own farms and cannot compensate for the loss of their bolilands.

Despite all these issues and problems, Addax claims that it meets the EU law on sustainability criteria and that it is adhering to IFC’s “Performance Standards.” To date, the project continues. The African Development Bank has approved financing worth 25 million Euros (approx. USD 35 million) and some European banks will also provide financing for the project.

2. QUIFEL Agribusiness (SL) Ltd.

OVERVIEW

Quifel Agribusiness (SL) Ltd. was incorporated in Sierra Leone in 2008. The parent company, Quifel Natural Resources, is headquartered in Lisbon, Portugal. Quifel Natural Resources is the “renewable energy” and agribusiness arm of Quifel International Holdings, a personal holding of Portuguese businessman and aristocrat, Miguel Pais do Amaral. The company focuses on renewable energy and agribusiness, and it has a biodiesel plant in Brazil, for which it is developing palm tree plantations. The company is also present in Mozambique, where it is involved in the “deployment” of oil seeds to provide for its own production, and it is further conducting trials in other countries. Despite the vague language (“deployment” of oil seeds), it is clear that Quifel’s focus is agrofuels.

Quifel has acquired three tracts of land in Sierra Leone, totaling 126,000 ha in the Port Loko District, in the eastern region of the country. The three different land leases were signed in three chiefdoms over the past two years. All the leases are for 49 years, with possible renewal for 20 years. One tract is 25,000 ha in the Masimera Chiefdom, another is 27,000 ha in the Koya Chiefdom, and the third is 74,000 ha, which constitutes all 14 sections of the Loko Massama Chiefdom. Quifel, however, reported that when one removes the area of roads, buffer zones, allowance around communities and hilly areas, the cultivatable land totals less than 60,000 ha.

The land is primarily lowland farmland or bush fallow. The leased land is also rich in minerals – particularly bauxite, gold, diamonds and iron ore. An Australian mining company, Cape Lambert, currently holds an exploration lease on parts of the area for which Quifel holds surface rights.

CONTRADICTIONS AND CONCERNS

Public information about Quifel comes from rare reports in local newspapers about the company signing leases and promising social and educational projects.

The company’s operations in Sierra Leone are still in their infancy, and intentions remain unclear. Originally, the company informed local people that it intended to produce palm oil for agrofuel. This was also the intended use stated in the Quifel land leases. However, Quifel is now conducting small trials (of approximately 5 ha each) on cassava, pineapples and rice (Nerica). When the landowners of the 5 ha plots in the community of Petifu in Loko Massama Chiefdom saw their own rich bush falls, full of indigenous palm oil trees, being felled to clear the Quifel plot for cassava and rice trials, they staged a protest, exclaiming they had given up their fertile land on false pretenses.

Quifel now claims its intention is to produce food crops for local and regional consumption. On a few of its trial plots, it produces pineapples for local processing with Africa Felix Juice, a company which intends to establish
a fruit juice processing plant in a new special economic (tax free) export zone in the country. However, other sources say the company still plans to produce oils that can be used for the production of agrofuels. It is possible that Quifel plans to produce both oil crops and food crops, depending on varying market values. According to OI correspondence with the company, Quifel stated,

“We chose Oil seeds since it’s a highly sizable and tradable agricultural class (true commodities where the production cost and access to markets are the most relevant); and, on the other hand, we chose Specialty Crops since they are high value-added products (in our case, the main motivation was the European markets increasing demand for fresh fruits, pulp and ready to eat salads).”

To date, the company has not negotiated any agreement with the GoSL; it has dealt directly with chiefs and landowners. To obtain the incentives (tax holidays and duty waivers) it must sign a MOU with the MAFFS, and it intends to do that in 2011, along with an ESHIA.

It is unclear what Quifel will be paying for the land. According to the Quifel representative in Sierra Leone, lease payments start in the first year at USD 5 per ha, rising by one dollar each year until, at year four, they peak and remain at USD 8 per ha. This is less than the USD 12 per ha recommended by MAFFS. Furthermore, under this arrangement, rental fees are to be paid for only 500 ha the first year after the lease is signed, with fees increasing as the company’s activities expand.

To convince local people that the Quifel land leases would benefit them, those who negotiated with landowners and chiefs stressed the “development” that Quifel would bring, to the point that community members in Masimera and Loko Massama chiefdoms often refer to the company as an “NGO.” They were convinced that Quifel would bring them schools, water wells, and health facilities, assistance to reduce post-harvest losses with improved drying floors and stores for produce. They initially had no understanding of Quifel’s profit motives.

Quifel does report that once the project is profitable, three percent of profits will go to Chiefdom Development
Funds. However, in the past, such local development funds (for example, from diamond revenues) have been problematic, and the monitoring capacity is very weak. Quifel also says that a social project, focusing on health and education, is planned.

“Land is the only thing these people have.”

– Head of Finance and Institutional Affairs, Quifel Agribusiness

Quifel also engaged a well-connected and prominent individual, a Ghanaian national with a long history and deep roots in Sierra Leone, to approach the local chiefs and landowners. Once they had been convinced to agree to the lease, the landowners (family heads recognized as the owners of the land by customary law) were gathered, photographed and asked to sign a Power of Attorney giving their sectional chiefs the right to sign the lease on their behalf. By negotiating a Power of Attorney between landowners and chiefs, landowners were marginalized from the process and poorly informed about the implications of the leases.

Subsequently, neither the landowners nor the chiefs were given copies of the leases, and none interviewed by OI was aware of the terms. They said that parts of the lease had been read aloud to them and that Quifel had provided each Chiefdom USD 5,000 to cover the costs of lawyers for this process. The law firm representing Quifel in the land lease process was that of Franklyn Kargbo (who also represented landowners in the Addax lease).

IMPACTS ON LOCAL FARMERS

All three chiefdoms where Quifel lease areas are located are inhabited by smallholder farmers who cultivate rice (in the bollands) as well as palm oil, cassava, sweet potatoes, pineapple, cocoyams, beans, maize, many different vegetables, mango, banana, plantain, papaya, coconut, orange, lemon and grapefruit. They produce food for subsistence as well as surplus to sell. The farming system in these areas involves the use of bush fallows, and during soil replenishment, land is generally left fallow for five to ten years. During that time, the communities profit from what the bush fallows provide, including firewood and wood for construction and tools, bush yams, bush meat, medicine and many varieties of wild fruits.

Within Quifel’s three lease areas, there are roughly 72,000 inhabitants in 367 villages. It is likely that many of these will be directly affected by Quifel projects. Pa Santigie Sankoh, town chief in Royema, Masimera Chiefdom, is landowner of a 6 ha plot that Quifel cleared to plant pineapple and cassava. He previously had a plantation of local palm oil (400) trees on the land. All of the trees were felled when the land was cleared for Quifel’s trials of cassava and pineapples.

Pa Santigie Sankoh invited OI researchers to witness the “destruction” that Quifel had wrought on his land. Previously, the trees provided him with a good income. He could process 5 drums of palm oil each year from the palm nuts the 400 trees produced. The value of this palm oil was 4.5 million Leones (USD 1,071) at local prices. He has now lost this source of income, and the rent that Quifel is paying for the land will not compensate that loss. Quifel pays him USD 2 per ha, his share of the land rent (50 percent if, indeed, the lease follows the MAFFS guidelines for distribution) for these 6 ha would amount to only USD 13.50. In other words, he has suffered nearly a hundred-fold loss of revenue from the loss of these 6 ha.

Things are set to get even worse for Pa Santigie Sankoh. He “owns” 500 ha of land that he allocates to his people. However, this is land he has now leased to Quifel, so many more livelihoods in the farming community of Royema are being threatened. In total, the Masimera chiefdom has leased 6 of its 12 sections to Quifel.

Quifel’s promises of employment and other development opportunities were the main reasons that landowners and chiefs say they agreed to the leases. But there have been no reported statements or documents indicating how many jobs will be created or whether those jobs can compensate for lost income and decreased food supplies. So far, employment opportunities have been extremely limited, and those
jobs Quifel has created have been less than satisfactory. Local young men (35 to 40 per site) were hired for only one month to manually clear the 5 ha plots, and they were paid 7,000 Leones (approximately USD 1.65) per day for the taxing labor. Local foremen for each site were paid about 8,000 Leones per day (USD 1.80), or 246,000 Leones (USD 57 per month), and were kept on to oversee the trials. Without any clear plan of what is intended for the land, it is impossible to gauge how many jobs Quifel may eventually create.

Just a few months after the Quifel lease for Loko Massama was signed in September 2009, contention was already evident within the chiefdom. Under Quifel's lease agreements, the company will pay land rent only to the Paramount Chiefs, who are then responsible for its distribution. This fails to adhere to the policy guidelines laid out for investors by MAFFS, which stipulated that land rental fees should go through MAFFS for distribution to landowners, District, and Chiefdom Councils.

This arrangement has only aggravated local tensions in Loko Massama, where there is currently no standing Paramount Chief because of a dispute over the 2009 elections. As a result, Quifel is withholding the land rent until a Paramount Chief is in place. This has led to resentment among landowners, as those who have given up their land for the small Quifel pilot plots of 5 to 6 ha have yet to receive any money. Even the Section chief, the “coordinator” for Quifel in Loko Massama, is unaware of how the payment is to be distributed, or whether it will follow the standard MAFFS formula (50 percent to landowners, 20 percent to District Council, 20 percent to Chiefdom Council, 10 percent for the National Government).

The Minister of Agriculture claims to be unaware of Quifel, although his ministry is supposed to be the entry point for agricultural investment. Instead, in the case of Quifel, the Ministry of Local Government and Internal Affairs has been involved in the leasing process. In November 2010, at a ceremony in Konta Kuma village, during which Quifel paid initial lease fees to the Paramount Chief in Masimera Chiefdom, the Deputy Minister of Local Government and Internal Affairs, Raymond Kabia, thanked local landowners for “giving up their lands in the interest of development,” and subsequently referred to Quifel as an NGO. However, the Deputy Minister also expressed concern that while the Quifel lease states that the company would be developing palm oil plantations, the company has not been adhering to this agreement and has instead been cultivating pineapple and cassava.

The simmering tensions and discontent in Loko Massama are reflective of the way the Quifel leases were negotiated — without transparency or public disclosure at the local or national levels. It is also a result of the lack of inclusive public consultation to inform local people about the implications and details of the land agreements. Cooperation among ministries as well as increased monitoring and oversight are necessary if Sierra Leone farmers are to be adequately compensated for their loss of land.

3. Sierra Leone Agriculture (CAPARO Renewable Agriculture Developments Ltd.)

OVERVIEW
An exploratory trip to Mange in Port Loko District was necessary to even find evidence that Sierra Leone Agriculture (SLA) had taken out a large land lease and begun operations to establish a giant palm oil plantation. The only reference that OI could find to indicate the location of SLA’s lease in Sierra Leone was a map in a SLIEPA presentation on opportunities for investors in palm oil. To date there has been no coverage of the company in the Sierra Leone media.

Most Sierra Leoneans have never heard of Sierra Leone Agriculture (SLA) or its parent company, UK-based CAPARO Renewable Agriculture Developments Ltd. (Crad-l). Crad-l has two existing businesses in Africa: Namibia Agriculture & Renewables Ltd. which leases 150,000 ha of development ground in the Caprivi Strip in northern Namibia, and Sierra Leone Agriculture Ltd., which leases 46,000 ha in Western Sierra Leone. Each is under license for multi-commodity development with a focus on palm oil. Crad-l was recently founded with the backing of the CAPARO Group, a global association of businesses founded in 1968 by Indian-born British Industrialist, Lord Paul of Marylebone, who is its Chairman.
SLA may have kept a very low profile in Sierra Leone, but it had a large presence at the Sierra Leone Trade and Investment Forum held in London in 2009. There, Lord Paul of Marylebone and SLA Director Kevin Godlington hosted the closing cocktail reception, with a guest list that included the President of Sierra Leone, Dr. Ernest Bai Koroma, the former British Prime Minister, Tony Blair, heads of country delegations, and other private sector investors.223

Local people in the SLA lease area are under the impression that Tony Blair is linked with the project and with SLA.224 According to his website, SLA Director and Crad-I CEO, Kevin Godlington, works “closely” with Hon Angad Paul, the Office of Tony Blair and other investors and sponsors to run this “African development company specializing in former conflict nations” and to lead “investment teams in setting up large scale agricultural, resource and extractive business’s [sic].”225

On its website, CAPARO Renewable Agricultural Developments Ltd. lists as its objectives: “To source currently under-utilised land banks in Africa (including abandoned and disused farms and plantations) at economically favourable rates” and “to provide the necessary financial and technical inputs to develop these land banks into productive, efficient plantations and farms with a primary focus on becoming market leaders in the renewable energy market.”226

Furthermore, Crad-I claims that all its “land banks” must conform to certain requirements. Among them:

- **Scalability** – Each land bank will need to demonstrate the economic capability to become a stand alone plantation business capable of delivering the ROI (Return on Investment).
- **Bio-diversity** – It is [Crad-I’s] stated mission to enhance the bio-diversity of the areas in which it operates, and this must be duly demonstrated to be possible for a development plan to be implemented.
- **Environmental & social enhancement** – Crad-I aims to improve the world in which we live – both the environment and the lives of those we touch. If a project cannot meet these goals, it will not be progressed.”

According to the CEO of Crad-I and Director of SLA, Kevin Godlington, the lease in Sierra Leone is for 45 years with possible renewal every 21 years, and it is for 43,000 ha (not 46,000 ha as stated on the Crad-I website). The purpose, according to the CEO, is to establish palm oil plantations on the lease to produce palm oil for the local market, and the project will involve mills and processing plants, allegedly creating 3,000 to 5,000 jobs.227 None of this, however, has been made public in the country, nor is there any public disclosure or documentation that show the veracity of those claims.

In 2010, Sierra Leone Agriculture had cleared 5 ha of forest and bush fallow and had established a nursery, headed by a Malaysian manager, with 45,000 palm oil seedlings imported from Costa Rica. The company’s aim is to have 30,000 seedlings ready to transplant on 270 ha in the first year, expand the nursery to 50 ha in 2011, and have 540,000 palm oil seedlings ready for transplanting in 2012 on 3,000 ha. By the seventh year, the company should have established palm oil plantations over 40,000 ha.

The seedlings are of three clonal varieties.228 This clearly contradicts the mission statement of CAPARO Renewable Agriculture Developments Ltd. that it aims to “enhance the bio-diversity” of the areas in which it operates.
REGULATORY DISCREPANCIES

In the town of Port Loko, a local source reported that SLA had approached the district office of the Ministry of Agriculture to request a duty waiver for the palm oil seedlings they were importing. The duty waiver was granted, but with the understanding that the company was to establish an outgrower scheme, providing local farmers with the seedlings and a guaranteed market for the palm fruit, which would subsequently be bought up by SLA.

SLIEPA also claims that SLA has plans to develop 30,000 ha of palm oil, starting with a 10,000 ha estate plus 5,000 ha from smallholders. This makes it sound as if the company intends to buy palm oil from smallholders under an outgrower scheme. Yet the SLA director says the project is strictly an palm oil plantation, and the SLA nursery manager says the land will be transformed into monoculture palm oil plantations – and outgrowers are not part of this arrangement.

Thus, it appears that SLA obtained the duty waiver for its palm oil seedlings on false premises. There is no evidence of an outgrower scheme and the company is not complying with the MAFFS policies for investors. Duty waivers are among the government incentives for investors, which according to the 2009 MAFFS policy document, can be accorded only after the company submits a Five-Year Investment Plan to the Government Negotiating Team (and, supposedly, only upon MAFFS approval can the incentive package be offered). Currently, SLA has no agreement with the government, but that has not stopped the company from utilizing the government’s fiscal incentives.

NEGOTIATIONS WITH LOCAL PEOPLES

Paramount Chief/Honorable Bai Bureh Sallu Lugbu II, of Bureh Massseh (BKM) Chiefdom, who also represents all the Paramount Chiefs of Port Loko District in Parliament, was the major local player in the SLA negotiations. He says that when SLA first visited the area years ago, they did so with MAFFS officials (and yet, the Minister of Agriculture says he is “not aware” of SLA). The Paramount Chief declined to give OI a copy of the lease or to divulge the identity of the lawyer or legal firm that represented the landowners and chiefs in the deal. But he claims that he demanded that several points be inserted into the land lease before it was signed.

- If SLA goes to a community with no school, they must build one.
- If there is no health center within three miles (4.8 km), one has to be built.
- If there is an existing plantation, then the company must negotiate with the owner, and if the company is not prepared to pay compensation as the landowner asks, then the company must leave it.
- Owners of the land must have priority for employment with the company.
- There is to be no entry in or touching of “sacred bushes” (societal groves that are used for sacred rituals and ceremonies) without permission of the Chiefdom authorities.
- If villages are located where the company wishes to establish their plantation, the company must provide suitable resettlement.
- When the company employs local people, they must pay not only land rental fees but also wages and food for work.

Any chiefs who failed to put such provisions in writing in their lease agreements, he said, “are fools.” The Paramount Chief further said that SLA had asked for a 50-year lease. However, the Chiefdom Council felt that this was too long of a time period, and the agreement was revised, calling for the lease to be renewed every seven years. “I need to protect my people,” said the Paramount Chief.

This contradicts the views of the SLA director who says that what is up for renegotiation every seven years is simply the rental rate per ha, and not the actual lease itself. In fact, Sierra Leonean law requires that rental rates be reviewed every seven years, so there is no exception made here to meet the demands of the Chiefdom Council, nor any protection. This raises important legal questions about what would happen should the Paramount Chief try to cancel the lease.
after seven years. It also raises questions about the legal interpretations of the leases and whether they will lead to disputes in the future, and should those arise, who is better suited to win such disputes, given the government’s emphasis on investor protection.

Without a regulatory framework at the ministry level for governmental oversight and approval of land deals, a great deal of power is vested in Paramount Chiefs. The SLA director claims that five percent of its profits (which he estimates could eventually amount to USD 10 to 40 million) will go directly into the Bureh Masseeh Chiefdom Fund. Yet, this raises further concern, as there exists no structure for monitoring, public disclosure, accountability or formal checks and balances at the Chiefdom level. While the SLA director maintains that this percentage of profits will compensate for the extremely low land rental rate, there is no guarantee that profits will be distributed equitably.

Landowners and local people in the area did not have copies of the lease. They claim to have been assured that five percent of profits from the plantation will be paid to landowners, and that they had also been promised schools, health centers, wells and scholarships for schoolchildren. Yet, without an agreement with the government, an ESHIA, or any government oversight, there are no guarantees that the company will fulfill any of its promises. SLA appears to be operating without any government regulation.

4. Sepahan Afrique

OVERVIEW

Sepahan Afrique, an Iranian company, produces food and non-food items as diverse as plasticwares, construction materials, ice chests, safe boxes, aluminum items, household appliances, and exports minerals, ginger, pepper, iron scrap, cocoa, and coffee.236 In Sierra Leone, the company has sought land for agricultural purposes. Having secured a significant amount of land in the Marampa and Buya Romende chiefdoms, the company allegedly plans to engage in palm oil and rice production. There are also plans to build a factory for the processing of palm oil and other edible oils. Finally, it is alleged that the company will be providing employment for the youth of the region.237

However, the Minister of Agriculture, Forestry and Food Security says that there have been some “hiccups” with the Sepahan Afrique investment, in that “the communities don’t seem to be satisfied.”238 It appears that these “hiccups” only begin to represent the confusion and discontent surrounding the Iranian project.

CONFUSION AND CONTENTION

The agreement between Sepahan Afrique and landowners in the Marampa and Buya Romende chiefdoms of the Port Loko District was signed in September 2007 under peculiar circumstances and in the final days of the former SLPP government. Having no prior knowledge of the company or land deal, community members in Madina (where the Sepahan nursery is located) were summoned to the capital for an urgent meeting at the Iranian embassy in 2007. A delegation of landowners, the Paramount Chief, ceremonial chiefs, the MP, and local councilors arrived at the Iranian embassy near midnight on the night of the summons. They were “forced to sign the binding agreement under duress” in the presence of the Deputy Minister of Local Government, and they were informed that they had to sign that night, as the Iranian investors were leaving the country the next morning. Evidently, community members were not given the opportunity to read the MOU they were being asked to sign, but they did so because they “could not violate the authorities.” The Deputy Minister of Local Government read them a few clauses of the agreement to convince them it was a good arrangement.239

Two months following the signing of the agreement, a government mediator delivered to the people of Madina a copy of the full MOU they had signed, and he read it aloud to them. It was only then that community members learned they had signed away not just the surface rights to the land, but also rights to any minerals that lay below the surface. The region around Madina is rich in iron ore and bauxite, and the community decided that Sepahan Afrique had come to “fleece them.”240

Suspicions and discontent grew when the company sent a Tanzanian foreman to the lease area to set up a
nursery, and who reportedly “tipped” some members of the community to garner their support for the project. This only served to polarize the community: in the words of a teacher in Madina, “complete anarchy prevailed, with brother wanting to go to war against brother.”

The community has since discovered that the promised benefits of the land deal were grossly exaggerated. The landowners and chiefs of the Sepahan lease area were led to believe that for the 10,117 ha they were leasing to Sepahan Afrique, they would be paid USD 20,000 in the first year, USD 40,000 in the second year, and USD 50,000 in the third year. They were also told that the company would help with local development by constructing health centers, schools, and water wells. To date, the company has paid no rental fees to landowners and development promises have not materialized.

The community complained to the Sepahan foreman that no lease money had been paid to landowners. The disgruntled community members proceeded to break down the fence around the nursery. As a result, the landowner of the 5 acres where the nursery was built has served two prison sentences of six months and paid large fines for breaking the fence and protesting the presence of Sepahan Afrique.

The future plans of the Sepahan project are unclear. OI visited the nursery, which contains a range of plants and crops, including palm oil, castor, jatropha, as well as lemon grass, which nursery workers said Sepahan is drying and exporting. However, in November 2010, the Sepahan Afrique project appeared to be on hold, with only the small nursery in place. Community members believe the project has been canceled, but there is no confirmation of this. SLIEPA mentions Sepahan Afrique in its October 2010 presentation, saying that the agency’s “investor aftercare” is “handling issues” for Sepahan Afrique. Evidently, a great deal of uncertainty continues to surround this land deal.
V. RESPONSIBLE AGRO-INVESTMENT?

Failure to Ensure Human Rights Protections

In 2009, Olivier De Schutter, the UN Special Rapporteur on the Right to Food, issued a set of core principles and measures to address the human rights challenge posed by large-scale land acquisitions around the world. To summarize, these stated that:

1. Negotiations leading to investment agreements be conducted in full transparency with the participation of local communities, and the host government should always balance the advantages of such an agreement against the costs involved for the long-term needs of the local population, including land availability.

2. Any shifts in land use can take place only with the free, prior and informed consent of local communities.

3. States should adopt legislation protecting the rights of local communities, specifying in detail the conditions under which shifts in land use, or evictions, may take place, and procedures for these.

4. Investment agreement revenues should be used for the benefit of the local population, and investment contracts should prioritize the development needs of the local population.

5. Host states and investors should establish and promote farming systems that are sufficiently labor-intensive to contribute to employment creation. Investment agreements should contribute to reinforcing local livelihood options and provide a living wage for the local population.

6. Host states and investors should cooperate to ensure that the modes of agricultural production respect the environment, shall not accelerate climate change, soil depletion and the exhaustion of freshwater reserves.

7. It is essential that the obligations of the investor be defined in clear terms, and that these obligations are enforceable, for instance by including pre-defined sanctions in cases of non-compliance.

8. Investment agreements must include a clause providing that a certain minimum percentage of crops produced shall be sold on local markets, to ensure that they will not increase food insecurity for local populations.

9. Participatory impact assessments should be conducted prior to the completion of negotiations to highlight the consequences of the investment on the right to food, and to ensure an equal distribution of benefits between local communities, the host state and the investor.

10. Indigenous peoples are granted specific forms of protection of their rights on land under international law.

11. Agricultural waged workers should be provided with adequate protection and their fundamental human rights and labor rights should be stipulated in legislation and enforced.

As the above case studies illustrate, these principles are not being respected in Sierra Leone. The following shortcomings have been identified:

- There is little or no transparency.
- Communities have given consent prior to being fully informed.
- There is no clear legislation detailing the rights of local communities and procedures for evictions and land-use shift.
- Investment agreements are not made public so there is no way to ensure that they guarantee the use of revenues for the benefit of the local population, and in the case of Addax (the MOU for which is now in the public domain), there is no priority given to the development needs of the local population.
• There is no indication that investors and the GoSL are prioritizing farming systems that maximize job creation.

• The model of agricultural production is promoting industrial monocultures, which do not protect soils, the environment, and water supplies.

• The obligations of investors are not defined in clear terms (indeed, they are not even always made known to the government), nor are there any pre-defined sanctions for non-compliance.

• There are no guarantees that a percentage of the crops produced be sold on local markets.

• The only ESHIA performed and publicly disclosed to date for the land deals in Sierra Leone was for the Addax project. (The Addax ESHIA was an obligation because of the EU destination of the agrofuel and the sources of the financing, and the ESHIA contained large gaps, such as not assessing food production on the lease land or the actual numbers of people living and depending on that land. Furthermore, the terms of the Addax ESHIA are not being enforced.)

• There is no evidence that local indigenous populations have any legal means for protecting their land rights.

• Agricultural workers do not have adequate protection, and their fundamental labor rights are not being respected; they are hired as casual workers only and receive no benefits.

BOX 4: CARBON CREDIT SCHEMES

A relatively recent driver of the land investment trend in Sierra Leone is the expectation of subsidies for carbon sequestration through plantations and the avoidance of deforestation. Schemes have been put in place to reward developing countries for climate-change mitigation policies they may implement. Private investors seek to profit from such carbon credit schemes under the United Nations Framework Convention on Climate Change (UNFCCC) Clean Development Mechanism (CDM). The table below identifies major deals that have been either signed or proposed in Sierra Leone.

<table>
<thead>
<tr>
<th>INVESTOR</th>
<th>ORIGINS</th>
<th>PROVINCE / DISTRICT</th>
<th>CHIEFDOMS / LOCATIONS / SITES</th>
<th>SIZE (HA)</th>
<th>PURPOSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ecotech Timber Corporation</td>
<td>President is US national</td>
<td>Eastern Kono</td>
<td>Nimini South Forest</td>
<td>75,000 ha, to increase to 150,000 before 2012</td>
<td>Avoided Deforestation, Land Use, Land-Use Change &amp; Forestry, approx. 22 million carbon credits, potential revenue over USD 8.5 million per year</td>
</tr>
<tr>
<td>Enviro Carbon Access</td>
<td>Sierra Leone (with foreign financing / backing)</td>
<td>Northern &amp; Southern Bombali; Bo/Tonkolili; Koinadugu; Tonkolili</td>
<td>Outamba; Kilimi National Park; Kangari Hills; Loma Mtns; Tingi Hills; Mamunta Mayosso</td>
<td>110,000 85,700 33,200 11,900 2,600</td>
<td>Carbon credit revenues (3 year validity). Proceeds to go 51 percent to GoSL and 49 percent to Enviro Carbon Access</td>
</tr>
<tr>
<td>SLGreen Oil Corporation (“GO”)</td>
<td>Sierra Leone</td>
<td>Port Loko; Tonkolili</td>
<td>Tonkolili (grassland &amp; forest); Mara Mala (south of Makeni); and Unspecified location in Port Loko District</td>
<td>121,406 ha; Company says this is: “non-agriculture land” (80,937 for reforestation, deforestation, agroforestation; 40,468 for biodiesel production)</td>
<td>Clean Development Mechanism (CDM), energy, biodiesel</td>
</tr>
<tr>
<td>Sierra Gold Corporation</td>
<td>Canada</td>
<td>Northern Port Loko; Tonkolili</td>
<td>Tonkolili (grassland &amp; forest); Mara Mala (south of Makeni); and Unspecified location in Port Loko District</td>
<td>45,527 ha; Company says this is “forest and grassland”; Also has 2 farming operations; Intends to plant vast plantation kiri tree for carbon credits, seeking to add more land</td>
<td>Carbon credits program; one of 17, 199 ha “accepted by CDM Bazaar”; another 28,328 ha, procedures being finalized (company also has gold concessions in Sierra Leone and Mali)</td>
</tr>
</tbody>
</table>
The World Bank Group: Enabling Irresponsible Agro-Investment

The World Bank has also laid out a set of (voluntary) principles for “responsible agro-investment.” If applied, these principles purport to make land deals a “win-win” situation for both investors and host countries.

However, the World Bank principles do not tackle the major issue of whether industrial, offshore farming is environmentally or socially sustainable. These principles are based on the controversial assumption that industrial-style agriculture and land use can increase food production and fuel economic growth in host countries. The principles are limited in scope and specificity, and in turn, can be used by individual investors to promote land deals as “responsible agro-investment.” They do not consider the overall questions about the enormous risks and inherent injustices of the global rush by investors and nations for farmland.

World Bank Principles for Responsible Agro-investment

1: Respecting land and resource rights. Existing rights to land and associated natural resources are recognized and respected.

2: Ensuring food security. Investments do not jeopardize food security, but strengthen it.

3: Ensuring transparency, good governance, and a proper enabling environment. Processes for acquiring land and other resources and then making associated investments are transparent and monitored, ensuring the accountability of all stakeholders within a proper legal, regulatory, and business environment.

4: Consultation and participation. All those materially affected are consulted, and the agreements from consultations are recorded and enforced.

5: Responsible agro-investing. Investors assure that projects respect the rule of law, reflect industry best practice, are economically viable and results in durable shared value.

6: Social sustainability. Investments generate desirable social and distributional impacts and do not increase vulnerability.

7: Environmental sustainability. Environmental impacts of a project are quantified and measures are taken to encourage sustainable resource use while minimizing and mitigating the risk and magnitude of negative impacts.

Even under these vague and minimal principles, the land deals examined in this report hardly qualify as responsible agro-investment. For example, Addax does not respect usufruct rights to land use, nor does it recognize and respect local needs for water and farmland. The company did not acquire land in a transparent process, nor was the acquisition monitored by an independent body with public oversight. Furthermore, Addax neglected mitigation measures (such as the smallholder outgrower scheme) stipulated in its own ESHIA. Finally, Addax failed to adequately consult and inform all those materially affected by the deal.

Quifel, SLA, and Sepahan have also failed to respect the World Bank principles. First, there is no transparency of the land deals, and there is no public disclosure or evidence of monitoring. In the cases of Quifel and SLA, the government (MAFFS) has been sidelined altogether. Second, no clear legislative framework appears to apply to their leases, which were negotiated directly with chiefs. In addition, all those materially affected have not been consulted, agreements made during any consultations (which also lacked transparency) have not been recorded, and local people (even agents of the investors engaged as “coordinators” to inform the local communities) are sorely uninformed about the details of the leases. Community members were led to believe the land leases would bring benefits, and they were not informed of the risks. In addition, there is no evidence or assurance that there will be equitable distribution of profits among investors, local peoples, and the GoSL. Finally, for none of these investments has an ESHIA been conducted to quantify environmental impacts and ensure they are minimized. For example, SLA’s plan to establish 40,000 ha of palm oil can only harm biodiversity. There is no recognition of the immense environmental (and indeed, social and economic) value of the bush fallow system.
VI. CONCLUSIONS

OI confirmed that by early 2011, close to 500,000 ha of land had been leased to foreign investors or were under negotiation for lease in Sierra Leone. The following are the key concerns raised by the land negotiation and land investment processes in Sierra Leone:

1. LACK OF INFORMATION AND PUBLIC DISCLOSURE
There is a critical lack of information from government regarding all aspects of the Sierra Leone land deals and an alarming lack of transparency in the way the land deals are negotiated. The OI team was unable to obtain a copy of any land lease despite intense efforts and repeated requests. In addition, SLIEPA does not make available any details about investors. Sierra Leoneans thus have no access to information on the amount of land that has been leased or the details of land leases.249

Furthermore, there is almost no critical or accurate media coverage of land deals in Sierra Leone. Most deals receive no publicity at all, and when media reports do appear, they tend to categorically refer to agricultural investments in glowing terms, generally quoting a government official or President Koroma.250

Until 2010, there was no public debate on the issue of land deals in Sierra Leone. Local civil society groups and NGOs such as MADAM, Green Scenery, and the Sierra Leone Association of Journalists on Mining and Extractives (AJME) are now trying to address the issue of foreign investment in land and engender national debate to increase public awareness on the issue.250

2. LACK OF RESPONSIBLE GOVERNANCE
In 2009, MAFFS published a set of policy guidelines for agricultural investments and incentives. However, the guidelines contain many loopholes and are non-binding for investors, many of whom bypass MAFFS and negotiate directly with chiefs and local landowning families.

SLIEPA advises investors to introduce themselves to the government “via the Sierra Leone Investment and Export Promotion Agency” and then to engage a local agent (SLIEPA will help identify one) to support the land acquisition process.251 However, no SLIEPA documents mention the requirement that investors go through MAFFS or that they establish a five-year business plan to be submitted to a Government Negotiating Team, as specified in the MAFFS policy guidelines. Although SLIEPA officially falls under the jurisdiction of the Ministry of Trade and Industry, the Minister describes SLIEPA as an “independent” agency, and it appears to operate with a great deal of power and without central government oversight.252

To date, no binding legal framework or legislation has been implemented to adequately handle agricultural investment. Thus, there is no legal obligation for investors to sign a Memorandum of Understand (MOU) with government – or have that MOU approved by Parliament or undergo a public disclosure process. The lack of a legal framework leaves the government and the people of Sierra Leone extremely vulnerable, as there are no pre-defined sanctions for failures to respect local land rights or environmental protection measures.

3. CONFUSION SURROUNDING LAND “AVAILABILITY”
People’s rights in the face of the presumed widespread availability of land for investment and cultivation are a key concern in the case of Sierra Leone land acquisitions. The GoSL, SLIEPA officials, as well as the FAO office in Sierra Leone, claim that only 11 to 15 percent of the country’s arable land is being
“used” or “cultivated”, and they argue that 85 percent of cultivatable land is available to investors. OI has concluded that these figures come from outdated data and surveys. Moreover, it is unlikely that these claims are taking into account the use of bush fallows as an integral part of the smallholder farming system in Sierra Leone.

Also SLIEPA advertises “pre-identified” zones that can accommodate large projects (10,000+ ha), and offers a list of potential palm oil and sugar production sites. SLIEPA does not specify the criteria used to identify the lands in question.

4. FARMLAND FOR FUELS AND NOT FOR FOOD
The campaign to attract foreign investment in agriculture has emphasized opportunities for investors in sugar and palm oil, both of which provide raw stock for agrofuels. At present, Sierra Leone has no capacity for domestic agrofuel production, so production would clearly be for export. The Addax Bioenergy project is producing sugarcane for ethanol that is to be exported to the EU. Sierra Leone Agriculture is producing palm oil, and reports regarding its alleged use are contradictory. Quifel’s lease was also originally negotiated under the premise that palm oil will be produced. Given that Sierra Leone remains a food-deficit country, the use of farmland to produce non-food products is cause for great concern especially in an era of price volatility on global food markets, which can make imported food unaffordable for the poor as was the case in 2008.253

5. TAKING ADVANTAGE OF LOCAL VULNERABILITIES
Local community members do not receive full disclosure from “coordinators” (agents hired by investors to convince locals to agree to land leases). Local communities, town and section chiefs, and landowners are generally persuaded that investments will only bring benefits, whether employment or other forms of “development.” Potential negative impacts, such as loss of farmland, social tension, and food insecurity are rarely predicted or acknowledged.

In none of the case studies do investors provide landowners and chiefs with copies of the lease agreements. Furthermore, there is evidence that, when locals are unable to read, only parts of the lease documents are read aloud to them before they sign. With the exception of one Paramount Chief, all landowners and chiefs interviewed during OI fieldwork asserted that they had not been given copies of leases they had signed, nor were they able to recall the contents of the agreements.

Under traditional Sierra Leonean social structure, there is little tendency to publicly question authority. This makes rural people all the more vulnerable to those individuals who, from positions of authority, convince community members that a land lease is in their interest. The land deal case studies illustrate how this has played out in Sierra Leone: an MP acted as representative for Addax Bioenergy and a well-connected individual acted on behalf of Quifel. There must be protections against conditions that lead to this “induced consent.”

In addition, investors are benefiting from a common misconception in Sierra Leone that most foreigners, particularly “white people,” are in their country working with NGOs toward charitable and humanitarian goals. Local people often confuse foreign corporations with NGOs, and in many cases, investors’ agents, anxious to persuade community members of the benefits of agricultural investments, do not correct the communities’ misconception.

Finally, women are extremely vulnerable in the face of land negotiations. While women represent an extremely important part of the farming population and are vital contributors to food security, women have no legal title to land (although there are some exceptions).254 Because they are not landowners, women are generally not present at consultations with investors and, even if they are, they have no voice. In many cases, they are not even aware that the land they are cultivating is being leased. Not surprisingly, therefore, women are not entitled to a share of land rental fees, even when they lose their land.

6. LACK OF ENVIRONMENTAL PROTECTIONS
There is little acknowledgement within the government ministries – and none at all in SLIEPA – of environmental and sustainability issues related to agricultural investments. Large-scale, industrial agricultural developments necessitate monocultures,
heavy mechanization, the use of hybrid seeds or clonal varieties (in the case of palm oil), and the use of chemical pesticides and fertilizers, all of which lead to the depletion of soil fertility, soil and water contamination, and loss of biodiversity. Moreover, large-scale irrigation schemes, such as those planned for the Addax sugarcane plantations, require massive amounts of water to be drawn from vital river systems. These and other environmental impacts affect the well-being of local populations and reduce their capacity to cope in the face of climate change. Agro-ecological agriculture, encouraged by many civil society groups, farmer associations, scientists and also the UN Special Rapporteur on the Right to Food, is not being discussed or explored by investors or by the GoSL.

Environmental, Social and Health Impact Assessments (ESHIAs) are, according to MAFFS, mandatory for all large-scale land deals. Yet deals are being signed and projects moving forward (Quifel, SLA) without ESHIAs. The ESHIA for the Addax project does not contain detailed information of existing land use in the area, including a full analysis of all products and services derived from existing land use. Nor does it contain the information on the livelihoods of non-landowners working the land, especially women, necessary to assess the loss to these vulnerable groups. Furthermore, the ESHIA is not a binding legal document, even though it may be viewed as such by the Sierra Leone Environmental Protection Agency (SLEPA). The ESHIA does not stipulate pre-defined sanctions for failing to adhere to lease terms or failing to undertake measures to mitigate risks – to human health, soils, rivers and biodiversity. In addition, it fails to consider all other large-scale investments in the area, including in mining, logging or agriculture, so that an overall assessment of the collective impact on water resources, land, vegetation, community livelihoods and health can be properly assessed.

The only governmental agency with the responsibility to monitor the environmental impacts of land deals is SLEPA. However, SLEPA can only analyze the deals once an official ESHIA has been completed and submitted; the agency has no control over investors who do not sign MOUs with the GoSL or undertake and submit the proper impact assessments. Because SLEPA falls under the jurisdiction of the Office of the President, there are concerns that the agency may not be able to fulfill its responsibility as an independent watchdog, given the president’s outspoken support for the foreign investments.

7. CONCERNS OVER GOVERNMENT’S ROLE IN LAND ACQUISITIONS

The GoSL grants foreign investors generous fiscal incentives and protection. Agricultural investments in tree crops and rice benefit from 10-year corporate tax holidays and zero import duty. The country allows 100 percent foreign ownership in all sectors; there are no restrictions on foreign exchange, no limits on expatriate employees and full repatriation of profits, dividends and royalties.

Yet, the Minister of Finance and Economic Development has admitted that the existing regimes of tax and duty exemptions are seriously eroding the government’s tax base (and around the time of the implementation of incentives and protections for investors, the GoSL began imposing a 15 percent domestic Goods and Services Tax). It is not clear how the GoSL is going to benefit from land deals when it continues to attract investors through giveaway rates and generous fiscal incentives.

A pro-business orientation is resoundingly endorsed by the GoSL. The President Ernest Bai Koroma is extremely enthusiastic about agricultural investment, promoting it unquestioningly as a strategy for rapid economic growth. The high-level support for foreign investment in Sierra Leone’s farmland is a deterrent to open criticism among government officials, employees, and others fearful of being viewed as opposed to “development.” Rural people feel they are not in a position to speak out against or to question policies endorsed so strongly by their head of state.

There are also questions regarding high-level government involvement in the Sierra Leone land deals. As pointed out earlier, the law firm that represented both Quifel Agribusiness (SL) Ltd. and landowners in the Addax deal is the firm of Franklyn Kargbo, who worked as an advisor on governance in the Strategy and Policy Unit in the Office of the President when these leases were negotiated. In December 2010, he was appointed Minister of Justice and Attorney General.
The MAFFS policy document states that land leases are developed jointly by the Office of the Attorney General and the investor’s lawyer, yet the man whose law firm negotiated at least two of the investor’s leases is now the Attorney General, and as such, also in charge of the ongoing land tenure reform process. This anomaly has been made public, but has not been resolved.

8. EXTERNAL INTERESTS AT WORK

The World Bank Group has been instrumental in increasing foreign investment in Sierra Leone by funding institutions and leading reforms to attract investors and to ensure their access to land and resources. In particular, the IFC provides financial support and works closely with SLIEPA. The World Bank Group is also financing a hasty process of land tenure reform. There are concerns that reform measures, in their desire to accommodate foreign investors, are overlooking the issues of equitable and secure access to land for all Sierra Leoneans, particularly women farmers.

Neither SLIEPA nor the IFC respect the need for transparency in their operations. Neither was available for interviews with OI, nor are the land deals that have resulted from SLIEPA promotions the least bit transparent. Those studied by OI do not conform to the World Bank principles for responsible agro-investment. They do not respect usufruct rights to land use or local needs for water and farmland, and there is little or no accountability. There is no proper regulatory framework to deal with FDI in land resources (all those materially affected are not consulted), and they do not strengthen food security.

The world bank promotes and enables land deals that clearly do not respect their own principles of responsible agro-investment.

In addition to the pervasive influence of the World Bank Group, the Tony Blair African Governance Initiative and the European Commission are also funding programs and working behind the scenes to shape policies that promote the large-scale investment in land in the country. Both supported the Sierra Leone Trade and Investment Forum held in London to sell the "opportunities" in the country to foreign investors. The FAO office in Sierra Leone has also been supportive of at least one of the investors, publicly praising Addax Bioenergy and taking on a project in the area to train farmers.

9. POTENTIAL FOR CONFLICT

Most of the agricultural investments in Sierra Leone are recent and are not yet fully operational, and yet there are early warnings about the risks they entail – social, political and economic. In Lungi Acre, in the Addax lease area, local people are making veiled threats about what they will do if the company continues to mistreat the local workers, if it doesn’t compensate them for the loss of their bolilands, and if it doesn’t fulfill its pledges to contribute to local development. The Quifel investment is indirectly related to a violent dispute over the position of Paramount Chief in Loko Massama Chiefdom, and tension remains high in the area because of perceived advantages that the position would afford because of Quifel’s presence. The Sepahan Afrique agreement has already caused internal conflicts in the community of Madina, where people turned on each other, believing that the company had been “tipping” certain individuals to garner their support for the investment.

Sierra Leone is still struggling to overcome the devastating economic, social, political and psychological effects of its long civil war. Patrick Johnbull, of the Sierra Leonean NGO, Green Scenery, and also with the country’s Justice and Peace Commission, commented that the way the land deals are currently being negotiated – where local people are cajoled into leasing their land through much deception – is “going to lead to the same war we just came from.”

Family Farmers with diverse crops and bush fallows
ENDNOTES


8 Women, who are vital contributors to food security, are not considered landowners by the customary land laws that govern land tenure in most of Sierra Leone. When land is leased out to investors, women do not qualify for a percentage of the land rent.


13 Klaus Deininger and Derek Byerlee, 2011, op. cit. p xxvii.

14 Klaus Deininger and Derek Byerlee, 2011, op. cit. p xxviii.


16 Klaus Deininger and Derek Byerlee, 2011, op. cit.


19 Ol could not locate recent land-use surveys to back up these figures. Sierra Leone government officials admitted land-use surveys and maps are completely outdated.

20 “Blood diamonds” or “conflict diamonds” are diamonds that originate from areas controlled by forces or factions opposed to legitimate and internationally recognized governments, and are used to fund military action in opposition to those governments (Security Council Affairs Division, the United Nations).


24 Ibid.

25 Ibid.

26 Ibid.


29 IMF economist, Freetown, Sierra Leone, direct communication, 12 October 2011.

30 Ibid.

31 Ibid.


33 Minister of Trade and Industry of Sierra Leone, direct communication, 7 October 2010. (In late November 2010, the Minister, David Carew, was removed from this portfolio in a cabinet reshuffle, and replaced by Dr. Richard Konteh.)

34 Minister of Agriculture, Forestry and Food Security, Sierra Leone, direct communication, 14 October 2010.

35 According to the United Nations Food and Agriculture Organization (FAO), a country is classified as low-income and food-deficit on the basis of three criteria. First, it should have a per capita income below the “historical” ceiling used by the World Bank to determine eligibility for assistance from the International Development Association (IDA) of the World Bank Group. The second criterion is based on the net (i.e. gross imports less gross exports) food trade position of a country averaged over the preceding three years for which statistics are available. Thirdly, the self-exclusion criterion is applied when countries that meet the above two criteria specifically request FAO to be excluded from the LIFDC category. See: FAO, “Low Income Food Deficit Countries – List of 2010,” http://www.fao.org/countryprofiles/lifdc.asp (accessed 18 January 2011).


38 One donor-funded project is now working to reintegrate thousands of these displaced youth into their native communities where they can resume their lives and farming activities and contribute to rural development and agricultural production in areas hard hit by the conflict. See: German International Cooperation (GIZ), “Handbook for youth reintegration,” 2010.


40 Ibid.


42 Terminal Statement prepared for the GoSLby the FAO, “Support for the establishment of a Right to Food Secretariat and Coordination Committee for coordination efforts in the progressive realization of the right to adequate food,” Rome, 2008.

43 Ministry of Agriculture, Forestry and Food Security of Sierra Leone, direct communication. January 2011.


48 Statement of Minister of Agriculture, Forestry and Food Security. 28 September 2010, op. cit.

49 Coordinator, European Union Food Facility Programme, FAO, direct communication, 13 October 2010.

50 Agricultural development agents working with family farmers in Sierra Leone, direct communication, 3 March 2011.


52 Coordinator, European Union Food Facility Programme, op. cit.

53 Coordinator, European Union Food Facility Programme, op. cit.


56 Minister of Agriculture, Forestry and Food Security, op. cit.; FAO representative in Sierra Leone, direct communication, 11 October 2010.

57 Minister of Agriculture, Forestry and Food Security, op. cit.

58 Minister of Agriculture, Forestry and Food Security, op. cit.

59 FAO Representative, Sierra Leone, op. cit.


64 Mr. Olunyí Robbin-Coker did not agree to a meeting with the OI research team, instead referring them to SLIEPA.

65 Patricia Sento Kafoe, (presenter), 19 November 2010, op. cit.


The purpose of the Sierra Leone Investment Promotion Act (2004) is to promote and attract private investment, both domestic and foreign, for the development of production and value adding activities, to improve exports and provide employment opportunities; and generally to create an environment conducive to private investment and to provide for other related matters.


Head of Investment Promotion, SLIEPA, direct communication, 23 November 2009.

SLIEPA, ibid. p 33.


SLIEPA, ibid. p 7.

SLIEPA, ibid. p 9.


SLIEPA, “Status on investment promotion activity,” 27 October 2010. This presentation says that a deal worth USD 600 million for sugarcane to ethanol has been signed with Most Ethanol (a subsidiary of US-based Gryinberg Petroleum), and a USD 30 million deal for palm oil has been signed with Sierra Leone Agriculture, and says that in the first quarter of 2011 deals are to be signed with Windcliff (USD 100 million for palm oil), Soc Final (USD 85 million for palm oil), but it does not mention Quifel Agribusiness (SL) Ltd, which is already working in the country on a lease of 126,000 ha. On another slide, it refers to potential investors such as EDF, Tate & Lyle, Illovo, TSB and Wilmar.

Various SLIEPA officials, direct communication, November 2010.

Since 2005, PEP and its partners have put USD 171 million towards advisory services that promote private sector development in Africa.


For more information on the SLIEPA, see Shepherd Daniel and Anuradha Mittal, “(Mis)Investment in Agriculture: The Role of the International Finance Corporation in Global Land Grabs,” The Oakland Institute, 2010, p 53.


For more information on IFC’s support of SLIEPA, see Shephard Daniel and Anuradha Mittal, “(Mis)Investment in Agriculture: The Role of the International Finance Corporation in Global Land Grabs,” The Oakland Institute, 2010, p 53.


As evidence of potential speculation, a British national representing a company called Whitestone, attempted to acquire a 112,000 ha landholding in the northern Koinadugu District. Reportedly, a “temporary” lease for this land was signed in January 2010, and Whitestone – described as a “kind of broker” – now plans to sub-lease the land to others; IFC and World Bank press release, “Sierra Leone is among the most improved economies in the world over five years; the easiest place in Starting a business and in Protecting investors in West Africa,” 4 November 2010.


106 Minister of Agriculture, Forestry and Food Security, op. cit.
107 FAO representative in Sierra Leone, op. cit.
108 Information was sought at the Ministry of Agriculture, Forests and Food Security (MAFFS), the Ministry of Lands, Country Planning and the Environment, Sierra Leone Information Systems (SLIS), the country’s Development Assistance Coordination Office (DACO), the MAFFS engineering department, the Office of a Land Registration project for the country’s Western Area (Freetown and surrounding peninsula).
109 Martínez Francés, Lidia, Bioenergy Background Review (draft), UN Food and Agriculture Organization (FAO), October 2010, p. 6.
111 Martínez Francés, Lidia. October 2010, op. cit.
112 MAEC-AECID student, FAO Researcher Staff, direct communication, 11 Oct 2010.
113 Director, Sierra Leone Environmental Protection Agency (SLEPA), direct communication, 13 October 2010.
114 Government of Sierra Leone, June 2004, op. cit.
116 Agroforester, Welthungerhilfe, Sierra Leone, direct communication, 26 November 2009.
118 UNCTAD, 2010, op. cit.
119 Ibid. p 43.
121 Patrick Johnbull, lawyer with the NGO Green Scenery and the Sierra Leone Justice and Peace Commission, direct communication, 17 October 2010.
122 ActionAid International Sierra Leone, “Women can make Sierra Leone food secure: a charter developed by the poor rural women farmers of Sierra Leone,” HungerFREE Campaign, 2008.
123 UNDP official, direct communication, 14 October 2010.
125 Hon. Justice Salimatu Koroma, Chairperson, Law Reform Commission, direct communication, 12 October 2010.
126 UNDP official, op. cit.
128 MAFFS, January 2009, op. cit. Section II. B. I (§).
129 Patrick Johnbull, op. cit.
130 Olivier De Schutter, “The right to food,” Interim report of the UN Special Rapporteur on the right to food, submitted to the 65th session of the United Nations General Assembly, 11 August 2010.
131 Ibid. p 29.
133 Minister of Trade and Industry, direct communication, 7 October 2010.
134 Director Sierra Leone Agriculture/ CEO CAPARO Renewable Developments Ltd. (Crad-l.), direct communication, 24 November 2010.
135 MAFFS, January 2009, op. cit.
136 SLEPA, 10 March 2010, op. cit.
137 Minister of Agriculture, Forestry and Food Security, op. cit.
143 For di People, “Agricultural Investment consultant Malaysia and IDB doles out USD 15M to Mattu Oil Plantation Project,” Sierra Leone.
146 MAFFS, FAO Interviews; “Joint Progress Report on the Agenda for Change: January 2009-June 2010,” The Republic of Sierra Leone, 9 Sept. 2010; OI Field visit conducted 1 October – 6 December 2010
149 Awareness Times. Available at: http://news.sl/drwebsite/publish/article_200517763.shtml
154 SLEPA Newsletter, August 2010; SLEPA 2009 presentation: Opportunities for Investors in the Sugar Sector
The information on Addax Bioenergy is more detailed because it is the most advanced in its operations and has released more information to the public, as required by the European Union if the ethanol produced by Addax for export to Europe is to pass sustainability criteria.


Memorandum of Understanding and Agreement (MOU) between The Government of the Republic of Sierra Leone, and Addax Bioenergy Sierra Leone Ltd. and Addax & Oryx Holdings BV, 9 February 2010.

Ibid.

Special Advisor to President Koroma on the Private Sector, direct communication, 1 December 2009.


Ibid.


Coastal & Environmental Services (CES), “Sugar cane to ethanol project, Sierra Leone, Draft ESHIA,” March 2009, p 177.


MOU, 9 February 2010, op. cit.

Sources offering contradictory information include: Addax & Oryx, “Questions & Answers,” website, op. cit.; Addax Bioenergy Sierra Leone Project Director, Member of Parliament (MP) for the area, Martin Bangura, direct communication; and Coastal & Environmental Services (CES), March 2009, op. cit.

Coastal and Environmental Services (CES). March 2009, op. cit. p 60.

Minister of Agriculture, Forestry and Food Security, op. cit.

Elder, Lungi Acre, direct communication, 17 November 2010.

Agricultural extension agent in Addax lease area, direct communication, 17 November 2009; See also: Joan Baxter, “Ruée sur les terres africaines: le cas Addax Bioenergy,” Le Monde Diplomatique, January 2010.


Coastal & Environmental Services (CES), March 2009, op. cit. p 186.

MP Martin Bangura, direct communication, 21 November 2009.

Master Farmer in Lungi Acre, direct communication, 21 November 2009.

Elder in Lungi Acre, direct communication, 17 November 2010.

Coastal and Environmental Services (CES), March 2009, op. cit. p 157.

Ibid. p 166.


MP Martin Bangura, direct communication, 21 November 2009 and 17 November 2010.

Koroma Alimamy, elder in Yankassa, direct communication, 21 November 2009.

Community members in Yankassa and Lungi Acre, direct communication, 21 November 2009.


Community meeting in Lungi Acre, 17 November 2010.

Ibid.


MADAM personnel, direct communication, June 2010.

Ibid.

Coastal & Environmental Services (CES), March 2009, op. cit. p 101.


FAO representative, Sierra Leone, op. cit.

Ibid.

Community meeting in Lungi Acre, 17 November 2010.


Former Quifel consultant, direct communication, 9 November 2010.

Ibid.

Ibid.

Head of Finance and Institutional Affairs, Quifel Agribusiness (SL) Ltd., direct communication, 24 November 2010.

Ibid.


Former Quifel consultant, op. cit.

Deputy Minister of Local Government and Internal Affairs, direct communication, 27 November 2011.

Quifel employees and local landowners, Loko Massama Chiefdom, direct communication, 11 November 2011.

Head of Finance and Institutional Affairs, Quifel Agribusiness (SL) Ltd., op. cit.

Former Quifel consultant, op. cit.; Quifel employees in the lease areas, direct communication, 11 and 15 November 2010.

Pedro Marques dos Santos, email in response to a questionnaire from the OI, 21 November 2010.
210 Head of Finance and Institutional Affairs, Quifel Agribusiness (SL) Ltd., op. cit.

211 Community meetings in Mankonkoboh and Royema, Masimera Chiefdom, 15 November 2010; and community members and landowners in Petifu, Loko Massama Chiefdom, direct communication, 11 November 2010.

212 Head of Finance and Institutional Affairs, Quifel Agribusiness (SL) Ltd., op. cit.


214 Community members, chiefs and landowners in the lease area, direct communication, 11, 14 and 15 November 2010.


216 The estimate was provided by the Chairman Council of Section Chiefs for Loko Masama.

217 Head of Finance and Institutional Affairs, Quifel Agribusiness (SL) Ltd., op. cit.

218 Minister of Agriculture, Forestry and Food Security, op. cit.

219 Ibid.

220 SLIEPA, 21 April 2010, op. cit. slide 37.


224 Local sources, Mang, Sierra Leone, direct communication, 15-16 October 2010.


227 SLA Director and CEO Crad-L, direct communication, 24 November 2010.

228 SLA nursery personnel, direct communication, 16 November 2010.

229 Local source, Port Loko, direct communication, 15 November 2010.

230 SLIEPA, 21 April 2010, op. cit. p 34.

231 SLA nursery personnel, direct communication, 16 November 2010.


233 Minister of Agriculture, Forestry and Food Security of Sierra Leone, op. cit.

234 Paramount Chief / Honorable Bai Bureh Sallu Lugbu II, of Bureh Maselle (BKM) Chiefdom, direct communication, 16 November 2010.


238 Minister of Agriculture, Forestry and Food Security of Sierra Leone, op. cit.

239 Ibid.

240 Ibid.


242 Olivier De Schutter, 11 June 2009, op. cit.

243 Klaus Deininger and Derek Byerlee, 2011, op. cit. p xiv.


246 International Distribution Agreement for production of Voluntary Certified Emission Reduction Credits or Voluntary Credits, under Voluntary Carbon Standard, Guidance for Agriculture, Forestry and Other Land Use Projects and Voluntary Carbon Credit products (RED 7 REDD, AND: Forestry Concession Agreement for the Creation of Carbon Credit Products, both signed 26 July 2010, between Ministry of Agriculture (MAFFS) and Ministry of Lands, Country Planning and the Environment and Sierra Leone Environment Protection Agency; Interviews.


249 SLIEPA, January 2010, op. cit.


252 Minister of Trade and Industry, op. cit.

253 GIEWS on food and agriculture / FAO. December 2010, op. cit.


256 Samura Kamara, Minister of Finance and Economic Development, op. cit.

257 SLIEPA, 15 March 2010, op. cit. p 32.

258 Ibid.

259 MAFFS, January 2009, op. cit. Section B (i., 7).


262 Patrick Johnbull, op. cit.