Increasing Pressure for Land:
Implications for Rural Livelihoods and Development Actors
A Case Study in Sierra Leone

October 2012

Carried out on behalf of Deutsche Welthungerhilfe e.V.
Acknowledgements

The findings of this report are based on a study commissioned by Welthungerhilfe and carried out by Dr Gerlind Melsbach, independent consultant, and Joseph Rahall, director of the Sierra Leonean non-governmental organization Green Scenery, in Pujehun District, Sierra Leone, in August 2011. Their research is complemented by later findings gained through the on-going engagement of Welthungerhilfe and Green Scenery in Pujehun District and in particular through interviews conducted in May 2012.

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## Abbreviations

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<tr>
<td>CFS</td>
<td>Committee on World Food Security</td>
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<td>CSR</td>
<td>Corporate social responsibility</td>
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<td>DFID</td>
<td>Department for International Development (UK)</td>
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<tr>
<td>ESHIA</td>
<td>Environmental, Social and Health Impact Assessment</td>
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<td>EPASL</td>
<td>Environmental Protection Agency of Sierra Leone</td>
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<td>FAO</td>
<td>Food and Agriculture Organisation</td>
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<td>FDI</td>
<td>Foreign direct investments</td>
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<td>FIAN</td>
<td>Food First Information and Action Network</td>
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<tr>
<td>GPS</td>
<td>Geographic positioning system</td>
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<td>Ha</td>
<td>Hectare</td>
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<tr>
<td>HH</td>
<td>Household</td>
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<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
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<td>ITC</td>
<td>International Trade Centre</td>
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<td>IVS</td>
<td>Inland valley swamps</td>
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<td>MAFFS</td>
<td>Ministry of Agriculture, Forestry &amp; Food Security</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organisations</td>
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<td>ODA</td>
<td>Official development assistance</td>
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<td>PAN</td>
<td>Pesticide Action Network</td>
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<td>PC</td>
<td>Paramount Chief</td>
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<td>PMDC</td>
<td>People’s Movement for Democratic Change</td>
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<td>PRSP</td>
<td>Poverty Reduction Strategy Plan</td>
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<td>PPP</td>
<td>Purchasing power parity</td>
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<td>RAI</td>
<td>Responsible Agricultural Investment</td>
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<td>RSPO</td>
<td>Roundtable on Sustainable Palm Oil</td>
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<tr>
<td>SAC</td>
<td>Socfin Agriculture Company S.L. Ltd, a subsidiary of the Belgian corporation Socfin</td>
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<td>SCP</td>
<td>Smallholder Commercialisation Programme</td>
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<td>SLIEPA</td>
<td>Sierra Leone Investment and Export Promotion Agency</td>
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<tr>
<td>SLL</td>
<td>Sierra Leonean Leone (4,400 SLL are about 1 USD)</td>
</tr>
<tr>
<td>SLPMB</td>
<td>Sierra Leone Produce and Marketing Board</td>
</tr>
<tr>
<td>Socfin</td>
<td>Société Financière des Caoutchoucs</td>
</tr>
<tr>
<td>USD</td>
<td>United States dollar</td>
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<tr>
<td>WB</td>
<td>World Bank</td>
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<td>WFP</td>
<td>World Food Programme</td>
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<td>WWF</td>
<td>World Wild Life Fund</td>
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Executive Summary

Sierra Leone is one of the least developed countries in the world and is still recovering from a civil war that ended in 2002. The German development organisation Welthungerhilfe has been working in Sierra Leone since 2004, predominantly in the Southern Province, focusing on supporting the local population in rebuilding basic rural infrastructure and improving their food security situation. Increasingly, the Sierra Leonean government seeks to attract foreign investors through providing opportunities for large-scale land leases for the development of agribusiness. As of mid-2012, two projects supported by Welthungerhilfe in the country were affected by large-scale investments from the Socfin Agricultural Company (S.L.) Ltd. (SAC), a subsidiary of the Belgian corporation Socfin. Project activities in 24 villages were put on hold as small farms and bush land were converted into large-scale plantations.

The Sierra Leonean Ministry of Agriculture, Forestry and Food Security (MAFFS) acted as intermediary in the land deal through leasing land from the people and sub-leasing it to the investor. The non-participative, non-transparent nature of the land lease process has resulted in widespread protest against the investment by the population affected.

Foreign direct in-land investment in Malen Chiefdom is still at an early stage. As such, it can only provide a first indication of the land deal’s impacts. However, it is already obvious that the investment has triggered a rapid transformation process in an area so far untouched by large-scale commercial farming: It has turned a former farming society with a relatively high degree of self-sufficiency into a society of landless wage-labourers. People’s hopes that the investment would result in significant infrastructure improvements, better access to education and good job opportunities have not materialized so far. Among those who did find jobs at the newly established plantations, dissatisfaction with the working conditions is widespread. The non-participatory manner and the externally driven nature of the transformation process have resulted in widespread feelings of powerlessness and shock. Very few community members have seen new opportunities emerge. In general, the findings indicate that the loss of land has aggravated the poverty and food insecurity of local villagers.

Postscript to This Study

Despite these drawbacks, the communities have started to organize themselves into the “Malen Land Owners Association (MALOA)”. In October 2011, they issued a letter of protest directed against the conditions of the land deal, rent and compensation issues and the behaviour of SAC in the investment area. 1 On October 11, 2011, landowners blocked the roads to the SAC plantations; as a result, according to media reports, 39 protesters were arrested. Fifteen people have been accused of unlawful assembly and riotous conduct2 and were released from prison on bail on October 19, 2011 upon application of their lawyer to the High Court.3

In September 2012, when SAC conducted surveys of lands in the neighbouring areas of Basaleh and Banaleh that were not covered by the initial investment, there was again protest from the local communities. Four people in Basaleh were arrested after refusing access to the SAC delegation. In Banaleh, villagers seized the computer and other equipment from the SAC delegation and handed it over to the police in Pujehun (district capital).

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1 Green Scenery (2011 b).
2 Green Scenery (2011 b).
1 Introduction

In recent years, foreign direct investment (FDI) in agricultural land has accelerated tremendously, both in terms of number and scale of the investments. Although the trend of foreign actors securing farmland in other countries is not new, going back in some cases to colonial times, it has nevertheless reached new dimensions. While it is not possible to obtain exact data because land transactions are generally not conducted transparently, the latest estimates are of up to 227 million hectares that have been sold, leased or licensed to foreign investors or that have been under negotiation since 2000. The vast majority of those deals have been initiated since 2007/08. More conservative estimates that rely only on crosschecked data and refer only to agricultural deals (excluding investments for mining, tourism, etc.) have recorded approximately 1,000 foreign direct investments within the past 10 years affecting roughly 57 million hectares of land.

The main driving forces behind this global pressure on land are rising global prices for agricultural goods, population growth and the change in consumption patterns requiring more land for the production of food, animal feed and biomass-based energy as well as an increase in general land speculation.

The acquisition of large tracts of land by corporate entities for agri-business – often referred to as “land-grabbing” – has gained considerable attention over recent years. While some see major opportunities for low-income countries to generate foreign capital inflow and urgently needed investments in agriculture and rural development, others raise concerns in particular regarding the right to food of local citizens, as fertile agricultural land is converted to production for export. Literature on theoretical aspects has increased considerably, but there is a dearth of empirically focused case studies, particularly those investigating the early impacts of FDI in agriculture on the overall livelihood conditions of the local population, taking into account the context and process of FDI in the respective setting.

Since late 2010 and early 2011, Welthungerhilfe and its partners have been directly confronted with incidents of large-scale land acquisitions by internal or external actors. By mid-2012, cases had been reported from Cambodia, Laos, Sierra Leone and Liberia. Smallholder producers and indigenous communities participating in project activities in Cambodia, Laos, Liberia and Sierra Leone had lost access to previously farmed areas, to forests and grazing grounds. Even though the investment processes are still at an early stage and the impacts are still evolving, they already have far-reaching implications for the local communities and are thus also relevant for the engagement of non-governmental organisations.

In order to better understand the evolving situations and to develop strategies to adequately support local communities, Welthungerhilfe decided to commission two case studies. A common methodological approach was developed encompassing the following approaches:

1. Study of existing literature and central project documents
2. Semi-structured and open interviews with the following stakeholders:
   - Welthungerhilfe: desk officers and project staff in the countries
   - Government officials from the national and district levels

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6 Anseeuw (2012).
7 Often 1,000 ha and above.
8 See inter alia GRAIN (2008), Friends of the Earth (2010), Daniel and Mittal (2009).
9 The study focusing on Cambodia was published in October 2011, cf. Bues (2011).
10 A detailed description of the methodology is available from Welthungerhilfe upon request.
• Traditional leaders (paramount, town chiefs and family elders)
• Managers of the investment companies
• NGO representatives involved in the issue of FDI
• Key informants in the villages on specific issues such as oil palm cultivation or traditional law

Interview guidelines were tailored to different interview partners and then adjusted to the conditions in the countries and to new questions arising from field research. For cross checking purposes the researchers sometimes went back to the same interviewee.¹¹

The objectives of the present study are the following: (1) analysing the context and the procedures of land leases, (2) analysing the early impacts of the investments on people’s livelihood and their food security situation in particular and (3) elaborating on implications for the involved actors, in particular Welthungerhilfe.

In Sierra Leone, Welthungerhilfe observed that farmers in two neighbouring chiefdoms – Malen and Gallinas Perri, both located in Pujehun District – were affected by large-scale investments. Welthungerhilfe had been engaged in those chiefdoms since October 2010, facilitating a project called “Food Security and Rehabilitation of Rural Infrastructure”. The district belongs to the Southern Region, where Welthungerhilfe has concentrated its activities.

Most of the research on which the findings of this report are based was conducted in August 2011 by Dr Gerlind Melsbach, independent consultant, and Joseph Rahall, director of the Sierra Leonean non-governmental organisation Green Scenery. Initially, two different land investments in Pujehun were in focus:

i.) an acquisition by an Indian conglomerate called SIVA in Gallinas Perri, and

ii.) another acquisition by Socfin Agriculture Company S.L. Ltd (SAC), a subsidiary of the Belgian corporation Socfin registered in Luxemburg

However, the later, more informal research conducted by Welthungerhilfe and Green Scenery staff covering the time until mid-2012 concentrated on the Malen Chiefdom and the SAC investment, since this proceeded much faster. In this report, only the findings relating to the SAC investment are described.

2 Sierra Leone – Overview and Investment Structure

Sierra Leone is one of the poorest countries worldwide, ranking on position 158 of 169 countries in the 2010 Human Development Index, which is below the average of all Sub-Saharan countries.¹² For this country with a population of almost six million, life expectancy at birth is 48 years.¹³ The population growth rate is estimated at 2.5% or more and 50% of the population is below the age of 18.

The adult literacy rate is estimated at 40%, well below the average for sub-Saharan Africa (62%). This low figure is partly due to 10 years of civil war, which hampered access to education, in particular for the rural population. After the end of the civil war in 2002, a reconciliation process was initiated. In the second parliamentary and presidential elections in

¹¹ In Sierra Leone, the district chief administrator and the general manager of SOCFIN were interviewed twice so information could be subjected to cross checking.
¹² UNDP (2011).
¹³ Ibid.
2007, the All Peoples Congress (APC) won the most votes and Ernest Bai Koroma was elected president.\textsuperscript{14}

The Gross Domestic Product (GDP) per capita was 325 USD in 2009.\textsuperscript{15} Almost 63%\textsuperscript{16} of the population live below the $1.25 purchasing power parity (PPP) per day and 70% live below the national poverty line.\textsuperscript{17} The urban population was estimated at 38% in 2009; about 60% of the population live in rural areas.\textsuperscript{18}

The economy of Sierra Leone is dominated by subsistence-oriented agriculture and the extraction of mineral resources (such as diamonds, rutile, bauxite, ilmenite, gold, chromite, platinum, lignite and clays).\textsuperscript{19} Furthermore, various exploration firms have discovered offshore oil deposits along the Sierra Leonean coast in recent years. In 2009, the GDP broke down as follows: agriculture 51.9%, industry 22.1% and services 26.6%.\textsuperscript{20}

Sierra Leone's economy is still in its reconstruction phase but shows steady growth rates in recent years. Still, about 30% of the total fiscal revenues in 2010 came from Official Development Aid (ODA) grants.

Even though Sierra Leone presents itself to foreign investors in the brightest colours\textsuperscript{21}, the fact that it is still perceived as one of the world’s most corrupt countries – position 134 out of 178 in the Corruption Perceptions Index\textsuperscript{22} – casts a dark shadow on the country’s political and economic perspectives as well as the FDIs in Sierra Leone.

The present government sees agriculture as a main driver for its poverty reduction strategy and aims to promote and develop smallholder agriculture as well as medium and large farmers. The president’s “Agenda for change” is laid down in the second Poverty Reduction Strategy Plan (PRSP) for 2008-2012.\textsuperscript{23} The agricultural policy is refined in the National Sustainable Agriculture Development Plan (NSADP) for 2010-2030.

The smallholder sector is targeted by the “Smallholder Commercialisation Programme” (SCP), which receives high priority among the government programmes. SCP aims at the improvement of smallholder agriculture and increasing food security at the national level. It was launched in July 2011 with a projected volume of 400 million USD over five years. So far, it received funding from Irish Aid, FAO, WFP, EU and the World Bank’s Global Agriculture and Food Security Programme.\textsuperscript{24}

Sierra Leone seeks to attract FDI by highlighting a favourable investment environment in the country, featuring political stability, peace and security, clear policy direction, strong economic performance and pro-business government.\textsuperscript{25} Special economic incentives for qualified foreign agro-business investors are provided through substantial tax benefits.\textsuperscript{26}

\textsuperscript{14} Wikipedia, Sierra Leone (n.d.).
\textsuperscript{15} World Bank (2011).
\textsuperscript{16} UNDP (2011).
\textsuperscript{17} World Bank (2011).
\textsuperscript{18} Ibid.
\textsuperscript{19} SLIEPA (2009 b).
\textsuperscript{20} Ibid.
\textsuperscript{21} Cf. for example The European Times, Sierra Leone.
\textsuperscript{22} Transparency International (n.d.).
\textsuperscript{23} The Republic of Sierra Leone (n.d.).
\textsuperscript{24} Oakland Institute (2011), p. 11.
\textsuperscript{25} SLIEPA (2010 b).
\textsuperscript{26} Among these tax benefits are: complete exemption from corporate income tax up to 2020 plus 50% exemption from withholding taxes on dividends paid by agribusiness companies; complete exemption from import duty on farm machinery, agro-processing equipment, agro-chemicals and other key inputs; three years exemption from import duty on any other plant and equipment; reduced rate of 3% import duty on any other raw materials; 100% loss carry forward can be used in any year;
The Sierra Leone Investment and Export Promotion Agency (SLIEPA) plays a central role in attracting and facilitating FDIs. SLIEPA was founded in 2007 under the Ministry of Trade and Industry. The agency was created with the direct support of international donors, namely the International Finance Corporation (IFC), UK’s Department for International Development (DFID) and the International Trade Centre (ITC).

Between 2008 and mid-2012, almost 1 million hectares of farmland across the country were leased or under negotiation for lease. The investors come mostly from Europe and Asia.

3 Land Use and Land Tenure

The government of Sierra Leone promotes foreign direct investment in agriculture with the promise of vast unused land reserves. This commitment, however, disregards the way land for agriculture is currently used. The prevalent system of cultivation is a bush fallow system where an upland field is cultivated with annual crops like upland rice, cassava or groundnuts for two to three years until its nutrients are exhausted. Afterwards the field lies fallow for 20 to 25 years until soil fertility is restored. A recent study by Bald and Schroeder shows that the average fallow period of upland fields in 1979 of 15.4 years was already shorter than desirable for a full restoration of soil fertility. According to survey data of 2004 the total sum of cropped areas in Sierra Leone had increased to 1,995,830 ha; therefore, 37% of the total land classified as arable, i.e. 5.4 million ha, is already cultivated. Subtracting the 777,148 ha with permanent crops (such as oil palm, cocoa or coffee) from the total cultivated area, this leaves 1,218,682 ha cultivated with rice and other food crops. Thus, the fallow period in most districts is already shortened to such an extent that soil fertility in the bush fallow system can no longer be restored sufficiently.

Fallow land is in fact not unused land but serves various purposes. If a field is no longer used for annual crops, other useful plants like bananas are cultivated and can be harvested in the transition to the fallow phase. Fallow land also provides building materials, firewood and medicinal plants. It is also a hunting ground for bush meat, which contributes a considerable portion of protein to the local diet.

In other words, the large areas of uncultivated land allegedly available in Sierra Leone turn out to be a myth insofar as land-use practices and ownership of property are concerned. However, even high-ranking government officials believe this myth. A report by the Oakland Institute traces this to the use of a short FAO draft report about biofuel that used out-dated figures (from 1975) and was not well researched.

With the words of Bald and Schroeder it can be concluded “that under the present cropping system there is no remaining potential to significantly enlarge the area under cultivation

125% tax deduction for expenses on R&D, training and export promotion; three-year income tax exemption for skilled expatriate staff where bilateral treaties permit.

28 Monitoring data from Green Scenery.
33 Bald and Schroeder (2011), p. 19. According to these authors, the fallow fields in 13 rural districts varies from 0.5 years to 12.6 years.
34 Interview with the Chair Person of the Board of EPASL on 15/8/2011.
The validity of this statement is emphasized by the tenure structure in the country.

Land tenure laws evolved in the colonial period of Sierra Leone. The country is historically subdivided into two regions. In the Western Area and the Bonthe Urban District, English Law is wholly and exclusively applied; a practice dating back to British Colonial Rule, which covered the Western Area from 1808 onward while the rest of the country was declared much later a British Protectorate. In the rest of the country, customary law of local tribal communities is the commonly accepted legal system.

Two laws governing land tenure during colonial times remain the relevant laws in Sierra Leone. They are based on the recognition of ownership of land by the tribes and the British declaration of the interior of Sierra Leone as a protectorate. The Protectorate Land Ordinance of 1927, which was further extended to Ordinance no. 32 of 1933, states the following:

"All lands in the protectorate are vested in the Tribal Authorities, who hold such land for and on behalf to the native communities concerned.

There is therefore no doubt that the present law regulating the provincial land-use system as contained in Section 2 of the Protectorate (Provinces) Land Act CAP 122 of the Laws of Sierra Leone 1960 preserves the concept that land is vested in the Tribal Authorities who hold the land on behalf of the native communities."

Some scholars see the customary land tenure as a hindrance to agricultural development in African countries. Land cannot be taken as security for credit and access to land is difficult for certain groups, e.g. women, youth, internally displaced persons or migrants, because control over land is vested in tribal elders. In particular, lack of access to land by young men is identified as a cause of violent political conflict and was one of the issues taken up by the Revolutionary United Front.

Since legal insecurities concerning land tenure may also been seen as a risk by potential investors, the government of Sierra Leone is currently working on a land tenure policy reform, which is "intended to bring confidence in national property rights and to facilitate investment, development and poverty reduction." The reform has to be seen in connection with the government's "Agenda for Change, Poverty Reduction Strategy – Phase II (PRSP II), Sierra Leone's Trade and Investment Forum, the 'Ease of Doing Business' initiative, and the promotion of investment and growth in agriculture, tourism and mining". The reform process is supported by UNDP, which wrote the document that became a cabinet memorandum. As of June 2011, a "Draft for a National Lands Policy" has been elaborated.

As opposed to being seen as a hindrance, however, traditional land tenure is seen as the basis for food security for the rural population, as land is a non-alienable resource.

"Land is the medium that holds together the extended families in Sierra Leone (Turay 1980). And extended families are the source of security for many – families mean not only tenure security but also food, livelihood and in many cases personal security. There exists

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39 Krijn and Richards (2006), the Revolutionary United Front fought against the Army of Sierra Leone during the civil war.
40 NN (2009).
41 Ibid, p. 2.
42 African Union, ECOWAS, FAO, IFAD et al. (2008)
in the country a pervasive, strong notion of the fundamental inalienability of land from the landowning extended families and chiefdoms. That rural land is very difficult to permanently transfer from family and chiefdoms to other interests (local, national or international) means that freehold tenure (outside of the urban and peri-urban areas) will not be a widespread feature of rural areas in the near future.”

Traditional law knows two categories of land:

1. **Communal land** is held in trusteeship by the socio-political head of the community on behalf of the community as a whole. “These communal lands only include unapportioned or unappropriated portions of land in the community and also those lands preserved for the use of the community as a whole, such as cemeteries, praying grounds, society bushes – all of which are subject to the direct control and management of the socio-political head.”

2. **Family land** is land “in which the principle interest is held by a family group with a common ancestry”. This family group “is endowed with corporate legal responsibility, which enables them to hold land as a group. The family as a group can enjoy the fullest cluster of rights, which includes the right of enjoyment and disposal of the land for which it holds a permanent interest. Responsibility for management and control of the family land is the vested family head.”

Family land is usually managed by the family head – most likely male – who allocates the land to different families of the lineage and manages the bush fallow system. Traditionally, only male descendants can access land of their patrilineage. Women have access to land, usually for annual crops only, through their husbands. If a woman becomes widowed, the husband's family might decide not to allocate land for securing her and her children's subsistence needs, forcing her to leave. Because the planting of tree crops establishes a long-term right to the land, women are often not allowed to develop such plantations. Nevertheless, there are fathers who establish plantations for their daughters or allow them to plant tree crops.

As land is inalienable and can therefore not be treated like a commodity, the only option for land acquisition by foreigners is leasing land from the owning families. The Protectorate Land Act of 1927 provides for land leases in the provinces of a maximum of 50 years in duration, possibly extended for up to 21 additional years.

<table>
<thead>
<tr>
<th>Relevant international and national guidelines governing land tenure and land investments</th>
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<tr>
<td><strong>International</strong>&lt;sup&gt;47&lt;/sup&gt;</td>
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<tr>
<td><strong>Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests</strong></td>
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<tr>
<td>In May 2012 the United Nations Committee on World Food Security (CFS) adopted a set of voluntary guidelines to help countries establish laws and policies to better govern land, fisheries and forests tenure rights, with the ultimate aim of supporting food security and sustainable development. They state that foreign investments in agriculture should seek to</td>
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<sup>44</sup> Unruh and Turay (2006), p. 33.
<sup>46</sup> A new law of 2007, the Devolution Estate Act, gives the wife or wives the right to inherit her/his husband's property in case of his death. This right does, however, not extend to family property, i.e. the family owned land, USAID (n.d.), p. 8.
<sup>47</sup> The Committee on World Food Security (CFS) has also been mandated to develop “principles of responsible agricultural investment”. It is expected that the CFS will adopt a roadmap for the elaboration for those principles in October 2012.
benefit all, but in particular vulnerable and marginalised people.

National

Guidelines of the Sierra Leonean Import and Export Promotion Agency (SLIEPA)\(^\text{48}\)

The SLIEPA guidelines on “Leasing Agricultural Land in Sierra Leone, Information for Investors” refer in particular to the phase of business establishment and land identification and acquisition. They are not legally binding.

Potential investors are advised to “Secure the free prior, informed consent of affected communities, not limited to only chiefs or other representatives

- “free”: free of external manipulation, interference or coercion and intimidation
- “prior”: timely disclosure of information
- “informed”: relevant, understandable and accessible information”\(^\text{49}\).

The guidelines explicitly exclude land used for subsistence food production (including necessary fallow lands) from the area used by the investor.

Guidelines by the Ministry of Agriculture, Forestry and Food Security\(^\text{50}\) (MAFFS)

These guidelines are laid out in the “Investment Policies and Incentives for Private Sector Promotion in Agriculture” in Sierra Leone and address foreign and large investors that lease land through the Ministry of Agriculture, Forestry and Food Security.

It specifically addresses possible competition between land used for bioenergy plants and for food production. Food production is stated clearly as the priority and only land not used for this purpose may be used to grow bioenergy plants.

It includes recommendations on the lease rate, the promotion of outgrower schemes, corporate social responsibilities, taxation and investment performance monitoring. The document also points to the need for a five-year investment plan, which should also contain social development components.

4 The SAC Case Study

4.1 Activity of Welthungerhilfe in Sierra Leone and Pujehun District

During the civil war, Welthungerhilfe could not continue its engagement in Sierra Leone. Nevertheless, two years after the war had ended it became one of the first organizations to return to the country. Since then and until June 2010, Welthungerhilfe has facilitated the implementation of seven projects with a total volume of 7.1 million euro.\(^\text{51}\)

The Regional Focus is the Southern Region and Western Area Peninsula. The projects concentrate on the following sectors: ensuring food security, protecting and managing natural resources, building basic infrastructure and implementing income generating measures.

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\(^{48}\) SLIEPA (2010a).

\(^{49}\) SLIEPA (2010a), p. 10.

\(^{50}\) MAFFS (2009).

The majority of the projects are in transition between reconstruction and development. Since 2010, Welthungerhilfe has reached about 100,000 households with its projects, affecting 600,000 to 800,000 people.

The “Project on Food Security and Rehabilitation of Rural Infrastructure” in Pujehun District (SLE 1011) started in Oct. 2010. The intervention areas are two chiefdoms within Pujehun District: Malen and Gallinas Perri.

The volume of the project amounts to 1.3 million euro over three years. The project is financed by the German Federal Ministry for Economic Cooperation and Development (BMZ) and is implemented in 32 villages, 16 of which are in Malen Chiefdom and 16 in Gallinas Perri Chiefdom.

When the project was conceptualised in close cooperation with District Council and representatives of MAFFS nobody pointed out that the area was earmarked for large-scale investments in agriculture. Even when the project started its work in October 2010 and when it was registered with the MAFFS at that time, neither MAFFS nor the traditional authorities informed Welthungerhilfe about the on-going negotiations with large-scale investors, which would clearly have an impact on the planned activities. The start of the activities of Socfin Agricultural Company S.L. Ltd (SAC), a subsidiary of the Belgian corporation Socfin, in the project area in May 2011 thus came as a surprise to Welthungerhilfe and its partners.

### 4.2 Overview of the SAC investment in Malen Chiefdom

According to a 2007 survey, 30% of households in Pujehun District had an inadequate food supply (slightly above the country average of 29%). Food security of female-headed households, accounting for 11% of all households on average, had a slightly lower food security than male-headed households. In order to tackle these food insecurities, a District Development Plan was drawn up for Pujehun in 2008. This plan focuses on the increase of sustainable food production, in particular through making subsistent farmers self-sufficient, decreasing post-harvest losses and ensuring quality control of cash crops. There was no reference to the promotion of large-scale plantations to ensure food security.

The maximum fallow period in Pujehun is, according to data from 2004, quite short. From the 224,320 ha of available arable land for annual crops, 70,523 ha are planted with rice and other annual crops. This means that roughly one third of the potential area is cropped. Thus, after the usual upland field use of two to two and a half years, a fallow period of only two years is actually left.

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52 WFP (2008).
Table 1: Land Use in Pujehun District\textsuperscript{54}

<table>
<thead>
<tr>
<th>Land Area Sq. Km</th>
<th>No. of Farming Households</th>
<th>Arable Land ha</th>
<th>Rice ha (upland and swamp rice)</th>
<th>%</th>
<th>Annual Crops ha</th>
<th>%</th>
<th>Tree Crops ha</th>
<th>%</th>
<th>Remaining Max. Fallow Period Yrs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,105</td>
<td>35,159</td>
<td>304,200</td>
<td>32,561.6</td>
<td>10.7</td>
<td>37,961.2</td>
<td>12.5</td>
<td>79,680.4</td>
<td>26.2</td>
<td>Approx. 2</td>
</tr>
</tbody>
</table>

Note: The fallow period for upland fields may be even shorter because the area for rice cultivation also includes rice cultivated on swamp or boliland.

Looking at the farm size (table 2), it appears that on average somewhat more than half of the land is already planted with permanent crops while the other half is cultivated with upland crops including rice. Pujehun, with an average of 4.27 ha of cultivated land per household, is one of the districts with the largest average farm size. The average for the whole of Sierra Leone is 2.74 ha/household.\textsuperscript{55}

During the meetings with farmers conducted as a part of this study, people emphasised the importance of having crops for home consumption as well as cash crops. Cash crops are mostly oil palms but include cocoa, coffee, groundnuts and kola nuts. Oil palms are by far the major income source to finance larger expenses; many families use this income for the higher education of their children. Oil palms can thus be called the educational endowment insurance for the young generation.

Table 2: Household Land Use and Farm Size in Pujehun District

<table>
<thead>
<tr>
<th>Rice ha (upland and swamp rice)</th>
<th>Annual Crops ha/ hh</th>
<th>Tree Crops ha/ hh</th>
<th>Rice and annual crops ha/ hh</th>
<th>Total ha/ hh</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.93</td>
<td>1.08</td>
<td>2.27</td>
<td>2.01</td>
<td>4.27</td>
</tr>
</tbody>
</table>

Since customary rules for accessing land differ for different tribes or even tribal subgroups, some elders in the chiefdoms were asked about the customary way of accessing land in Pujehun Chiefdom.

Process of Land Acquisition According to Traditional Law

1. The person who seeks land approaches the paramount chief (PC) and expresses his/her interest in getting land in a village of his chiefdom. PC sends him to the chief of that village.
2. Person brings welcome presents and expresses his/her interest in purchasing land in his/her village and may express her/his preference as to which land.
3. Village chief calls meeting of heads of landowning families and asks if somebody is willing to provide land for the requesting person.
4. If requesting person and landowning family agree, a contract will be concluded between the parties and will be witnessed by the town chief.\textsuperscript{56}

\textsuperscript{56} In Sierra Leone the chiefs of villages are called town chiefs.
The contract can be

a) A lease contract whose length depends on the purpose for which land is leased.

b) If the requesting person is a citizen of Sierra Leone, the land may also be purchased.\(^{57}\)

5. Contract has to be signed by section chief.
6. Contract has to be signed by PC.

The PC as the highest custodian of traditional land in his chiefdom has a central role in accessing land. He may provide the contact to the landowning families and has to give the final consent for the land deal with his signature. However, the interviewed people in Pujehun insisted that the decision to lease land is always taken by the family who provides the land.

Although the paramount chief and tribal authorities have a central role in regulating land use in Sierra Leone, the land laws in Sierra Leone emphasise the "trusteeship of the Chiefdom Councils or Tribal Authorities. Thus the Chiefdom Councils or Tribal Authorities are not the owners of the land but custodians who hold for and on behalf of the true owners who are thus the respective communities and families."\(^{68}\)

The Sierra Leonean Investment and Export Promotion Agency (SLIEPA) has strongly supported SAC in allocating land for its investment in Pujehun District. The company’s roots go back to the colonial period of Belgian Congo in the 19\(^{th}\) century. Today, it operates rubber and oil palm plantations through its complex subsidiary structure inter alia in Cameroon, DR Congo, Guinea, Ivory Coast, Liberia, Nigeria, Cambodia and Indonesia.\(^{59}\)

Land offered for land leases is usually pre-identified by the government. After a feasibility study about the suitability of the land in Pujehun District for agricultural crops had been conducted in 2009,\(^{60}\) SLIEPA outlined the area for oil palm investments in Pujehun District in a promotion campaign.\(^{61}\)

In this campaign, SLIEPA determined an available gross area of 80,000 hectares, expected to yield 10,000 ha nucleus estate and more than 10,000 ha out-growers.\(^{62}\)

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\(^{57}\) According to the information gleaned through this research, it is legally possible. However, the interviewees had never heard of land having been sold in their area.


\(^{59}\) Green Scenery (2011), p. 5.

\(^{60}\) Personal information by SLIEPA CEO Patrick Caulker on 8/8/2011.


The land in Malen Chiefdom was actually leased by MAFFS from the traditional authorities through the so-called “head lease” and sub-leased to SAC. SAC aims at a plantation size of 12,000 ha all in all. The investment in land development and the oil mill will amount to around 100 million USD.

So far, the scope of the SAC leasehold in Malen Chiefdom encompasses a “gross area” of 6,560 ha. “Gross area” is the area identified for investors from which certain territories have to be excluded, such as area unsuitable for cultivation, areas for settlements and subsistence food production areas (including fallow lands), high conservation value sites and buffer zones. Only the resulting “net area” can be the object of a lease negotiation. The “gross area” was demarcated using GPS and the area was laid out on a map.\(^{63}\) However, since no land had previously been measured within this “gross area” and the map is not geo-physical, it is not possible to clearly indicate the borders of the “net” lease area.

A rough demarcation of this “gross area” is shown in the map above. It could be established that 24 villages in Malen Chiefdom are directly situated in the plantation area. However, it is unclear which other villages are situated within the larger concession area. Furthermore, it is difficult to assess the number of inhabitants or households affected by the investment, as such baseline data is not available.

### 4.3 Process of Land Acquisition: Consultation, Transparency and Flow of Information

#### 4.3.1 From Preparation of the Investment to Signing the Lease Agreement

People in Malen Chiefdom were informed about the planned investments by Paramount Chief Kebbie (PC)\(^{64}\) from approximately September/October 2010 onward, about half a year before the contract was signed. The information was not clear: The people affected by the investment had understood that only a smaller plantation, the former Sierra Leone Production and Marketing Board (SLPMB) Plantation\(^{65}\) once managed by the government, would be leased to a company. Only one village said they had clearly understood that it was not just this plantation that would be affected. The majority of villagers realized in a later meeting in January/February 2011 that “all land will be taken.”\(^{66}\) Some people even said that only during a “Reconciliation Meeting” in May 2011 (see below) had it become clear to them that their land was already allocated to the company.

In the chiefdom meetings the people were not invited to decide for themselves, i.e. with their families and in their villages, as to whether and how much land they were willing to lease out. They were just informed about decisions that the PC and his allies already had made.

One interviewee gave some insight about the level of information that was provided:

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\(^{63}\) It was not possible to get a copy of the map because it was not in its final version. However, the General Manager of SOCFIN showed it to the researchers.

\(^{64}\) The Paramount Chief is the highest representative of the traditional authority at Chiefdom level. He shares responsibility with heads at lower levels such as the Section Chief at Section level and Town or Village Chief at village or town level.

\(^{65}\) The institution no longer exists and the plantation has not been maintained in recent years. According to information provided to the researchers the plantation covers about 1,200 ha that belong to three families. Since the company stopped operation a long time ago the plantation was given back to the landowning families.

\(^{66}\) In general people in the villages referred to the land lease as “taking of the land”.

12
“When they asked the PC for the specific conditions under which the company would work, people from Kpombu got the answer, ‘You don’t need to ask so many questions, otherwise the company might lose interest’.”

There was no consultation process during which the people and the communities could have discussed if and in which way they could cooperate with the investor and which land to lease. When the PC informed the villagers in a chiefdom meeting in February 2011 that the people’s land would be taken over by the SAC company the landowners protested.

“We the landowners were not consulted on the arrangements and therefore did not know what the agreement was. So with a consensus we disagreed as landowners. With one voice we said no! We expressed our unwillingness to give up our lands. But the chief told us that he is the sole custodian of the lands and that whatever he says is final.”

The speaker of the Paramount Chief stated that on the contrary, all people had been informed in several meetings in the course of three years and all communities had been involved. The discrepancy between the perceptions of the leaders and the people in the villages is very obvious. The contradicting statements indicate a lack of participation in the process as well as a lack of transparent leadership. Without a doubt, there was no participatory consultative process in the decision-making about the lease. As was unanimously stated in all villages, the landowners who should be the ones to decide about leasing land or not according to prevailing customary law were not consulted.

Among the influential community leaders the deal was not uncontested. Whilst the Paramount Chief was supportive of the deal, a member of parliament, the Hon. Shiaka Musa Sama whose family originates from the area, is a prominent opponent of the investment. The MP Shiaka Musa Sama describes an attempt by SAC representatives to bribe him in order to give up his opposition to the deal.

“They offered me $2,000. I have a witness who was present to testify. The man placed the money on my lap and moved off saying it was for me. I called an MP, who is my witness, to ask the company man to take back the money. At this point the company man knew I was serious. He took back the money. I told the man it will be wrong for me to take money from them.”

Table 3: The SAC Case of Leasing Land in Malen Chiefdom

<table>
<thead>
<tr>
<th>Date</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Throughout 2009</td>
<td>Feasibility study in the area</td>
</tr>
<tr>
<td></td>
<td>• Soil samples were taken</td>
</tr>
<tr>
<td></td>
<td>• Ministry of Lands, Country Planning and the Environment came to survey boundaries for lease</td>
</tr>
<tr>
<td></td>
<td>• Other consultations between PC and Ministries</td>
</tr>
<tr>
<td></td>
<td>General population was not informed and not aware about the purpose of the activities</td>
</tr>
</tbody>
</table>

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67 Focused Group Discussion, Kpumbu, 8/8/2011.
68 Interview with the Speaker of the PC, Robert Shemba Mogua on 5/8/2011.
69 Interview with Shiaka Musa Sama, MP, 2/8/2011.
70 Interview w. Patrick Caulker SLIEPA (2/8/2011). It is neither known who made and financed the study, nor its content. There are no copies in the district administration and the researchers were not able to get a copy from SLIEPA.
<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2010</td>
<td>Chiefdom meeting in Sahn Malen (the chiefdom capital) PC told the villagers that a company would be coming to take over the former government plantation. There was no major objection to this proposal because people thought that the activities would be restricted to the former government plantation.</td>
</tr>
<tr>
<td>October/November 2010</td>
<td>Chiefdom meeting in Sahn Malen: Acquisition of SLPMB Plantation by SAC confirmed by the PC</td>
</tr>
<tr>
<td>February 2011</td>
<td>Chiefdom Meeting in Sahn Malen: PC informed the villagers that all the land in the chiefdom would be taken over by SAC to plant oil palm and rubber. The meeting was attended by Lewis Shilling, administrator of SAC. All landowners of Malen expressed unwillingness to lease land.</td>
</tr>
<tr>
<td>February/March 2011</td>
<td>The Chief of Semabu Village held a meeting and the community expressed concern about what would happen to their plantations and food production. The PC, who also attended the meeting, said that all land would be taken by the company, whether one liked it or not. When people asked where they would get food, the PC said they should buy it with the money that they receive.</td>
</tr>
<tr>
<td>March 5, 2011</td>
<td>Chiefdom Meeting in Sahn Malen (&quot;Money Meeting&quot;): In this meeting the lease agreement was to be signed. Representatives of the investor SAC brought the rent to be paid to the landowners in cash (173,000,000 SLL, about 40,000 USD). The money was stacked on the table in front of everybody. The section chiefs who signed received money to redistribute it to the landowning families in their section. Armed security forces guarded the meeting. The sub-lease contract between the MAFFS and SAC bears the same date of signature. Villagers and village chiefs who did not want to sign stayed away from the meeting. Five of the nine section chiefs whose sections are affected by the lease signed.</td>
</tr>
</tbody>
</table>
| From April 2011 onward | The activities of SAC in the area started:  
• Oil palm plantations of farmers measured to determine compensations.  
• Machines for earth movement arrived.  
• Existing palm oil plantations cleared of undergrowth.  
• Land for nursery cleared and operations in nursery started.  
• Preparation of infrastructure begins.  
• Houses for SAC headquarters in Sahn renovated. |
| May 30, 2011    | Stakeholder Meeting in Pujehun ("Reconciliation Meeting"): Attended by the PC, Pujehun District Council Chairman Sadiq Silla and Member of Parliament Shiaka Musa Sama. The latter had been opposing the investment. In this meeting the conflicting parties reconciled and expressed their intention to work together for the well being of the people. It was criticized that the lease agreement was not made public to the concerned people as well as district council. |
| June 4, 2011    | Chiefdom Meeting in Sahn Malen: Three months after the contract had been signed, it was fully read publicly for the first time and partly translated into the local language, Mende, by District Council Chairman Sadiq Silla. The legality of the contract was questioned. The other document made public in this meeting was the Environmental, Social and Health Impact Assessment (ESHIA) report. |

72 Chiefdom meetings or chiefdom gatherings are meetings of the population of a chiefdom which are usually called by the PC.
On March 5, 2011, a chiefdom meeting for signing the contract took place. This meeting was guarded by armed security forces. Notably, PC Kebbi e, the Sierra Leonean Minister of Agriculture, Forestry and Food Security (MAFFS) and the General Manager of SAC were in attendance. The latter brought along 173 million SL L (about 39,318 USD) – the landowners’ share of the rent for one year.

The agreement to be signed in the first instance was the lease agreement between the MAFFS and the lessors of the land. The signatories representing the lessors were the section chiefs, appointed by the PC, some town chiefs and others (it is unclear in which capacity they signed). Of the signatories, 29 signed by fingerprint and six signed with their names. Only the representatives of five of the nine sections of Malen Chiefdom affected by the lease signed the document.

There are contradicting statements as to whether the content of the lease agreement was made public before it was signed. While PC Kebbie explained that the agreement – written in English – was read in full length at the meeting, other witnesses of the meeting said that the agreement was not explained and the signatories were not aware of its content.

There is some indication that coercion played a role in the signing of the contract. In one instance when a section chief had asked for time to consult with his people first, he was told by the Resident Minister South that he should either sign right away or leave.

According to other statements given, the fact that armed guards were present during the event may also have contributed to creating an intimidating atmosphere.

Asked about the lease agreement by the researcher in an interview, neither a town chief nor a section chief who had both signed the document could disclose its content. The lease money that was stacked on a table visible to everybody was directly paid to those section chiefs that had signed the agreement. When asked about this procedure, SAC’s general

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73 Interview with respondents of Kassey Village on 8/8/2011.
74 Letter to district officer of Pujehun District, October 2, 2011; accessible at [www.greenscenery.org](http://www.greenscenery.org)
75 Green Scenery (2011): p. 6. For further information about the rent and its distribution to various beneficiaries, see the next section.
76 Green Scenery (2011), p. 5.
77 Meeting in Kpombu Village on 8/8/2011.
manager stated that the money was given directly in cash to make sure that the landowners would receive their money.

Lahai Sellu, village elder Massao village

“I rejected the rent payment on behalf of the Sellu family. The chief then told me “whether or not you like it and whether or not you accept the money, the company will come and work on your land.”

When the process of the land deal was reconstructed with the help of a time line in the villages, three out of four villages said that the PCs had explained it to them and they had believed that the money brought by SAC was “handshake money”. “Handshake money” is a present that a visitor is usually expected to bring to his/her host. It was not clear to the population that the money distributed was actually the first payment of rent and that accepting this money would mean that the land lease was sealed.

The group discussions revealed how the whole process of leasing has upset many people in Malen. Those affected by the lease see themselves as victims of a decision made by their traditional leadership. Several are of the opinion that the PC and a group of section chiefs appointed by him pushed the issue of land lease.

In sum, it can be deduced from the statements that the way in which the land was leased to SAC does not correspond to SLIEPA or FAO principles. The consent of most of the people was neither free, i.e. free from external manipulation, coercion and intimidation, nor informed, i.e. relevant, understandable and accessible information, nor was the information disclosed in a timely manner.78

4.3.2 Developments After Signing the Agreement

In order to assess the potential impact of the investment on the work of Welthungerhilfe, a first survey was conducted by project staff in July 2011 within 22 villages on the acceptance of the lease agreement.79 In eight villages the majority accepted the lease agreement, in another eight villages the majority was against it and in six villages the attitude of the villagers was not clear. However, during later research in August 2011, acceptance of the agreement had become weaker. In two villages where the agreement had been widely accepted at the time of the initial survey, the attitude had changed to a critical one. By May 2012, further villages had begun to oppose the investment, probably because improvements did not materialize as expected (see Chapter 4.5 below).

In a stakeholder meeting held in Pujehun on May 30, 2011, the opponents, MP Musa Sama, District Council Chairman Sadiq Sila and other councillors, reconciled with the PC who had supported the investment. The parties agreed to work together for the benefit of the district (“Reconciliation Meeting”).

A few day later, in a meeting on June 4, 2011 upon the public disclosure of the Environmental, Social and Heath Impact Assessment (ESHIA)80 in Sahn Malen, the district capital, it was made clear by District Council Chairman Sadiq Sila that the land would not be taken by force. According to people who attended the meeting,81 District Council Chairman

79 Welthungerhilfe-SLE-1011. Results of stakeholder meetings (unpublished project document).
80 The ESHIA was conducted by Star Consult. For details see below.
Sadiq Sila stated that it was only now that he and other key stakeholders had received the lease agreement and the Environmental Social and Health Impact Assessment Report (ESHIA). He also read out some parts of the lease agreement in Mende and concluded that a total of 16,248 acres of land had already been acquired and, as a result, all stakeholders now had to accept that the government was giving the indicated land to SAC. In response to the many complaints from the population it was decided to set up a Grievance Committee composed of the PC, the MP Musa Sama, District Councillors and SAC. However, no participation of affected landowners was envisaged. The committee’s main function was to receive complaints and resolve them. However, as of mid-2012 the committee had not taken up any activities despite the growing discontent of the population.

4.4 Main Issues Regarding the Land Lease Agreement

There are two contracts, both signed on March 5, 2011.

a) The lease contract between the Malen Chiefdom Council and Dr Sam Sesay, Minister of Agriculture, Forestry and Food Security for and on behalf of the Republic of Sierra Leone

b) The sub-lease contract between Dr Sam Sesay, Minister of Agriculture, Forestry and Food Security for and on behalf of the Republic of Sierra Leone and Socfin Agricultural Company (S.L.:) Limited (SAC)

According to a legal analysis commissioned by Welthungerhilfe, several clauses of the lease agreement are not in line with Sierra Leonean legislation. A legal analysis indicates “that due to legal inconsistencies the signed lease agreements are in effect voidable.”

The analysis addresses specifically the issue of the government of Sierra Leone as an intermediary between the people/tribal authorities of Malen and SAC. “The SOCFIN Agricultural Company Sierra Leone Limited is a registered company in Sierra Leone, whose activities are regulated by the laws of Sierra Leone and monitored/supervised by the government of Sierra Leone using the appropriate government authorities. Engaging in a sub-lease agreement with the company amounts to a conflict of interest…”

It further recommends "a thorough review and amendment of both the lease and the sub-lease agreement under integration of independent (international) legal experts in order to support local communities in defining and expressing their expectations and concerns".

In the following, some central features of the lease agreement will be discussed with regard to the policy guidelines and their consequences for the population.

Land area: The gross area in the lease agreement amounts to 16,457.54 acres (= 6,660 ha); this area has been measured using GPS. About 24 villages and settlements are located within this area. The gross area, however, is composed of land belonging to different families. Usually the family elders know the borders of their land. However, these family lands have never been surveyed and are also not surveyed in the course of the land lease. Once the land is cleared and the large-scale monoculture plantations are established, landmarks indicating borders, will largely disappear. The descendants of today’s landowning families will not be able to identify their family’s property once the lease expires. Furthermore, the agreement does not established which territories must be excluded from the commercial plantations, since no provisions for the measurements and demarcation of settlements, subsistence food production areas including fallow lands, high conservation

82 The legal analysis was commissioned by Welthungerhilfe in August 2011 and carried out by Patrick N. Johnbull Esq.
85 Ibid.
value sites, buffer zones, etc. were made. It is also not clear from the agreement what the rights of the people residing in the concession are, i.e. in terms of access to necessary resources such as water or firewood. No reference is made to other laws or agreements where these issues might be regulated. There is no clause in the contract that protects the properties of the population. As Lahai Sellu, village elder from Massao village explains:

“There is no distinction now between the different family holdings: It will be very difficult to differentiate for our children and grand children. Everything is just diluted in the mass, there was no demarcation done.”

Furthermore, it is unclear what the impact will be on those sections and villages (e.g. Kassi, Bassaleh, Gandorhun, Tissana) that did not sign the contract and that refused to accept rent payments. These areas are also part of the 6,660 ha and thus part of the lease agreements.

**Duration of the lease:** The contract is for 50 years and may be extended for another 21 years according to the sub-lease agreement (paragraph 1) or 25 years according to the head lease (paragraph 1). This time spans two, even three generations. People in the meetings held in Malen expressed their concern about the length of the contract. At the end of the leasing period, the farming knowledge necessary to live as an independent farmer will have been lost.

**Subletting of the land:** Section 2.5 states that the lessee agrees "NOT TO ASSIGN or sublet any part of the Demise Land without the consent of the Lessors". According to this provision, the lessee is already violating the contract by subleasing the land to SAC because such consent was not sought or documented.

**Land rent:** The lease agreement provides for a rent of 5 USD/acre/year (USD 12.50/ha). This amount was not negotiated with the landowners but is recommended in the guidelines of MAFFS. The rent payment relates to the gross area, i.e. the rent will be paid for 6,660 ha and thus also for settlements, swamps and other biotopes which must be excluded from the actual plantation area. This practice of letting the lessee pay for the whole area is in contradiction of the guidelines of SLIEPA; it also prompts the lessee to use as much land as possible. The General Manager of SAC roughly estimates that about 4,500 ha will be used for the plantation in the end.

It is not stated in the contract who receives the rent, nor is there an additional contract between the government and the lessees specifying the distribution of the rent to different stakeholders. In practice the total rent of approximately 81,243 USD\(^{86}\) is divided among different stakeholders according to the MAFF Guidelines, as follows:

\[^{86}\text{This corresponds to approximately 16,248.54 acres x 5 USD.}\]
Table 4: Distribution of Rent to Different Stakeholders

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>%</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Landowners</td>
<td>50</td>
<td>2.50</td>
</tr>
<tr>
<td>2 District Council</td>
<td>20</td>
<td>1.00</td>
</tr>
<tr>
<td>3 Chiefdom Administration</td>
<td>20</td>
<td>1.00</td>
</tr>
<tr>
<td>4 National Government</td>
<td>10</td>
<td>0.50</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>100</td>
<td>5.00</td>
</tr>
</tbody>
</table>

The MAFFS document further specifies:

“The bulk of Nos. 1-3 must be used to support community development initiatives to be determined by the community/chiefdom council.”

Hence, 50% of the rent goes to the national government and regional/local government institutions to be used for government tasks, i.e. community development. This 50% deduction of the rent payment can be compared to a tax. Compared to other taxes in the country, this is unusually high. The highest tax rate in the country, the corporate income tax, amounts to 30%. The prescription that even the amount paid to landowners should be used for community development purposes completely deprives the landowners of any benefit from leasing out their land.

The rent must be paid annually per acre. As a pre-condition, the amount of land each family owns must be determined. However, there is no provision regulating the surveying of family lands.

Whereas it is prescribed that even the part of the rent landowners themselves receive should be used for “development purposes”, there are no guidelines for use of the 10% that goes to the national government. According to James K. Pessima of MAFFS, who was involved in the lease process in Malen, this money is meant as compensation for the MAFFS’ monitoring costs.

The practice of rent sharing gives the government, the PC and the district authorities the incentive to enforce large-scale land deals. MAFFS strives to make it mandatory for foreign investors to sub-lease land from MAFFS. Although MAFFS justifies its role as intermediary in the land deals with the argument that it is protecting the interests of illiterate farmers, financial motives may also play a role in its efforts to act as intermediary. This is also corroborated by the fact that up to now MAFFS has not intervened in the interest of the farmers.

Rent Payment: The rent must be paid on a yearly basis. The first instalment of the rent, paid in the public meeting on March 5, 2011, was distributed to the section chiefs for redistribution to the family heads. In the case of one village, Kpumbe, the family heads of the communities that accepted payments received one million SLL each in rental payment for the first year, regardless of the amount of land they own or the number of family members or households in

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87 MAFFS (2009). The original table contained errors in the amount of USD going to District Council and National Government; these errors have been corrected.
88 MAFFS (2009), paragraph 9.
89 Doing business Sierra Leone (2011).
90 Interview with Mr James K. Pessima, MAFFS, 16/8/2011.
91 Interview with Mr James K. Pessima, MAFFS, 16/8/2011.
their lineage. The family heads distributed this amount among their (extended) families. One farmer said that for example in his family each adult family member received 5,000 SLL.\textsuperscript{92}

The first tranche of the payment was for 6,660 ha, but some of the sections did not sign and some of the landowning families did not accept the money from the section chiefs. Thus it is not clear what happened to the remaining funds. The fact that family land was not surveyed and families were given lump sum payments rather than rent according to amount of property may lead to severe conflicts in the future.

**Rent Adjustment:** Concerning rent adjustments, the provisions in the lease as well as the sub-lease agreement are not clear. It is only mentioned that the lease should be reviewed after seven years (paragraph 4.3, i) and that there should be another review for the final seven years. The initial review shall not result in an increase of more than 17.5%. No further specifications are provided regarding a benchmark for the upward adjustment of rent. In contrast, PC Kebbie spoke of an adjustment of the rent every two years.\textsuperscript{93}

In any case, a long-term lease agreement should have a more sophisticated rent adjustment clause. An inflation rate of 3% per year results in an increase in prices of 22% in seven years; a yearly inflation rate of 12% – closer to Sierra Leonean reality – results in price increases of 121% over seven years. A comparison of market prices in the concession area between June 2011 and June 2012 has revealed that food prices already have increased considerably within only one year of the lease: 27% on average (see below, p. 25).

**Compensation:** There is no clause in the contract regulating compensation for buildings or the value of crops on the land that will be used by SAC. In practice, SAC pays a compensation for existing oil palm plantations, whereas there is no compensation for other plantations, e.g. cocoa, kola nuts or upland crops. Only in the village of Kortumahun where the company started to use land for a nursery did farmers receive compensation for upland crops. For two acres of cassava the field owners got 25,000 SLL. SAC indicated there was no compensation for upland crops in other villages, because communities could still harvest before the company would be taking over the land.\textsuperscript{94}

\begin{figure}[h]
\centering
\includegraphics[width=0.3\textwidth]{sama_amara}
\caption{Sama Amara, previously farmer, Kortumahun village}
\end{figure}

\begin{quote}
“We used to grow cassava, rice, groundnuts, pepper, mango, pineapple. Additionally, my family had 8 acres of oil palm. But we were only compensated for 5; we received 5,000,000 SLL. My eldest son had developed 4 acres of oil palm, but he was only compensated for one acre. We had hoped to receive this compensation every year, because our crops would also provide income every year. Only now we know that we will not receive this payment again.”
\end{quote}

\textsuperscript{92} This corresponds to 1.10 USD as of 5/3/2011. Kpumbu meeting 7/8/2011.

\textsuperscript{93} Interview of Green Scenery with Paramount Chief Kebbie in May 2011.

\textsuperscript{94} Interview with Gerben Haringsma, General Manager SOCFIN S.L., 15/8/2011.
According to estimates by Welthungerhilfe, one acre of cassava has a market value of 1,713,600 SLL (about 390 USD) when sold unprocessed (conservative estimate). That means that the compensation is just a fraction of the harvest’s value. For oil palm plantations the compensation is 1,000,000 SLL (about 220 USD) per acre. According to the general manager of SAC this amount is paid regardless of the condition of the plantation. However, some plantation owners felt cheated in the measurement of their plantation and it was reported that others colluded with company surveyors to increase the size of their plantation in order to receive higher compensation payments.

**Determination of Compensation:** For the purpose of fixing the compensation, a team of surveyors measures the size of farmers’ oil palm plantations. The surveyor teams were composed of people trained in land surveying with GPS and staff seconded by the local MAFFS. The survey team went together with the owner – or the alleged owner – to the family oil palm plantation where the owner showed them the borders. Border points were then measured with GPS. The team determined the size of the plantation and the amount of compensation on the spot and directly paid the compensation to the real or alleged landowner, who had to sign a receipt. The plantation owners neither received a document stating the land size and location, so that compensation becomes transparent and retraceable, nor did they receive a duplicate of the receipt. This practice invites corruption and indeed numerous complaints have surfaced during the group discussions:

- Many landowners complained that the land measurements quantified only half the size or less in comparison to what they thought the size of their land to be. Even though many of the local farmers are illiterate, they are well aware of the size of the family oil palm plantations, since the palms are planted at standard distances with approximately 60 palms per acre (younger plantations).
- In the village meetings, some cases were reported in which the surveying teams deducted an amount from the compensation payment with the argument that the number of palm trees was sub-standard.
- The people attending the village meetings considered the amount of compensation to be too low in view of the lost income. Farmers in all three villages who participated in group interviews indicated that they had believed they would receive annual compensation payments since income is also lost every year. This demand shows that the lessors still do not understand the difference between rent and compensation payments.
- In one case, the surveying team offered to add three more acres than actually measured in the record for compensation and share the additional compensation between themselves and the landowner.
- Some cases were reported in which the surveyors did not involve the plantation owner but somebody else from the family. In one case, a village elder stated that his nephew, who did not know the exact boundaries, indicated plantation boundaries to the survey team even after the elder had decided not to give up his plantation.
- In another case, the plantation owner was in town when the surveying team came. This owner was also unwilling to give up his plantation. The surveyors took somebody else in his stead and paid the compensation to him. The person who received the compensation then disappeared with the money.

**Use of the Leased Land and Natural Resources:** A clause in the sub-lease agreement allows the lessee “to use the demised land for farming and any other purpose the lessee may deem fit”. This gives the lessee the right not only to use the land above ground but also to do mining and to extract as much ground water as the lessee feels is required. This is due to English common law, according to which land includes the subsoil down to the centre of
the earth and the air space above. No clause is included relating to the condition of the land when it is returned at the end of the lease.

**Environmental, Health and Social Impact Assessment (ESHIA):** An ESHIA is required for each large investment in Sierra Leone. SAC commissioned an ESHIA, but in September 2011 the Assessment had not yet been processed by the Environmental Protection Agency of Sierra Leone (EPASL) and the corresponding license required for starting any operation had not been issued. According to information by the chairperson of the agency’s board, Madam Haddijatou Jallow, SAC’s ESHIA was refuted twice because some sections were missing. Nevertheless, at that point of time operations already had started.

**Corporate Social Responsibilities (CSR):** The general manager of SAC mentioned the following payments in pursuance of SAC’s corporate social responsibility policy:

1. Every year, SAC will pay 75,000 USD for social development projects in the chiefdoms.
2. Over the next three years, when the plantation will be developed, about 19 million USD (without road infrastructure) will be released for social development such as schools, hospitals, food provisions for the vulnerable etc.

This is indeed a considerable amount that could, if used wisely, bring forward the development of the rural area and reduce poverty. SAC’s general manager is convinced that social responsibility results in a win-win-situation for the people and the company and will lead to a good economic performance of the company. According to him, not only the company staff and their families shall benefit from social development projects but the communities as a whole.

However, by May 2012 little evidence of the announced social investments could be identified. In one community it was reported that SAC had built a well in the village, but community members saw this as a compensation for a natural water source that they could no longer access due to the establishment of the plantations. Another village indicated that they had approached SAC to get assistance in repairing a broken well pump approximately 6 months ago; but even though SAC had promised support nothing had happened so far. In general during group discussions, feelings of disappointment and disillusionment surfaced. People felt SAC had not lived up to promises initially made. As Sama Amara, previously farmer, from Kortumahun village explains:

“The company promised a lot of things when it came. Our village was the first to be approached: The company promised a clinic, to renovate mosque, and to construct a community hall. However, in the end SOCFIN [SAC] did not even assist in repairing a basic water well.”

The guidelines of SLIEPA as well as MAFFS call for the provision of out-grower schemes in the investment plan that the investor submits to the government. A provision for out-grower schemes is not included in either of the lease agreements. During an interview, SAC mentioned that out-grower schemes are not very profitable for them but that nevertheless such a component is foreseen in their investment plan. In order to enable the farmers to

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96 Meeting with Haddijatou Jallow, Executive Chairperson of the Board, EPASL on 15/8/2011.
97 Interview with Gerben Haringsma, SAC General Manager, on 5/8/2011.
98 Interview with Betty Sengeh, Senju Village, May 2012.
99 Insert village name; interviews May 2012.
100 An investment plan specifies the details of the investment, like size of nucleus plantation and area covered by out-grower schemes, capacity of the oil mill, details of the CSR, etc. It is sometimes also called rural development plan.
deliver their oil palm fruits to the mill, SAC also was to start with the construction of the oil mill at an earlier date.\textsuperscript{101} By mid-2012, the mill had not been established.

4.5 Early Impacts on Local Communities

First, we will describe the early impacts on livelihoods in those communities that already are affected by the operations of SAC. Secondly, early ecological impacts are briefly touched upon. Thirdly, social impacts are detailed in greater depth, also illustrating people’s general expectations regarding the future development.

4.5.1 Early Impacts on Livelihoods and Village Economies

Food production and access to food: Regarding the impact of SAC’s investment on food availability, discussions in the villages Kortumahun, Kpombu and Semabu showed that the people assessed the supply of basic food items from upland fields as well as from wild resources in general as “abundant” to “satisfactory” in the years prior to the investment. Production was sufficient for them and a surplus in most essential food items grown on their own fields could be sold. All interviewees in the concession area noted that the land available for food production had considerably decreased following SAC’s investment. For example, in the village of Kortumahun, where the nursery is situated, all 19 women attending the group discussion in August 2011 indicated that they had lost the upland fields where they had cultivated rice, cassava and other crops; 17 of their husbands had lost their palm groves to the SAC investment.

Villagers mentioned that even the food supply from resources that still could be used, e.g. upland fields not yet cleared for the SAC plantation, had declined. According to the people in the village meetings, the shock of the SAC investment had resulted in widespread feelings of depression and paralysis coupled by uncertainty about the longer-term availability of land that had not yet been taken and converted by SAC. Thus people were less inclined to use even the remaining available resources.

When interviewed August 2011, people were pessimistic about the future supply of basic food items, as is exemplified by the diagram reflecting discussions in Kpombu village below.

\textsuperscript{101} Interview with Gerben Haringsma, SAC General Manager, on 5/8/2011.
By May 2012 people’s fears had materialized to a large extent: All interviewees reported that they had less food available in their household today compared to the time prior to the investment. With the conversion of the land into the large-scale plantation, subsistence food production had stopped. Stored foods, such as dried cassava, groundnuts and oil palm, had been exhausted. Wild foods were hardly available any longer, since the bush land had been cleared. Many people indicated that not only the quantity but also the quality of food had worsened: In particular, access to meat had become much more difficult.

Memai Charles, formerly farmer, today SAC agricultural worker, Kortumahun village

“When I was farming independently, I could decide how much I would eat and how much I would sell. This was good. Now, I am constricted with a small amount of money and I have to buy everything. It is pretty difficult now, because all things are being measured. When we did our farming there was no need to measure. And the cost of living is increasing. There is a shortage now, compared to before: Today, we eat 3 cups rice per day, before there was no measurement (maybe we ate 5 cups). At home our family eats once a day but not to our satisfaction. I can not remember the last time, I ate meat.”

Between May 2011 and May 2012, market prices for food in the region affected by the large-scale land acquisitions have risen by 27 percent, on average (see Table below). As the level of self-sufficiency falls and the price of food rises, access to sufficient food is becoming an issue of concern for many.
Uncertain opportunities for alternative agriculture: In villages with swamps, some people saw a chance for expanding and intensifying lowland rice production because swamp areas have so far been excluded by SAC. However, people were uncertain as to what the real potential of the swamps for lowland rice cultivation would be and whether SAC would keep its promises not to convert the swamps.

Loss of access to forests and bush land: When interviewed in August 2011, people in the villages had feared losing access to the resources of the bush, in particular firewood, timber and other building materials. Men in particular were worried that access to bush meat would be reduced due to restricted rights of passing through the plantations.

Betty Sengeh, Senju village
“We used to get a lot of firewood from the cleared areas. But since Socfin [SAC] started planting, they stopped us from entering the fields. Now we collect firewood at the outskirts of the village, but it is much more limited there.”

Alternative livelihood opportunities, job creation: One of the major justifications for large-scale investments in land and agriculture is the creation of employment opportunities in rural areas, in particular for the younger generation. There is no clause about employment in the contract that would give those women and men who have leased their land preference with

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102 It should be noted that about 95% of the Sierra Leone population depends on firewood as a source of domestic energy.
Regarding job opportunities, it is not clear how many jobs will be created. According to a newspaper article, the General Manager of SAC, Gerben Haringsma, spoke of "job opportunities for 10,000 people, with special preference given to natives of the chiefdom." In August 2011, however, Manager Haringsma did not want to make any commitment regarding a concrete figure.

There have been initial experiences with employment. Indeed, the plantation attracts a lot of labourers from other areas. In August 2011, people from Kortumahun village, where land had already been converted to establish a nursery, stated that they were not given priority in job allocation. Generally, labourers are hired on a daily basis or on a piece rate basis. This experience is similar to that in Cameroon, where Socfin maintains fully yielding plantations. With regard to the investment in Cameroon, a study revealed that only 8% of the local working age population actually found employment in the plantation.

**Morie Sellu**, Youth Leader, Massao village

"Our plantations were surveyed and we were compensated in a very unfavourable manner. Many of us are not employed by the company. Some people from this village were arrested following the protest, even though they had not even participated in the protest. There are still 2 people facing court procedures."

"It has been extremely difficult for us to survive; quite often we have to cross the river to the neighbouring chiefdom to find a living. What we used to get out of farming, we will never get again."

**Daily Wage Labour**: Demand for wage labour was relatively scarce before but has increased due to the demand of the plantation. Women in the nursery are employed on a daily basis, which means that women from Kortumahun and other villages line up in the morning in order to be hired for the day. Some start lining up at 5 a.m. to get a job at 6 a.m. If they are late or if less labour is needed, they have to return home.

In particular the women perceived the conditions as unsatisfactory and would prefer to farm their own fields. The advantage of having the freedom to shape one’s own time was mentioned several times by women and highly valued. In August 2012, a woman from Kortumahun described her work like this:

"We, the women, are really suffering from this work. It was better working on our farms. Even when there is a heavy downpour of rain we are not allowed to take shelter. We will have to work in the rain till we are drenched. There are no raincoats supplied to us. We leave very early in the morning at about 5 a.m., leaving our children unattended. We, the women, have asked the company to give us up to 7:30 a.m. but they have still refused to do that."

And comparing her wage work now with the work on the own farm she continued:

"The idea of the company coming to us is good in the sense that it provides labour/jobs for the young people. But we wouldn’t mind if the company is operating in areas with no plantation. But they are destroying existing plantations for theirs, which we know not what it would bring for us in the future and we the women are abused as labourers."

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104 MISEREOR, SHERPA, CED (2010).
The workday is eight hours long with breaks. The payment of 10,000 SLL/day (2.20 USD/day) is in line with what other foreign investors pay.\textsuperscript{106} At first, SAC paid 20,000 SLL/day and then reduced this rate by half. A strike was staged at that time but to no avail. Payment is made once a month, which is quite unusual for daily wage labourers. Pregnant and breastfeeding women as well as the elderly are not allowed to work.

Some families manage to have more than one person working in the plantation. But if only one person is hired and the family has no upland fields anymore, the salary is by far not enough to pay for the daily food needs of the family.

\begin{example}
Aminata Lappia’s household has nine members. Today she needs to buy rice, vegetables and other ingredients for sauce. For nine people she needs 15,000 SLL for the sauce and 20,000 SLL for the rice. Last year (in 2010) they still had their own vegetables, rice and cassava. They only needed to buy some onions, Maggi instant soups, salt, sugar and vegetable oil. Now, one son started to work for the company. What he earns is not enough to cover food expenses for the family. At the moment they only make ends meet because they bought a stock of rice from the compensation funds they received for their palm plantation.
\end{example}

\textbf{Piece Rate Labour:} Piece rate gang labour is used for such tasks as bush clearing. The people have to bring their own cutlasses. The company demarcates a certain area for which an absolute amount will be paid. A young man, from Kortumahun village describes his experiences:

"We, the youth, get up as early as 4 a.m. to go to the work site. At around 5:30 a.m. we queue for registration. When these people (work supervisors) came they said they want 100 young men in five groups of 20 people; so 40 of us come from this village. Of the 20 per group, there would be 19 workers and the 20th would be the gang leader. But we are very much dissatisfied with the gang leader issue. The reason is that the gang leaders would just blacklist us at will, to give way to their own relatives. The job is therefore not permanent because you will be dropped at any time. It is therefore difficult to know how many of us youth from Kortumahun are working for SAC."

\textsuperscript{107}

It was also mentioned that a lot of work gangs come from outside and compete with the local youth. In an example given by a gang leader in August 2012, the average daily wage was around 10,200 SLL (2.3 USD) if shared equally among all work gang members.

\textbf{Payment and working conditions:} In order to improve their working conditions, the workers have already sent two letters to the management of SAC. The letters were given to a supervisor for transfer to Mr Williams, head of the nursery, to the attention of Gerben Haringsma, the general manager.

"In that light we have made several demands:

1. To the company for consideration to create employment for those who have not already been employed.
2. To reconsider the work time (i.e. to allow women to start work later because of their household chores).
3. To provide rain gear for us.
4. To increase the daily wage from SLL 10,000 to SLL 25,000.

We particularly asked that wages be raised because the cost of living is increasing every day and this wage is not enough to support me and my family. For instance,

\textsuperscript{106} Cf. Oakland Institute (2011).
\textsuperscript{107} Meeting in Kortumahun, 5/8/2011.
with the present wage of SLL 10,000, when I buy food to eat during work, I am basically left with nothing for the home."

The workers never received an answer to their letters. Regarding future actions, one woman said:

"We are still consulting with our husbands so that the company can allow us some time in the morning to do our domestic chores. If this condition is not met, we are planning on a sit down strike as women, but the problem is the lack of unity among us."

When the research team spoke to the SAC general manager about the workers' grievances in August 2011, he said that operations had just started and the work in commercial plantations was a new concept for the people. He also asked why, if people did not like the conditions, do they queue for work? However, he opened up the perspective that working conditions would be regulated in the future. The general manager indicated that he had already started negotiations with a union called Agriculture Trade Group Negotiating Council about a collective agreement. Since the workers have not yet organised themselves, the labour union would be brought in by the company.

Some people indicated that they were happy about the chance to work. In particular some young men saw this as a chance for their future, because without the plantation there would be no work at all. However, such opportunities were predominantly embraced by young people with a relatively high degree of education. Younger farmers who had less or no education indicated that they felt gloomy about the future.

Alternative income from small business: The circulation of increasing amounts of money from compensation payments and wage labour in the plantations has also created opportunities for small business. The most common business is selling cooked food. For example, in August 2012 Jebbeh Kamara started a business selling vegetable sauce with fish and cassava dumplings. For the raw materials she spent 20,000 SLL a day and she earned 30,000 SLL. So her profit was 10,000 SLL, which corresponds to the wage labour rate paid by the company.

Room and board have turned into opportunities for income generation because of the influx of people seeking work. Local families receive a lot of visits from relatives and friends. One woman from Sembehun who was interviewed mentioned that her household hosts 10 visitors. The guests of this household pay for food. But this is not the case in many other families, where people indicated that guests stay without contributing.

Jebbeh Kamara and her canteen near SAC’s field office

The fact that men earn money today and that many of them immigrate increases the demand for sex services. This gives women an opportunity to earn money through prostitution. One can observe that on payday a lot of women flock into Sahn Malen, the capital of the chiefdom. A local entrepreneur has recognised this as an essential business and is constructing a "hotel" for this purpose.

108 Interview with Gerben Haringsma, 15/8/2011.
A glance beyond the borders of the concession area: Expected impacts in a village where SAC has not yet started operations and where people are determined to keep their land

Tissana village is situated a few kilometres away from the plantation operations in a part of Malen Chiefdom where SAC intends to develop a rubber plantation in the coming years. People there are determined not to give up their land. They also have not yet directly experienced much impact of the work going on in the plantation sites. For this reason they see a number of positive opportunities for the future. This was expressed by a woman in the following way:

"People from the plantation area will come for firewood, cassava, bush meat, oil, but they will not have it for free; they will need everything and they will have to pay! So we will be better off than the ones in the plantation area."

In August 2011, people in Tissana expected the following advantages and disadvantages from the investment:

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Market will be available for local products.</td>
<td>• Crime will increase (e.g. theft, child trafficking).</td>
</tr>
<tr>
<td>• Houses will be rented, bringing in income.</td>
<td>• Communicable diseases will be brought in by migrating population.</td>
</tr>
<tr>
<td>• Schools will be built and other amenities established (canteen).</td>
<td>• Access to land for cemeteries, secret societies (i.e. cultural practices) will become more difficult (since they are not sure how far the plantation will extend).</td>
</tr>
<tr>
<td>• Access to transportation will be improved.</td>
<td>• Children will become uncontrollable, especially the girls (prostitution, sexual exploitation).</td>
</tr>
<tr>
<td>• Medical facilities will be improved.</td>
<td>• Women will leave their husbands for workers in the plantation who have more money.</td>
</tr>
<tr>
<td></td>
<td>• No more access to land for crop production.</td>
</tr>
</tbody>
</table>

In sum, their main hopes lay in the emergence of markets providing opportunities for selling their products and for business development. Furthermore, they also hoped to benefit from the social amenities promised by SAC.

4.5.2 Early Ecological Impacts

Ecological impacts were not mentioned directly by many. But interviewees pointed to the dwindling bush meat supply and to the pollution of water resources as well as pressure on other natural resources through increasing population. The following ecological impacts are likely:

• Loss of bio-diversity of wild flora and fauna due to the palm monocultures
• Loss of agro-bio-diversity, e.g. the different upland rice varieties
• Establishment of genetic resource material of wild oil palms and older varieties (the company currently is making an inventory of existing genetic resources)
• Threat of land degradation through the use of pesticides, fungicides and herbicides, threat to the eco-systems and to human health
• Threats to the ecosystems and particular ground and river water systems through the effluents of the oil mill

Even though SAC claims to be very committed to sustainability principles, studies about Socfin subsidiaries in Cameroon and Indonesia are rife with problems related to environmental and health hazards.109

4.5.3 Early Social Impacts and People’s Expectations for the Future

Among the social costs of the large-scale land investment is the rapid and often undesired transition from farming to mostly landless wage labour and the resulting loss of independent livelihood. This is experienced as traumatic by many.

A man from Kortumahun working in the plantation said:

"The way and manners with which the company is treating us as landowners who work on their own land is very displeasing."

A farmer from Semabu:

"There was never a chance to say no to the land deal; we felt forced."

A man from Kortumahun resumes:

"We were a bit happy and got money [i.e. compensation], but it cannot compare with what we lost."

Another expected impact of the transformation of a peasant farming economy and society to one dominated by large-scale plantations is the erosion of the power of the traditional authorities, a power that rests on the control over land. This fact is expressed by a man from Gondorhun with strong words:

"If a chief sells the land which belongs to a village and people are residing in that village, can he still boast of being the chief? No! The person who bought the land should now be the chief, because he is the landowner. So you who are selling your land should no longer say that you are chiefs. You are only strangers."

The logic expressed in this statement leads to an observation that may be generally valid for large-scale plantations: The concession area develops into a state within the state. The almost unlimited rights of the lessee and lack of protection of people’s rights in the lease agreements raises the question as to whether the people’s freedom might be curtailed. A human rights organisation from Indonesia reports that a Socfin subsidiary there has tried to intimidate workers who wanted to organise a labour union other than the one endorsed by the management.

The loss of the upland fields, which are the main source of subsistence food crops and cash income for women, has also started to affect family stability. Staff from the Welthungerhilfe project observed that some women left their husbands because the men had lost their fields and thus their source of livelihood. Usually the women return to their family of descent to get land for crop cultivation. Welthungerhilfe project staff called this phenomenon "semi-divorce". Some men in the villages were worried that their wives would leave them because other men working in the plantation earned more. In order to avoid this, villagers proposed to provide their wives with more income-earning opportunities, such as by supporting their wives’ farming or business activities.

110 Statement in a section meeting by the Welthungerhilfe project 15/8/2011.
While previously all household members were involved in running family farms, today only individual family members work at the SAC plantations – predominantly younger women and men. In particular older men who do not find work in the plantation sit at home with nothing to do. This may affect power structures within families.

Sony Jina, formerly farmer Senju village
“\textit{I used to work as a farmer. Our family had 15 acres of oil palm plantation. Additionally there was land for food production where we grew rice, cassava, etc. for our own consumption. At my oil palm plantation, I produced approximately 150 containers of oil per year [one container comprising 5 gallons of oil]. Today; I am only sitting around in the village. Four of my sons work for the company. I told them I am going through challenges and that they have to work. One son I have taken out of school to work in the plantations instead."}

People also mentioned that the loss of the oil palm plantations would negatively affect the ability of farmers to pay for their children’s education. Primarily male students saw their education endangered should their parents lose their oil palm plantations, income from which helped pay for schooling.

People from villages neighbouring the working sites reported increased stealing. They believe that labourers go to their fields and steal cassava.

Despite these social costs already felt by many, when interviewed in August 2011 people in the villages – regardless of their attitude towards the investment as such – expected positive developments from social benefits promised by the investor. They hoped for an improvement of infrastructure, transportation, communication, electricity and health care. Most importantly, however, and somewhat in contrast with statements about increasing difficulties in affording fees for higher education, it was expected that there would be increased access to better education opportunities.

The following statements from August 2012 illustrate people’s hopes and fears:

\textbf{Table 6: Expectations for the Future, Statements of Kpombu Residents, Malen Chiefdom}

<table>
<thead>
<tr>
<th>Positive Statements</th>
<th>Critical Statements</th>
</tr>
</thead>
</table>
| \textbf{A Young Mother}  
“I was not trained as a farmer. I am going to school. With a higher level of education there will be ample opportunity for me to get good employment from the company.” | \textbf{A Young Man}  
“I have been getting money from my plantation and this money was used to assist my brothers and sisters, particularly those going to school. Out of the proceeds from the plantation I have been paying the school fees and taking care of our home in the village. “Regarding the current situation, since the company is offering bad compensations for our farms, this shows that they are going to continue being dishonest with us, with this kind of dishonesty exemplified in plantation compensation, of which the payment is not enough to sustain us.” |
| \textbf{A Male Teenage Student}  
“I think the future is good for me, because I am going to school now and I hope that | \textbf{An Older Man}  
“I am not an educated man. This condition will not permit me to gain employment in the company. I |
Aside from the qualitative information obtained and outlined above, researchers attempted to generate a quantitative picture about the overall impacts expected in the future. The corresponding voting exercise in three villages indicates that the majority of villagers are pessimistic about their future given the expected impacts of the SAC investments.

**Table 7: Palm Kernel Voting: Results from three villages**

<table>
<thead>
<tr>
<th>Village</th>
<th>Elderly Men</th>
<th>Women</th>
<th>Young Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kpumbe</td>
<td>☺☺ ☺☺ ☺☺ ☺☺</td>
<td>5 5 5 7</td>
<td>13 11</td>
</tr>
<tr>
<td>Semabu</td>
<td>☻ ☻ ☻ ☻</td>
<td>2 3 9 0</td>
<td>15 16</td>
</tr>
<tr>
<td>Tissana</td>
<td>☻ ☻ ☻ ☻</td>
<td>2 3 0 12</td>
<td>2 6</td>
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<tr>
<td>Total</td>
<td>☻ ☻ ☻ ☻</td>
<td>10 6 28 15</td>
<td>42</td>
</tr>
<tr>
<td>%Pos/Neg by Group</td>
<td>23%</td>
<td>77%</td>
<td>18%</td>
</tr>
</tbody>
</table>

The question during this session was: If you look into the future, and if you evaluate the positive and negative aspects that the plantation causes, is your outlook more positive/optimistic or negative/sad/pessimistic? ☺ = positive outlook; ☻ = negative outlook

The voting exercise shows that only 21 people (21%) see that the positive developments from the investment will win out, while 80 people (79%) think that the negative effects will dominate. The results between the groups do not vary as much as could be expected. However, it should be noted that women are most pessimistic, while young men are most optimistic. The reason given for the pessimistic outlook on the part of the majority was always similar: “If something has such a bad start, how can the future be better?” Or in the words of a Mende proverb:

*Bi loi leh pe Lama nduli e gbo bi la key a bi gorko.*

*If you are suffocated from smoke already at the doorstep, how much more will you be suffocated if you enter the room?*
5 Conclusion

The case of large-scale investments in Malen Chiefdom by Socfin Agricultural Company (S.L.) Ltd. is still in an early stage. SAC just started operations in April 2011. The conclusions, therefore, can only refer to this early stage of the investments with a very cautious prognosis of future effects.

The main argument for promoting large-scale investments is the "abundance of unused land" that can be "brought into production". A closer analysis of the farming system and statistical data reveals that under the present bush-fallow farming system land already is overused to a great extent. Thus large-scale plantations come at the expense of small-scale farming and are most probably unfavourable for local food security, since there is little evidence that sufficient alternative livelihood opportunities emerge.

Welthungerhilfe’s experiences in Sierra Leone show that the local private agricultural sector has a huge potential in terms of increasing production quality and quantity. This is also acknowledged in Sierra Leone’s agricultural strategies. However, so far the agri-business driven, large-scale agricultural modernization model seems to be the dominant notion and governmental programmes such as the “Smallholder Commercialisation Programme” as yet do not reach farmers to a noticeable degree.

The traditional leadership headed by the paramount chief played a central role in the land lease. The process in Malen lacks many of the features required to comply with the principle of “free, prior and informed consent” enshrined in the Guidelines of the governmental Agency for Investment and Export Promotion (SLIEPA). The non-participative, non-transparent leadership style has led to widespread dissent among the population. Families with land inside the lease area will de facto become landless. Only the swamps, with an unclear potential for intensive lowland rice cultivation, have so far been excluded by the investor.

In Malen the Ministry of Agriculture, Forestry and Food Security acts as an intermediary by leasing the land from the people and sub-leasing it to the investor. This government involvement as a contractual partner in the land lease has to be looked at critically, since it represents a conflict of interest with regard to the government’s obligation to serve and protect the interests of its citizens. This conflict of interest is not only a theoretical construct but has manifested itself already in reality. MAFFS seems to act mostly upon the interest of its sub-lease contractual partner SAC and not in favour of a great part of its citizens in Malen. The conflict of interest is also manifested in the government’s partaking of the rent: 50% of the rent of 12.50 USD/ha/year is distributed to the national government, district level and chiefdom level institutions. This practice is not regulated in the contract and is by and large unknown to the landowners. The amount of rent can be assessed as rather low and adequate rent adjustments for the future are not in place.

The application of the gross area as object of the lease agreement goes against the recommendations of the government's Investment and Export Promotion Agency. This practice encourages the lessee to make his net area as large as possible. It surrenders all land including settlements at the disposal of the lessee, i.e. the investor. Furthermore, MAFFS as intermediary does not follow the guidelines of SLIEPA. SLIEPA’s recommendation is to exclude certain land from the lease, in particular land for food crop production and necessary fallow land. Furthermore, it is questionable whether MAFFS as co-contractor of the lease agreement can fulfil its role of monitoring the investment performance independently and objectively.

Whereas the traditional leadership plays the leading role in land deals, the democratically elected representatives, i.e. district council and administrative leadership do not have clear functions regarding this investment. No timely information was provided to the district authorities and the investments could thus not be co-ordinated with the development plans of the district. Therefore, measures to anticipate positive and negative effects of the investment are not in place. Large-scale land investments bring about profound changes for rural
livelihood in economic, social and political realms. The sudden changes may overwhelm the population as well as local government institutions. In order to mitigate shocks caused by the sudden economic and social changes, the people and administration should be adequately prepared. Although the deals are already on the political agenda since the new Government came to power in 2007, the concrete investments have not been anticipated and integrated in district development plans. When people suddenly lose most of their farming land and become landless, particularly marginalized groups will be worse off. As the company employs mostly young people, older people are unlikely to profit from jobs created and will become more dependent on the younger generation.

With changing framework conditions, such as an increase in population density, emergence of a wage labour market and cash economy, new social problems are likely to surface and require attention. Some of these are: land conflicts, working conditions in the plantations, prostitution, teenage pregnancies, HIV/AIDS, environmental problems (sanitation, soil and water pollution).

Hence, the described developments also pose new challenges for international development organisations such as Welthungerhilfe.

6 Recommendations

Recommendations to International Non-Governmental Organisations supporting Agricultural Development

- The research showed that the case of land acquisition through SAC violates the SLIEPA's good practices for leasing land. Organisations such as Welthungerhilfe should be instrumental in protecting the rights of farmers whenever necessary and desired by them. Where it does not make sense to continue work in the plantation areas, INGOs should support programmes of civil society organisations that help dispossessed farmers to claim their rights.

- Coalition building of concerned groups against land grabbing and for pro-poor agrarian reform should be supported. In areas where such land deals have not been concluded up to now, preventive action is recommended, e.g. implementing programmes that raise awareness and prepare farmers and leaders to deal with upcoming investments.

- The FAO Voluntary Guidelines are an important reference for lobbying and advocacy work. For the partners in the South these guidelines could be promoted for legal initiatives, lobbying for legislation on land tenure and foreign direct investments for example. They can also serve as a basis for legal education of the affected people and their leaders, but need to be made concrete and simplified for this purpose.

- At country as well as regional level the establishment of thematic groups should be supported to discuss alternative strategies to large-scale oil palm plantations and to establish an evidence-base regarding investment alternatives. The result could also be fed into policy discussions and lobbying.

- Before projects are planned in a particular area, INGOs should ask their governmental counterparts to provide a clear statement/assurance as to whether large-scale investments are planned in the potential project area. In cases of large-scale investments, the room left for projects promoting smallholder agriculture has to be explored specifically for each case.

General Recommendations

- Government represented by a ministry or an agency should not act as intermediary in land leases. This practice represents a severe conflict of interests, which may inhibit the government from pursuing its duty to protect the interests of its citizens.
• Traditional leaders and farmers who are urged to or want to lease land to foreign investors on their own initiative should seek qualified legal advice.

• The identification of agricultural areas for foreign direct investment in land should be made public and should be embedded in comprehensive participatory spatial planning processes. Local people must be consulted in land identification processes and their meaningful participation in decision processes must be ensured.

• Traditional leaders, politicians and government employees involved in facilitating large-scale land deals should be obliged to declare their income and assets regularly in order to avoid corruption.

• Companies investing in land should be obliged to make public who their local shareholders are.

• In Sierra Leone, national guidelines for leasing land are still rudimentary. Principles and guidelines should be elaborated and a manual for investors should be developed detailing corporate responsibilities in particular with regard to human rights (e.g. Ruggie Principles). A monitoring mechanism with the participation of different stakeholders should be installed.

• The appointment of an Ombudsman, or a specific section in the office of the Ombudsman for Human Rights should be considered by the government.

• A large-scale investment in agro-business completely changes the livelihood and way of life of rural populations. Half a year is a very short time for such an adaptation. If the government seriously pursues a process in which land leasing complies with the principle of “free, prior, informed consent” the capacities of the people and their leaders have to be enhanced in a way that they will be able to make free and informed choices. Such preparation may include legal education as well as economic literacy.

• Land should be surveyed before the investor starts its activities. The survey should include mapping of the family lands in order to document the borders and prevent conflicts regarding rent payments and the return of the land after expiration of the lease. The land assessment should not be left to the investor but handled by government agencies or qualified experts.

• A gross area should not be the object of the lease agreement. The lease agreement must always refer to the net area, which needs to be determined before the contract is concluded.

• The contract needs to contain and specify the rights and obligations of each contracting party. It should be very specific about the land use rights of the investor and should furthermore include protective clauses for the population with regard to property rights, misuse of land and their rights and freedom as citizens.
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