

# **THE EVOLUTION OF COMPANY PERSPECTIVES, POLICIES AND PRACTICE FOR RESPONSIBLE LAND-BASED INVESTMENT IN AGRICULTURE THROUGH PARTICIPATION IN A CIVIL SOCIETY PARTNERSHIP PROJECT:**

## **NATURAL HABITATS GROUP IN SIERRA LEONE**

### Introduction

This document compiles four short reports and reflection pieces produced by Natural Habitats Group (NHG) during their involvement in a LEGEND project in Sierra Leone implemented by Solidaridad, which aimed to ensure that an NHG land based investment, undertaken by group member company Natural Habitats Sierra Leone Ltd (NHSL) to develop a large oil palm plantation respected existing community members and land holding families' land rights.

The individual documents included reflect the evolution of NHSL perspectives as a company working closely with a civil society organization on efforts to improve relationships with communities living in the oil palm concession the company had acquired, through the conduct of various activities. The documents provide information on:

1. The background to the company's presence in Sierra Leone and the situation at the time where they acquired the land concession that occupied the full area of the Makpele Chiefdom.
2. The key outcomes of the project in February 2019, after a number of activities led to the signing of a new lease that significantly reduced the concession size to accommodate the needs of local communities.
3. How the company plans to integrate the lessons learnt through this project into their practices to continue to promote good relationships with communities.
4. The changes that were agreed on as part of the project to support the livelihoods of community members in and around the concession area.

### **Acknowledgments:**

These documents were kindly provided to Solidaridad and the LEGEND programme in 2019 by Natural Habitats Sierra Leone Ltd. They were prepared by Kalindi Lorenzo, an NHSL manager in Sierra Leone responsible for community engagement and stakeholder relations who kindly reviewed the composite document compiled by LEGEND. The documents were reviewed by Amaelle Seigneret of IIED and Julian Quan of NRI, University of Greenwich who also undertook final editing and formatting of this composite document for purposes of on-line publication, by agreement with NHSL Ltd.

## **1. Summary of Natural Habitats Group historical presence in Sierra Leone**

***(covering the background to the investment project and company track record on leasing land and community consultation)***

### ***Company introduction***

Natural Habitats Group (NHG) is a Dutch organization, dedicated to the collection, processing and trading of organic, fair trade and sustainable palm oil. The group is fully committed to the protection of the environment, the enhancement of the biodiversity and the social development of communities, farmers and workers. All operations are settled and maintained using organic agriculture practices, and complying with fair trade and RSPO practices. The group has operations in Ecuador (RSPO IP certified), Sierra Leone and Ghana, and its headquarters are in The Netherlands.

### ***Natural Habitats active in Sierra Leone since 2013***

Natural Habitats Sierra Leone Ltd (NHSL), a subsidiary of the NHG, started operations in Sierra Leone in 2013, when the company acquired a small palm oil mill and started working towards certification of more than 1,500 small farm holders, now there are 2,142 EU organic certified oil palm smallholders. Farmers are being trained in organic agriculture, RSPO and fair trade practices. Farmers have already been certified against organic standards by an accredited third body. The company is committed to achieving RSPO certification for all small farm holders in the next years.

### ***Green field operations in Zimmi, part of the Makpele Chiefdom land concession***

In 2014, NHSL acquired West Africa Agriculture Number 2 Limited (WAA2), to expand the production of organic palm oil in Sierra Leone. WAA2 has a land lease concession in Southern Province. The land lease covers the entirety of Makpele chiefdom. The total area of the lease is about 41,218.4 hectares. NHSL is developing an organic palm oil project for own plantations and outgrowers within the concession. The proposed plantation is known as Zimmi and located approximately 351 km by road in the south-eastern direction from Freetown. The concession is a long-term agriculture lease covering the entirety of the Makpele chiefdom, in Pujehun District, Southern Province, Sierra Leone. The Project area comprises four administrative sections, namely: Samagbe, Selimeh, Seitua and Kengo. Zimmi Town, the administrative headquarter town, is located in Selimeh Section.

NHSL is committed to achieving RSPO (Roundtable on sustainable Palm Oil) certification for all of its oil palm plantations, and because this concession is a new planting, it is subject to the RSPO New Planting Procedures (NPP). This requires a comprehensive and participatory independent social and environmental impact assessment (ESIA) of the area concerned that includes the identification of all primary forest, HCV areas and local peoples' land. NHSL contracted local and international experts to conduct all the assessments requested by the RSPO NPP in order to assess the area of concession, and

to define the total area in which the organic project could take place without affecting the biodiversity, High Conservation Value (HCV) areas, and protecting the natural and social resources the communities need for their subsistence.

The company conducted a Land Use Change analysis, High Value Conservation Assessment, and Environmental Impact Assessment (socialized with the local communities, land owners and stakeholders) to define the areas that could be considered for organic production development.

### ***Land use study and feasibility study***

Værsta Partners was appointed to conduct a land use study and a feasibility study of the site and determine whether it would be economically viable. Værsta Partners team conducted a site visit from 30th November 2014 to 14th December 2014 to determine the economic feasibility of the project. The study concluded the project is feasible, and that of the total area of 41,218 ha, shrub constitutes the largest area with a total area of 42.44%, forest is 29.4%, river is 8.1%, swamp 6.7%, open area 5.9% with remaining land consisting of existing roads, settlements, oil palm and cultivated area. NHSL will develop maximum up to 15,000ha in scrubland and with the agreement of each landowner.

Digby Wells Environmental was commissioned to conduct the High Conservation Value (HCV) assessment for Roundtable for Sustainable Palm Oil (RSPO) certification. The field investigations for the HCV assessment took place from the 19th to the 23rd of November 2015, following a screening assessment on the 19th to the 21st of October 2015. The assessment concluded that after excluding the GRNP and leakage belt (27,262 ha), all wetlands and rivers – including the 100m buffer zone (6,252.7 ha), and Natural Forest Remnants (1,686.2 ha) the total remaining plantable area is 15,925.32 ha (scrubland, with not many settlements).

### ***Stakeholder engagement and community consultation***

With 15,925.32 ha eligible to be developed, NHSL started the stakeholder the consultation and engagement process. Some of the stakeholders consulted were the Paramount Chief and Council, Section Chiefs, Medical workers, Youth representative, Market women, Gola rainforest national park management, as well as the Environmental Protection Agency, Sierra Leone (EPA-SL) and International Fund for Agricultural development (IFAD). The issues discussed were mainly concerning: introduction of the project, history of the lease agreement, project potential impacts, benefits and perceptions. The quality of stakeholder engagement and community consultation is taken seriously by NHSL and process steps of Free Prior and Informed Consent (FPIC) are followed. The process to obtain FPIC among villages surrounding the concession area is an on-going process, which the NHSL team has commenced. Most of the FPIC consultations are meetings organized by the Company to which all villagers willing to speak or listen and all stakeholders are invited. Each meeting is recorded through minutes and attendance lists. The FPIC methodology used for this project consists of several steps. It has embedded several requirements of the RSPO Principles and Criteria.

## **2. NHSL Statements at a LEGEND project workshop in Freetown in February 2019**

### **Partnership between Natural Habitats Sierra Leone and Solidaridad West Africa**

To ensure NHSL would develop the land in Makpele Chiefdom with the full consent of local communities and according to the new National Land Policy, there was the need to strengthen processes of community engagement and sensitization. To support this work, NHSL entered a partnership with Solidaridad West Africa. Through the fruitful collaboration between the two parties, great results have been achieved in the chiefdom: a multi-stakeholder group was established, the land was mapped in a participatory manner and, most importantly, the new reduced lease was signed by the company. We believe that Solidaridad's role as a neutral facilitator had promoted this dialogue, cleared doubts and finally, brought peace to the chiefdom.

### **Participatory Mapping**

In May 2018, NHSL began participatory mapping of three land owner agreements. However, it quickly became apparent that the best results would be achieved through the collaboration between Solidaridad and NHSL. In the intervening months, a total of 3,302 hectares were mapped using best practice participatory mapping. This extensive period of land owner consultation allowed us to fully understand the land use patterns present in each parcel of leased land, an essential part of sustainable palm oil development.

### **Community Engagement and Multi-Stakeholder Platform Establishment**

At the time, we had inherited a lease that covered the entire chiefdom, which has resulted in conflict with some landowners in the chiefdom. Some of the concerns were addressed in the existing Development and Grievance Committee, but this platform was not extensive enough to cover all the issues. Therefore, a local multi-stakeholder platform was created, following the format of the national multi-stakeholder platform, with the aim of making it inclusive, transparent and an opportunity to educate all stakeholders on land rights and governance, as promoted by the Voluntary Guidelines on the Governance of Tenure (VGGT). One of the major achievements of the platform is the role it played in the creation of a new lease between Natural Habitats Sierra Leone and the landowning families in Makpele Chiefdom. The original lease has been significantly reduced and only signed by the families who are fully aware of their rights: on December 12, 2018 in Zimmi, the chiefdom headquarters, Natural Habitats Sierra Leone signed a new land lease agreement with the land owners and people of Makpele Chiefdom. With this new agreement, the original lease of 30,700 hectares has been reduced to 2,320 hectares, of which each hectare has been leased with full support of the landowners and strictly following Sierra Leone's national legislation and National Land Policy. At the platform, all stakeholders

shared their concerns with the original lease, and all partners took these concerns seriously. In other words, the platform fostered greater transparency in the process of assembling land for the Natural Habitats plantation.

## **Food Security & Livelihood Support**

In May 2016, as part of the Natural Habitats Sierra Leone community development program activities, we initiated a food security project and contributed 24 bushels of rice to the land owners in three communities: Tuasu, Manjama, and Gbahama. Later that year, Solidaridad took over the project activities and included them as part of the LEGEND project. This cooperation helped to extend the project and bring it to the next level. By the end of 2017, thanks to the Solidaridad's teams' efforts, the project was supporting about 900 farmers with improved cassava, groundnut and rice planting materials and farm tools as the food security intervention portion of the LEGEND project.

## **New Company Policies for Due Diligence and Land Tenure**

The LEGEND project has brought about many positive changes that include the internal policies of NHSL, such as the Forest Conservation Policy, and the Land Use Policy, which set out to protect and enshrine land users' rights in company policy and practice. The multi-stakeholder platform established collaboratively by NHSL and Solidaridad, proved to be a great communication tool for constructive dialogue between various stakeholders in the chiefdom. The platform was included into the internal communication policy of the company.

## **Land Tenure Documentation**

Another component of the Legend project was undertaken by NHSL and Solidaridad at the second oil palm operational site of the company. NHSL owns a small palm oil mill, Nedoil, that works with more than 2,000 smallholder farmers in the area. Smallholders receive continuous training and education on organic palm growing practices.

Within the project, Nedoil and Solidaridad began the process of creating locally recognised land tenure certificates for all farmers in the organic producer network. An important step considering the local lack of formal procedures to prove land tenure rights. Pa Kaprr Gbla, a landowner from Mabarrpoli, thanked Nedoil for such a wonderful project they have taken to their communities. He went further to emphasize that the activity have lessened their burden and the thousands of Leones they would have had to give the Ministry of Lands for such a document. He concluded by thanking Nedoil and Solidaridad for helping them now to clearly distinguish between land owners and land users and also helping their communities to prevent future land conflicts.

### 3. Lessons learnt from the LEGEND project Zimmi, Makpele Chiefdom, Pujehun District, Southern Region Sierra Leone

**Prepared by local NHSL manager in Zimmi, Alie M. Bao, 26<sup>th</sup> July 2019**

GoldTree and NHSL<sup>1</sup> (GT/NH) will continue operations in Makpele chiefdom in line with the current existing LEGEND project structures, pursuant to this GT/NH will maintain and sustain all relevant inputs that have improved good working relationship with stakeholders, land owners, women, youths and workers on the plantation and the nursery establishment. These can be attained in accordance with the following approaches.

#### **1. HOW WILL GT/NH CONTINUE WITH OPERATIONS IN ZIMMI?**

- The National Land Policy (NLP) and Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the context of National Food Security (VGGT) form the bedrock of GT/NH operations, such as tenure rights, gender sensitivity and youth on access to land. And with time increase the role of women in the field when new land development kicks off anytime.
- GT/NH operations are guided by strict company policies that cover any future land leasing and oil palm developments.
- GT/NH plans to continue with the livelihood support to the 7 operational communities.
- To continue monitoring Village Savings and Loan Association (VSLA) Women's group
- Maintain inclusive benefit sharing method devised by the LEGEND project on the payment of lease rent to land owning families.

#### **2. HOW WILL GT/NH CONTINUE/ WORK WITH MSP STRUCTURES**

The Multi-Stakeholders platform was established by Solidaridad West Africa and aimed at broadening the base of consultations make it all encompassing and more inclusive. It created the platform for airing grievances among families, stakeholders and interest groups such as Makpele Individual Land Owners Association (MILA) and Makpele Land owners and users Association (MAKLOUA). It fostered peace and confidence, and increased the level of confidence between company and the people.

- GT/NH will continue to work with the established Multi-Stakeholder Platform (MSP) structure.
- Bring all stakeholders together in a forum to express their views on issues on the operations.

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<sup>1</sup> Editor's note: During 2019 a merger took place between NHSL and GoldTree, another oil palm producer active in Sierra Leone, but LEGEND did not obtain details of the precise ownership or management structure of the NHSL operation that resulted.

- This will be achieved in the usual quarterly chiefdom MSP forum established during the LEGEND project.
- These will be achieved with the new office identified by the chiefdom for chiefdom MSP meetings.
- Chiefdom people have identified an officer for the chiefdom MSP and for chiefdom Land Committee and these two will help maintain the chiefdom level MSP.

### **3. HOW IS GT/NH TAKING LESSONS ON BOARD FROM NHSL EXPERIENCE FROM LEGEND**

- ❖ GT/NH have had a shared experience from NHSL that worth noting.
- ❖ GT/NH will follow the same community consultation and engagement as was done during the community and participatory land mapping, using target group such as women, youths and the aged so that every consultation done will achieve its desired goal and result.
- ❖ The participatory land mapping exercise that led to community consultation, feedback and lease negotiation climaxed the signing of new chiefdom lease, created the stage for community confidence trust and reliability between NHSL the community the government, civil society organizations and land owners.
- ❖ Hence the conclusion of the aforementioned exercises with the LEGEND team there has been change in GT/NH handling of affairs and has further strengthened the NHSL Land Use policy.
- ❖ With the series of training and workshops held by NAMATI funded by the LEGEND project, this has changed the level of grievances and land related issues now handled with much care.

### **4. WHAT HAS CHANGED IN GT/NH POLICY AND PRACTICE**

- The previous stakeholder committee has broadened and transformed into now the chiefdom level MSP.
- Consultations now done in the open and more inclusive with everyone in the discussion.
- Payment of lease rent and other benefits sharing is now more inclusive of particularly women.
- Participatory mapping exercise created a new breed in NHSL relationship with land owners.
- NHSL Land Use Policy is further strengthened with more inclusivity depth and rediscovery of land use prior to leasing to NHSL.

## 4. Natural habitats development strategy for land owners and the community

Natural Habitats Sierra Leone (NHSL) aims at creating sustainable livelihoods in Sierra Leone through organic palm oil production. NHSL works to create skilled farming jobs and have plans to support cooperative farming model by creating supply chains and access to markets for farmers in remote villages of Sierra Leone who cannot on their own add value or access markets easily.

Natural Habitats works with smallholder farmers to convert conventional agricultural land into organic, and to provide economic opportunities, community support and a positive environmental impact that can be felt by thousands of people across the country.

Strategically, NHSL operates both owned plantation and outgrower systems with an integrated, vertical business model, where consumer products are developed based on palm oil availability and market access.

At the community level, Natural Habitats has assured land owning families that it will promote improved livelihoods and prevent negative environmental impacts in accordance with international best practice such as the Roundtable on Sustainable Palm Oil (RSPO). NHSL has indicated in the individual land owner's agreement that it will not relocate any family or community, and that it will leave a reasonable buffer area around each existing settlement and on each side of existing roads. Accordingly, NH shall employ local residents wherever possible, or promote skills development through training. On December 12, 2018 in Zimmi, the chiefdom headquarters, Natural Habitats Sierra Leone signed a new land lease agreement with the land owners and people of Makpele Chiefdom. With this new agreement, the original lease of 30,700 hectares has been reduced to 2,320 hectares, of which each hectare has been leased with full support of the landowners and strictly following Sierra Leone's national legislation and National Land Policy.

Other benefits to land owners as specified in the new lease include:

1. Annual Land lease Rent fee of US\$12.50 USD per hectare (for Tier 2 'To Be Developed Lands') is paid by the company and divided as per CAP 122 (50% to landowners, 20% to the District Council, 20% Chiefdom, 10% tax to National Government). This is subject to rental reviews every 7 years, with an increase not exceeding 17% for the next 7-years period.
2. Upon planting of the land under this agreement an additional rent of US\$ 5.00 USD per hectare (for Tier 3 'Developed Lands') is paid directly to the landowning family by NH. This is subject to rental reviews every 7 years, with an increase not exceeding 17% for the next 7-years period.
3. For each 10 hectares cleared for NH, 1 hectare (10%) will be cleared for the land-owning family for the purpose of making land owners part of an out-grower program.

4. 5% of the net profits from the company (NH) will be allocated to a designated community development account, an amount equal to 5% of its yearly net profit which shall be applied by the Chiefdom Council to fund specific development projects in the communities hosting the Lessee's plantation. The parties are aware that any net profit will take a minimum of 8-10 years to begin emerging, due to how palms grow, and is subject to costs and market prices.
5. Contributions to a community development fund shall be paid by NH and deposited into the respective community committee accounts used for the benefit of the communities in which the company operates. The fund shall be managed by the community, and used for social, infrastructure, food security and educational benefit of the community. The exact details of how the fund should be spent shall be decided by the community and supervised by the company. The following annual rate shall be paid by the company:
  - 215 to 1,000 hectares of oil palm planted by the Lessee: US \$10,000 (Ten Thousand United States Dollars) per year.
  - 1,001 hectares and above planted by the Lessee: \$20 (Twenty United States Dollars) per hectare per year.
6. The company will pay a flat rate of \$88 (Eighty Eight United States Dollars) per hectare as crop compensation. This is a one-time only payment.
7. For every 10 hectares (24.71 acres) of land cleared for the company for the plantation, 1 hectare (2.47 acres) shall be cleared within one year by the community at the cost of the company for the purpose of participating in the company's smallholder palm oil (outgrower) scheme. The company shall provide the palms for free and also provide technical assistance, including training, on pegging and planting and provide technical support/advice on how to maintain the palms. Further terms of the outgrower scheme may be agreed to by the parties.