Inclusive palm oil development in Sierra Leone

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Introduction

Millions of people around the world today depend on palm oil, with approximately 40% of global output produced by smallholder farmers, and great improvement to rural livelihoods could be made by including more smallholders in the global supply chain. Access to new markets, raising incomes and reducing illegal land conversion that threatens forests and biodiversity are shared objectives in both consuming and producing countries.

Besides including existing palm growing smallholders in global supply chains, oil palm area worldwide is expanding in order to meet the growth in global demand for palm oil. New oil palm development can provide the much-needed rural economic development, for example in West-Africa. From the company’s perspective, a prerequisite for this rural economic development is responsible, transparent and inclusive land investment, to protect the rights, livelihoods and food security of local communities.

Natural Habitats Group (NHG) is one of the world’s top three producers of organic palm oil, established in Ecuador in 2009 and with headquarters in the Netherlands. In 2013, it wanted to expand its organic palm production to meet the growing market demand and saw the need to diversify its supply base to mitigate risks. Exploring opportunities in West-Africa, NHG took ownership of two palm oil developments in Sierra Leone. One was NedOil with 66 ha of nucleus plantations, a palm oil mill and an active network of smallholders, the other being an existing land lease of 30,700 ha. NHG then established Natural Habitats Sierra Leone Ltd (NHSL), committed to NedOil’s inclusive approach with independent smallholders in communities of Tonkolili District, and with the larger land lease, to develop a world class, organic and RSPO-certified palm plantation in Makpele Chiefdom.

Background of NedOil

Sierra Leone is one of the least developed countries in the world, with years of civil conflict and few opportunities for economic development, further hampered by the 2014-2015 Ebola outbreak. Still, in the heart of Sierra Leone, in Gbonkolenken Chiefdom of Tonkolili District, there is the vibrant town of Yele, where NedOil is based. Many of the thousands of surrounding farmers have small plantations of 0.5 ha to 2 ha. During the civil war all mills were destroyed and farmers turned to manual processing- which is still common today- but this leads to lower yields of low quality oil, while much fruit remains unharvested as only so much can be processed manually. As a result, incomes are low, and with no access to (agricultural) education, improved planting material or inputs, farmers are caught in a poverty trap.

NedOil was established by the Lion Heart Foundation in 2008 with a small nucleus plantation, a mill and a nursery to grow a better yielding hybrid oil palm, and from inception, with an inclusive mindset. It was originally set up to generate funds to cover operating costs of the local hospitals also built by the same foundation, providing direct and indirect employment and income for communities in and around Yele. But after a few years, it was not generating enough to support the hospital, so the foundation sought an investor for NedOil, and NHSL stepped in. Today, beside buying from 2,501 farmers across Tonkolili District, NedOil provides permanent work for 50 employees, most from Yele town. In 2018, one third of the crude palm oil was sold on the local market and two thirds
exported to the Netherlands for further processing and sale.

**NedOil’s inclusive model**

The foundation is sourcing from independent smallholders and providing training and certification support. Immediately after NHSL’s acquisition of NedOil in May 2014, Sierra Leone was confronted with the Ebola outbreak that severely affected the country. Fortunately, the company managed to continue to provide work and income, source palm fruit from its smallholder network, and produce the oil that is deemed indispensable in Sierra Leone. Despite the Ebola outbreak, NedOil obtained organic certification of the mill, nucleus plantations and 1,392 independent farmers. This was almost doubled to 2,501 in the following two years and the independent farmers were grouped into regional farmer-based organizations for future legal entity registration.

NedOil provides employment and training to 50 permanent workers, with additional temporary labour from Yele in peak periods, and women hired to pick the fruit from the fresh fruit bunches from the nucleus plantations. The focus is to hire and employ locally and promote employees as much as possible from within. As an example, Mohamed Kamara, NedOil general manager, started as plantation manager at NHSL in Makpele Chiefdom, and the current production assistant Santigie Sesay will soon take the rank of production manager. When the boiler operator resigned, a temporary worker filled the role and now has the job full time.

Smallholders receive continuous training and education on organic palm growing practices. This is done with a combination of a ‘top-down’ extension of technical information, and knowledge transfer using a ‘bottom up’ farmer field school approach, focusing on participatory, experiential, and reflective learning to improve problem-solving capacities through highly trained facilitators working with farmer groups. Sensitization and training have been provided on multiple topics, including land tenure and legitimization of land rights, good agricultural practices, organic principles, health and safety, gender equality, environmental protection and social responsibility.
NedOil is currently preparing for Round Table on Sustainable Palm Oil (RSPO) certification, supported by the RSPO Smallholder Support Fund. Training includes sensitization on legal compliance, health and safety, environmental and social impact management, protection of biodiversity and high conservation value area, standard operating procedures, community relations, engaging farmer communities on land rights and women and land tenure.

Main challenges

NHSL’s experiences in collaborating with and sourcing from a smallholder network highlight that logistics is a major constraint in NedOil’s inclusive sourcing model. With 2,501 farmers spread across large distances from the mill and the poor state of roads, the prolonged pick-up time affects fruit quality. It was therefore decided to stop sourcing from farmers that are located in the hardest to reach areas. Another major challenge is the condition of smallholder plantations, with low quality planting material with current annual fresh fruit yields of around 2-3 tonnes per hectare. Due to these issues in particular, it has proved to be challenging to source adequate quantities of fruit to run the mill at full capacity.

Natural Habitats Group focus on organic palm production requires time and investment in training and certification. Moreover, considering the high illiteracy level amongst farmers, these processes are necessarily long and therefore costly, and present many challenges in terms of ensuring compliance with certification requirements.

Nonetheless, the company has seen that some of the technical challenges have been overcome. First, is that independent farmers linked to the company were seen to be managing their plantations better. Through training, the company saw that smallholders began to realise the importance of best management practices, leading to better maintenance including regular weeding around the base of the trees leading to more fruit recovery. Another success is that now farmers know the true size of their plantations due to the company’s evaluation team taking coordinates of all boundaries. With this information, NedOil will begin the process of creating locally recognized land tenure titles for all farmers in the network. An important step considering the local lack of formal procedures to prove land tenure rights.

With NHSL’s access to markets, farmers can sell most of their fruit for a cash income to be processed and sold both locally and internationally, with remaining fruit processed manually for home consumption. Based on our observations, smallholder farmers in NedOil’s network express the benefits they see from improved plantation management and reward for post-harvest work but farmers also expressed that they would like to see more. Many farmers are in need to renovate and rehabilitate their plantations to secure their livelihoods in the future. A number of farmers also expressed the wish to receive more agricultural support, infrastructure improvement, access to
Inclusive palm oil development in Sierra Leone

finance, provision of high quality farm tools and personal protective equipment, and requested support to grow other food crops to improve their food security.

An inclusive approach to greenfield development

It takes six hours on a bush road to go from NedOil in Yele to Zimmi in the south of the country, home to NHSL’s second palm oil operation. Compared to the land in Tonkolili District, the land in and around Zimmi is still to be developed into palm oil plantations. In 2014, NHSL took over an existing land lease covering the entire Makpele Chiefdom in Pujehun District. The leased land had an established nursery of 19 ha with some 30,000 seedlings, some of which were used to plant 216 ha.

When NHSL took over the lease, they learnt that part of the community was not happy that the late Paramount Chief included the entire Chiefdom in the lease and negotiations lacked free, prior and informed consent of all stakeholders. NHSL then started a process with all stakeholders regarding NHSL’s and other stakeholders ambition and objectives, and how these could be achieved together. Four years later, in October 2018, NHSL and the international NGO Solidaridad hosted the 7th Multi-Stakeholder Platform meeting in Zimmi, bringing together land owners, land users, community members, Chiefdom authorities, District and Provincial authorities, women groups, CSOs and youth, to discuss a new and decreased land lease. Raising awareness and dialogue through the platform has been key in building and maintaining good relationships with local stakeholders and authorities, promoting transparency and allowing issues and disagreements to be discussed and resolved in a fair and open manner.

After extensive community engagement, sensitization and training, individual Land Owner Agreements (LOAs) were agreed with land-owning families, all stakeholders are now fully aware of the new possibilities and how they will affect them. NHSL expects to sign a new land lease with consenting land owners and authorities at the end of 2018, preparing the way to develop the land in collaboration with the communities in the Chiefdom.
The aim for 2019 is to prepare the land and plant at least 500 ha with oil palm. And though the processes and coming together for the lease signing took longer than anticipated, today the company perceive much enthusiasm amongst the different stakeholders to move forward together in developing a world class, organic and RSPO certified plantation in Makpele Chiefdom.

**Tenure and land governance**

Land tenure can be very complex and highly sensitive. This holds especially true for Sierra Leone where land tenure has been a source of conflict. To move towards a better, fairer and more effective land tenure system, a new National Land Policy was drawn up (The Government of Sierra Leone, 2015), inspired by the Voluntary Guidelines for Responsible Governance of Tenure of Land, Forest and Fisheries (www.fao.org/tenure/voluntary-guidelines/en/). Supported by FAO and the CFS (Committee on World Food Security), these guidelines promote inclusive and responsible land investments in ways that respects and protects rights, sustainable livelihoods and food security.

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 in partnership with Solidaridad West Africa were successful in obtaining a grant from the UK’s Department for International Development’s in 2016 for the ‘Land: Enhancing Governance for Economic Development’ (LEGEND) project, which is due to end in 2019. This project focuses on mobilizing knowledge and capacity to improve land governance, as an essential and inclusive basis for economic development. A new lease agreement has now been formulated that aligns with the local context and realities as well as with national policy, supported by Namati, an international paralegal CSO.

There were a number of other highlights during the course of the LEGEND project. Local authorities and communities became aware of the National Land Policy and the Voluntary Guidelines
on Responsible Governance of Tenure. Participatory mapping of the leased areas and community lands was undertaken with land owners and land users, as well as a food security baseline of different groups in the chiefdom including those that have and have not leased land to NHSL. Various groups of farmers have started working together to improve food security through the application of good agricultural practices and use of improved crop varieties. Importantly, a grievance redress mechanism process was developed with affected community groups. Finally, experiences and lessons were shared during a national multi-stakeholder platform in October 2018.

NHSL looks back on a good collaboration around participatory mapping in September and October 2018, which will be followed up by a participatory planning process in collaboration with the Solidaridad team. The Zimmi operation has been operated by local staff for almost two years, supported by NHG head office and monthly visits. NHSL is satisfied with the work and sees that they have done an excellent job. They have had to learn new skills and processes at distance, and have shown a lot of commitment. The nursery and plantation follow best management practices, and multiple international experts have commented on the high quality of the work.

Learning from people who guided the process

Through elaborate engagement with stakeholders, the LEGEND project and the multi-stakeholder platforms have created awareness with all stakeholders and brought initially opposing views together. It has been a long process but the company is but it has conveyed all the stakeholders to where they needed to go.

In his reflection about the processes and project, Alie Bao, NHSL Community Relations Manager, stated that “We needed to be patient. It is a very time-consuming process and needs to be set up correctly from the start,” adding also that a third party is needed to check progress and offer independent advice. On another note, he stated that “the platform is a good tool for stakeholders to voice their differences, but it is in the communities and through the existing local structures that differences and conflicts are really resolved.”

The value of collaborating with Solidaridad West Africa in the LEGEND project is that this has further broadened the stakeholder group, and helped solve tensions that had not come to the surface before. For example, some land owners declined to lease their land, whilst some land owners fully supported the leasing of land to NHSL. This resulted in disputes between different land owner representative groups within the communities. NHSL and SWA are now setting up ‘community committees’ to ensure better representation and improved communication. With hindsight, it would have been better to set up these committees earlier in the process, instead of relying on existing representatives of stakeholder groups. Alie Bao concluded that “Setting up community committees was not on our radar at first, but we have learnt that we should have been out in the communities even more.”

Another insight is the importance of livelihood support to ensure successful stakeholder engagement in areas where the food security situation is fragile. Lahai Amos Koroma, a Community Development and Extension Officer for Solidaridad reflected that “Initially there was no livelihood support, even though we provided training on best management practices. Then we saw that people needed help in improving their agriculture and other livelihood activities, seeds, training, backstopping...” Solidaridad later broadened the base of the Inland Valley Swamp (IVS) rice project that NHSL started, to reach more communities and to create an important base for further engagement. Solidaridad also started village savings loan associations in eight communities, were women have been trained and organized into groups organizing savings based on the income they generated.
Conclusion

This paper has highlighted NHSL’s efforts to achieve an inclusive approach on two levels – NedOil’s inclusive approach of providing employment, sourcing from independent smallholders, and supporting training and certification, and NHSL’s inclusive approach to greenfield oil palm development. In Sierra Leone, with high levels of illiteracy, limited infrastructure, and a fragile food security situation, inclusive collaboration requires patience, and slow but deliberate steps forward. It is essential to create solid farmer and community outreach structures, and to use innovative and bottom up approaches to reach all stakeholders involved. It is also crucial to understand the many and various livelihoods constraints, and support of local CSOs to advise and guide community engagement and sensitisation processes is important to realise these progressive steps forward.

References