Inclusive palm oil development in Sierra Leone

Mohammed Kamara and Monique van Wijnbergen

Introduction

Millions of people around the world today depend on palm oil, for their livelihoods with approximately 40% of global output produced by smallholder farmers, and great improvements 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.

In addition to existing palm-growing smallholders in global supply chains being included, the worldwide oil palm area is expanding in order to meet the growth in global demand for palm oil. New oil palm development can provide much-needed rural economic development, for example in West Africa. From the company’s

Mohammed Kamara is General Manager, NedOil Sierra Leone Ltd., Yele, Sierra Leone; and Monique van Wijnbergen is Sustainability and Corporate Communication Director, Natural Habitats Group, Rotterdam, the Netherlands.
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; it was established in Ecuador in 2009 with its headquarters in the Netherlands. In 2013, the company 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 was 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 developing an organic, world-class, and RSPO-certified palm plantation in Makpele Chiefdom.

Background

Sierra Leone is one of the least developed countries in the world, with years of civil conflict and few opportunities for economic development, and growth further hindered by the 2014–15 Ebola outbreak. In spite of this, 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 the mills were destroyed and farmers turned to manual processing — which is still common today — but this leads to lower yields of low-quality oil and to much fruit remaining unharvested, since only so much can be processed manually. As a result, incomes are low, and with no access to agricultural training, improved planting materials 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. From its inception, the company was guided by an inclusive mindset. It was originally set up to generate funds to cover the operating costs of the local hospitals — built by the same foundation — and to provide direct and indirect employment and income for communities in and around Yele. After a few years, however, NedOil was not generating enough income to support the hospital, so the foundation sought an investor for the company, and NHSL stepped in.

Today, in addition to 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 was exported to the Netherlands for further processing and sale.

**NedOil’s inclusive model**

The foundation sources from independent smallholders and provides training and certification support. In May 2014, immediately after NHSL’s acquisition of NedOil, 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 outbreak, NedOil obtained organic certification of the mill, nucleus plantations and 1,392 independent farmers. This number 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; it also hires women to pick the fruit from the fresh fruit bunches from the nucleus plantations. The focus is to employ locally and promote employees from within the company as much as possible. As an example, Mohamed Kamara, NedOil general manager, started as plantation manager at NHSL in Makpele Chiefdom, and Santigie Sesay, now a production assistant, 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 in 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. The latter approach focuses 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 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 areas, standard operating procedures, community relations, and engaging farmer communities on land rights and women and land tenure.
Main challenges

NHSL’s experiences in sourcing from and collaborating with a smallholder network highlight the fact that logistics are a major constraint in NedOil’s inclusive sourcing model. With 2,501 farmers spread across a large area and long distances from the mill and the poor state of the roads, the prolonged pick-up time affects fruit quality. It was therefore decided to stop sourcing from farmers who were located in the hardest-to-reach areas.

Another major challenge is the condition of smallholder plantations; low-quality planting material produces 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’s focus on organic palm production requires time and investment in training and certification. Moreover, considering the high illiteracy level among 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: the independent farmers linked to the company were seen to be managing their plantations better. Through training, the company saw that smallholders began to realize the importance of best management practices; this led to better maintenance, including regular weeding around the base of the trees, which in turn led to more fruit recovery. Another success is that farmers now know the true size of their plantations due to the company’s evaluation team taking GPS coordinates of all boundaries. With this information, NedOil will begin the process of creating locally recognized land tenure title for all farmers in the network. This is an important step, considering the local lack of formal procedures for land tenure rights.

With NHSL’s access to markets, farmers can sell most of their fruit for a cash income. That fruit is processed and then sold both locally and internationally; the remainder of the fruit is processed manually for home consumption. Based on the authors’ observations, smallholder farmers in NedOil’s network appreciate the benefits they see from improved plantation management and the reward for post-harvest work, but farmers also expressed that they would like to see more benefits. Many farmers 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 finance, provision of high-quality farm tools and personal protective equipment, and requested support to grow other food crops in order 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. Unlike the land in Tonkolili District, the land in and around Zimmi still needs to be developed into palm oil plantations. In 2014, NHSL took over an existing land lease, which covered 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, the company learned that some members of the community were not happy that the late Paramount Chief had included the entire Chiefdom in the lease and that
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the negotiations lacked the free, prior and informed consent of all stakeholders. NHSL then started a process with all stakeholders regarding the ambitions and objectives of NHSL and other stakeholders, and how these could be achieved together with the community. 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’s groups, CSOs and youth to discuss a new and smaller land area 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 put in place with land-owning families. All stakeholders are now fully aware of the new possibilities and how these opportunities 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 although the processes and coming together for the lease signing took longer than anticipated, today the company perceives much enthusiasm among the different stakeholders to move forward together in developing an organic, world-class and RSPO-certified plantation in Makpele Chiefdom.
Land tenure can be very complex and highly sensitive. This is especially true in Sierra Leone, where land tenure has been a source of conflict. To move toward a better, more fair and more effective land-tenure system, a new National Land Policy was drawn up (Government of Sierra Leone 2015). This was inspired by the Voluntary Guidelines for Responsible Governance of Tenure of Land, Forest and Fisheries (FAO 2012). Supported by FAO and the Committee on World Food Security, these guidelines promote inclusive and responsible land investments in ways that respect and protect rights, sustainable livelihoods and food security.

To ensure that 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 a need to strengthen processes of community engagement and sensitization. To support this work, NHSL — in partnership with Solidaridad West Africa — was successful in obtaining a grant from the UK’s Department for International Development in 2016 for the “Land: Enhancing Governance for Economic Development” (LEGEND) project, which is due to end in 2019. The 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 and with national policy; it is 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 FAO Voluntary Guidelines. Participatory mapping of the leased areas and community lands was undertaken with land-owners and land users, and a food security baseline was established of various groups in the chiefdom, including those who had
and had 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 improved crop varieties. Importantly, a process to address grievances was developed with affected community groups. Finally, experiences and lessons were shared during the national multi-stakeholder platform in October 2018.

NHSL carried out a good collaboration around participatory mapping in September and October 2018, and to be followed by a participatory planning process in collaboration with the Solidaridad team. The Zimmi project has been operated by local staff for almost two years, supported by the NHG head office and monthly visits. NHSL is satisfied with the work and sees that the local people have done an excellent job. They have had to learn new skills and processes at a 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 has taken all the stakeholders where they needed to go.

In his reflection on the processes and project, Alie Bao, NHSL Community Relations Manager, stated, “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 (SWA) in the LEGEND project is that this has further broadened the stakeholder group and helped to resolve tensions that had not come to the surface before. For example, although some land-owners fully supported the leasing of land to NHSL, but some land-owners declined to lease their land. This resulted in disputes between various land-owner representative groups within the communities.

NHSL and SWA are now setting up community committees to ensure better representation and improved communication. In 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 learned 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 food security 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, begun by NHSL, to reach more communities and to create an important base for further engagement. Solidaridad also started village savings loan associations in eight communities; women have been trained and organized into groups who organize savings based on the income they generate.
Conclusion

This article highlights 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 its high levels of illiteracy, limited infrastructure, and fragile food security, inclusive collaboration requires patience and slow but deliberate steps forward. It is essential to create effective farmer and community outreach structures, and to use innovative and bottom-up approaches to reach all the stakeholders. It is also crucial to understand the many and various constraints to livelihoods, and the need for the support of local CSOs to advise and guide community engagement and sensitization processes in order to take these progressive steps forward.

References
