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Cover image

Broken promises

The impacts of
Addax Bioenergy in
Sierra Leone on
hunger and livelihoods

Executive summary

In 2014, the Swiss company Addax Bioenergy will begin exporting ethanol from a sugar cane plantation in Sierra Leone to the EU. This will be the first commercial quantities of biofuels to be exported from Africa to the EU.

The Addax plantation is often promoted as a sustainable biofuel project, not least by the European Commission. It has also received a sustainability certificate from the Roundtable for Sustainable Biomaterials. However, new research by ActionAid shows that the project is impacting on the food security and land rights of local communities. It is also threatening livelihoods more generally and lacked proper free, prior and informed consent from local communities before starting. The project is therefore not sustainable.

ActionAid has conducted research in the areas affected by the Addax plantation together with local NGOs and experts. This has involved in depth interviews with local community members, especially women. The research found that:

- > 99% of respondents said that hunger was prevalent in the Addax project area
- > 90% said that hunger was due to the loss of land to Addax
- > 99% of respondents suggested that food production had declined in their communities
- > 78% of community respondents said that they have never seen the land lease agreement
- > 85% of respondents said that information provided to communities on the advantages and disadvantages of Addax's investment was inadequate
- > 82% of respondents said they are dissatisfied with Addax's operations.

Research has further shown that:

- > land loss mitigation programmes have failed to provide many communities with sufficient food
- > compensation levels for land loss are poor

- > wages are low at a time when prices and costs are escalating
- > there was a lack of free, prior and informed consent (FPIC) of the local communities, effectively making this a land grab
- > communities feel that promises were made that have not been met.

The project is financed by a number of multilateral and bilateral institutions. ActionAid calls on donors to demand that Addax dramatically improves the lives of the communities in the project area by (as a minimum): paying better wages and fair compensation; employing local people (particularly the young) on long term contracts; stop further land being taken for the plantation; relinquishing bolilands (important seasonal swamp land for growing rice); and overhauling the Farmer Development Programme to enhance food security after consultation with the communities (and delivering the whole programme free for the duration of the lease). If necessary, this should be done through the renegotiation of the land lease agreements.

As importantly, Members of the European Parliament have an opportunity at a vote during the second week of September 2013 to change the damaging EU policies that drive the rush for land grabs from companies such as Addax. MEPs should vote for:

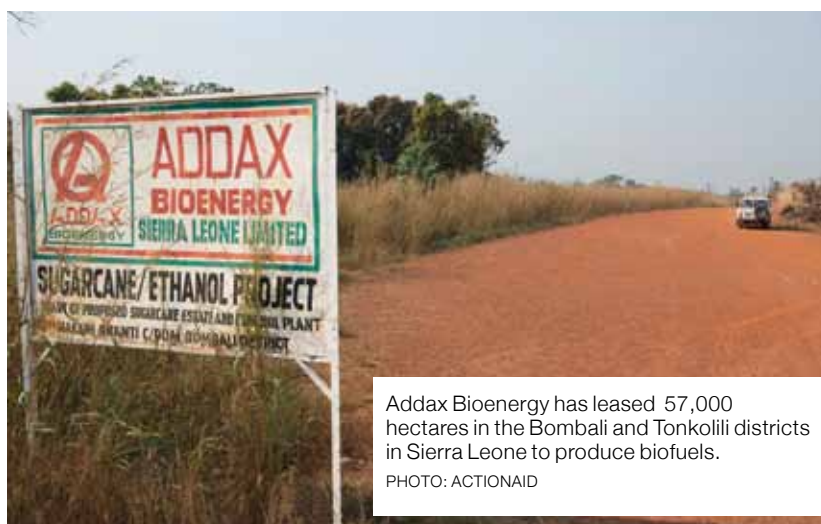
- > A 5% cap on the use of land based biofuels that can count towards targets in EU biofuel legislation, with a view to phase out the use of such biofuels as soon as possible.
- > The introduction of a binding carbon methodology that accounts for indirect land use change (these should be feedstock specific).
- > The introduction of binding social sustainability criteria for all bioenergy, including wastes, residues and other biomass.

Introduction

The Bombali district of northern Sierra Leone has witnessed a massive land grab over the last five years. All 13 chiefdoms of the district (some 800,000 hectares) have been 'acquired' in part or in whole by foreign companies, 11 by a British company called Whitestone SL Ltd¹ and two by a Swiss biofuel company, Addax Bioenergy.²

The Addax Bioenergy project is important for a number of reasons:

- > It is about to start commercial production of biofuels, one of the first in Africa.
- > By 2014, most if not all of the ethanol produced (from sugar cane) will be



Addax Bioenergy has leased 57,000 hectares in the Bombali and Tonkolili districts in Sierra Leone to produce biofuels.

PHOTO: ACTIONAID

exported to the EU;³ despite EU attempts to downplay the impacts of EU biofuel policy on developing countries by claiming that the EU does not import biofuels from (Africa's) poorest nations.⁴

- > It recently received a sustainability certificate from the Roundtable for Sustainable Biomaterial (RSB).
- > It is funded by the African Development Bank (AfDB), five European bilateral institutions and two other donors.⁵
- > It is promoted as an example of an environmentally and socially responsible biofuel plantation, not least by the European Commission.⁶

At its height, the project will produce some 85,000 cubic meters (85 million litres) of ethanol a year (ethanol is blended into petrol). In the reporting year 2011/2012, this one project would have been enough to meet 12% of the UK's ethanol consumption for transport.⁷

ActionAid visited the project site in January 2013 and subsequently commissioned an independent study of Addax.⁸ In July, the study conducted 100 interviews in 10 villages and two focus group discussions with affected communities.

This briefing focuses on a number of issues, primarily the effects of the Addax project on food security locally, impacts on wider livelihood and jobs issues, and on broken promises made to the communities.

1. ActionAid has written to Whitestone SL Ltd outlining our concerns in the way that the company acquired the land and the size of the area; Whitestone has not replied and ActionAid has not been able to make any further contact. No land clearance has yet taken place.

2. Addax Bioenergy is a subsidiary of Addax and Oryx Group (AOG) based in the British Virgin Isles.

3. See http://www.addaxbioenergy.com/uploads/PDF/Addax_Bioenergy_FAQ_June_2013.pdf. and <http://www.swedfund.se/wp-content/uploads/2012/10/ABSL-2011-Annual-Independent-Public-ES-Monitoring-Report.pdf>.

4. Stina Soewarta, 2012. Speech at European Development Days, October. DG Development and Cooperation (DevCo).

5. The five European development funds are: The Netherlands Development Finance Company (FMO); the Belgian Investment Company; the Emerging Africa Infrastructure Fund (UK DFID); Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG) and Swedfund; the two other donors are the South African Industrial Development Corporation and the Infrastructure Crisis Facility Debt Pool, managed by Cordiant (Canada).

6. Øyvind Vessia – Policy Officer, Renewables and CCS, DG Energy, panel debate Biopact November 2012.

7. See DFT, 2012. <https://www.gov.uk/government/publications/biofuel-statistics-year-4-2011-12-report-5>. UK Department for Transport.

8. Study for ActionAid on the Impact of the Operations of Addax Bioenergy on Food Security and Livelihoods in Northern Sierra Leone (provisional title). Forthcoming, September 2013.

The Addax project

Overview

Addax's lease runs for 50 years and originally extended to 57,000 hectares (19kms x 30kms), covering two chiefdoms in the Bombali district and one in the neighbouring Tonkolili district. The land lease agreements include a provision to extend the lease for a further 21 years.⁹ The area is bordered to the west and south by the Rokel River from where the project will draw water for irrigation.

The actual project currently covers about 14,300 hectares (ha) of land comprising approximately 10,000ha of irrigated sugarcane estates, land for the project's infrastructure including an ethanol factory, a power plant, resettlement areas, roads and irrigation infrastructure and supporting infrastructure. An estimated 2,000ha have been developed as part of the project's Farmer Development

Programme (FDP). Land for the sugar-cane plantation began to be cleared in 2010 and will finish in 2013/14.

The balance of the lease area – 43,000ha – is also under the 'control' of Addax. The company has a relinquishment option which allows them to surrender lands that are not needed for its operations within a five year period. This provides the company some flexibility to move exact field locations.¹⁰ By March 2013, Addax reported they had surrendered more than half of the land, but still held about 24,500ha.¹¹ Many of the leases were signed in 2010 which suggests that for these lease areas, the option lapses in 2015. The land lease also contains a clause that the company may seek to extend the area under sugar cane to 20,000ha but there is no indication that Addax is planning such a move.¹²

9. See <http://farmlandgrab.org/uploads/attachment/ADDAX%20-%20Land%20Lease%20Agreement.pdf>

10. AfDB, 2010a. Addax Bioenergy Project: Executive Summary of the Comprehensive Policy Framework and the Pilot Phase Resettlement Action Plan. <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Environmental-and-Social-Assessments/Addax%20Bioenergy%20-%20RAP%20summary%20-%20Final%20EN.pdf>. Pages 9 and 10

11. Baxter, J., 2013a. Farmland – the new 'blood diamonds in Sierra Leone. <http://truth-out.org/news/item/16546-farmland-the-new-blood-diamonds-in-sierra-leone>

12. <http://farmlandgrab.org/uploads/attachment/ADDAX%20-%20Land%20Lease%20Agreement.pdf>

EU drivers and institutional donor involvement

The Sierra Leone Investment and Export Promotion Agency (SLIEPA) is driving much of the land investment in the country.¹³ Addax has been a beneficiary of the process and makes no secret of the fact that its ethanol production, from one of the poorest countries in the world will be exported to the EU¹⁴ and that it meets the requirements of European legislation, namely the Renewable Energy Directive (RED).¹⁵ The RED is currently being re-negotiated but it requires that by 2020, 10% of EU transport fuels must come from renewable sources.

European countries are currently planning to meet this 10% target almost exclusively from land-based biofuels (ie food crops

or other dedicated energy crops grown on land). Together with preferential trade links to the EU and tax incentives in Sierra Leone, the RED has been a powerful driver, incentivising Addax and other biofuel companies to acquire land in Africa and other developing countries.¹⁶ The Addax project has also received support directly or indirectly through a number of European institutional donors, including Swedfund,¹⁷ a risk capital company specialised in investments in emerging markets in Africa, Asia, Latin America and Eastern Europe owned by the Swedish state.

Certification

The Addax project received a sustainability certificate from the Roundtable on Sustainable Biomaterials (RSB)¹⁸ in February 2013.¹⁹ At the time, RSB announced that “Addax Bioenergy has become a model for sustainable projects in Africa.”²⁰

The certification will ease the entry of Addax’s biofuels onto the EU markets, as the EU

requires all biofuels that count towards its renewable targets to have received sustainability verification.²¹

Despite this, ActionAid believes that the project is not sustainable, thereby questioning the validity of the RSB certificate. The issues surrounding the certificate are raised throughout the briefing (see also Box 1).

Box 1: Addax, water and the RSB

Addax altered a number of water courses; but at the time of the RSB audit in early 2013, one major unspecified water issue had still not been resolved.²² ActionAid believes this is the construction of a new well in the village of Romaro which took two years to build after the company damaged the village’s original water source.²³ Despite this non-conformity, RSB went ahead and awarded a certificate regardless. Whilst water is not specifically part of the sustainability criteria of the RED, it is one of the 12 principles and criteria of the RSB.

13. The SLIEPA is part of the Removing Administrative Barriers in Sierra Leone (RABI) programme of World Bank’s International Finance Corporation (IFC). SLIEPA was established in 2007 and is also financed by the UK’s Department for International Development (DFID) and the European Union. The RABI seeks to remove barriers to and promote investments in the country.

14. See also <http://farmlandgrab.org/uploads/attachment/ADDAX%20MOU0001.pdf> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32009L0028:EN:NOT>

15. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32009L0028:EN:NOT>

16. http://www.addaxbioenergy.com/uploads/PDF/Addax_Bioenergy_FAQ_June_2013.pdf

17. <http://www.swedfund.se/en/?case=addax-bioenergy-sierra-leone>

18. <http://rsb.org>

19. <http://advancedbiofuelsusa.info/addax-bioenergy-earns-first-african-certification-by-roundtable-on-sustainable-biofuels-rsb>

20. Ibid.

21. http://ec.europa.eu/energy/renewables/biofuels/sustainability_schemes_en.htm

22. RSB, 2013a. Addax Bioenergy Sierra Leone, Executive Summary of Public Audit. <http://rsb.org/wordpress/wp-content/uploads/2012/01/Addax-RSB-public-cert-report-130214-FINAL.pdf>

23. SILNoRF, 2013. Annual Monitoring Report on the Operations of Addax Bioenergy by the Sierra Leone Network on the Right to Food July 2012 – July 2013. <https://sites.google.com/site/silnorf/news-1/monitoring-report-august-2013>

The impacts of Addax operations on food security and land rights

“Well, the situation is getting worse now. Before Addax came we used to plant on those lands and feed ourselves sufficiently... we even used to have something to give to our friends when they came. But now we can no longer have food to give them because Addax has said they are going to do the planting for us, but the planting that they are doing for us is not even enough for us to eat... So things are becoming difficult, prices are now increasing for food stuff.”

Yaema Koroma (alias), female with two dependent children, interview with ActionAid in January 2013

Some 90 villages lie within the area leased by Addax although pre-project studies - many commissioned by Addax - say that only 60 villages will be directly affected. Within these 60 villages, some 13,617 people will be affected, i.e. through displacement in one form or another (for example from economic activities). 50 people have been physically and involuntarily resettled²⁴ which in itself is a violation of the RSB principles.

To mitigate against the loss of agricultural land, the company developed the Farmer Development Programme (FDP) and training whereby each affected person is ‘allocated’ 0.14 hectare of land (on average 35 metres x 35 metres).²⁵

Land preparation and seeds are supplied free in the first year of the FDP. In year two, Addax will continue to meet two-thirds of the cost of land preparation; in year three, one-third of the cost. Seeds, except in year one, and all other inputs are supplied at cost. After the third year, the farmers have the option to continue

to use the FDP but they must pay the full costs.²⁶ Costs incurred by Addax as part of the programme are sometimes met by the company taking part of the rice harvest.²⁷

This is a farming model – mechanised with high cost external inputs such as fertilizers – that is alien to the communities and provides great uncertainty for farmers as to what will happen after the three years.²⁸ This comes at the expense of promoting sustainable agriculture approaches which are likely to be of more benefit to poor farmers.²⁹

But whilst the FDP has worked for some communities, it hasn’t for others. Even if one community goes hungry because of the activities of Addax, which it has, this is unacceptable.

In 2010, the first year of the FDP, which was focused around the initial phase of the project, the promised ploughing, harrowing and seeds arrived too late. Planting usually begins in May but the seeds only arrived in July and the promised fertilizer arrived even later. As

24. SiLNoRF, 2013. Ibid.

25. AfDB, 2010b. Addax Bioenergy Project: Executive Summary of the Environmental, Social and Health Impact Assessment. <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Environmental-and-Social-Assessments/Addax%20Bioenergy%20-%20ESHIA%20summary%20-%20Final%20EN.pdf>. Page 11

26. AfDB, 2010b. Op cit. Page 11.

27. Study for ActionAid on the Impact of the Operations of Addax Bioenergy on Food Security and Livelihoods in Northern Sierra Leone (provisional title). Forthcoming, September 2013.

28. SiLNoRF, 2012. Annual Monitoring Report on the Operations of Addax Bioenergy by the Sierra Leone Network on the Right to Food July 2011 – July 2012. <https://sites.google.com/site/silnorf/news-1/monitoring-report-july-2012> Page 14.

29. SiLNoRF, 2012. Op cit. Page 13.

a consequence, there was “less food in the communities as farmers were not able to plant on time. Now the community members stated that they are starting to worry that they will soon not have enough food.”³⁰ Addax confirmed to the NGO Bread for All that the FDP failed in the Pilot Phase in 2010³¹ and has acknowledged on-going problems, for example the timely allocation of cultivated rice plots to individuals.³²

In the 2011 season, some 1,400ha were planted but some villages produced significantly less rice than anticipated, even though the target amount of land was ploughed and planted. For three villages this was due to late ploughing by Addax. Unfortunately, Yainkisa, which suffered a previous FDP failure in 2010, was one of these villages.³³

In 2011, the local NGO SiLNoRF (the Sierra Leone Network on the Right to Food) also interviewed many communities who indicated that the 2010 and the 2011 rice harvests on the FDP fields were low and therefore not sufficient to ensure their food security. In fact SiLNoRF go on to say that rice harvests were poor in a third of villages. In more recent interviews with SiLNoRF, many farmers and communities also reported low harvests in 2012 from the FDP which was not sufficient to ensure their food security.³⁴ As evidence, community chiefs point to the all year round presence of Asian rice in their local markets when previously it had only been present seasonally during the rains.³⁵

Some of the people that ActionAid spoke to said that the allocated plots in the FDP were

“Since Addax came we are presently experiencing hunger, so we don’t have enough food to eat, presently our children are crying for food but we don’t have food to give them”

Edriam Gulama (alias), female with three children, interview with ActionAid in January 2013.

too small. Others confirmed that the planting by Addax is not enough for the family to eat.

SiLNoRF reports that yields and rice harvests were low because of:³⁶

- > the late land preparation by Addax tractor
- > the fact that many communities could not afford the costs of fertilizers
- > the late allocation of plots to farmers
- > the decrease in FDP soil fertility because fields are in constant use for the second and third year
- > the quality of the seeds was poor or were not adapted to the type of soils
- > some communities reported that different seeds varieties were mixed (seeds were not pure).

The problem of seed type was confirmed in a 2012 independent monitoring report for Swedfund. Also, Addax sought expert advice (from a local agricultural institute) on the selection of rice varieties, instead of planting the varieties preferred by local people. The resulting yields were lower than expected.³⁷ In interviews conducted for ActionAid across the 10 villages and from the focus group

30. Anana, M et al, 2012. Independent Study Report of the Addax Bioenergy Sugarcane-to-ethanol project in the Makeni Region in Sierra Leone. SiLNoRF, Bread for all and others. http://www.brotfueralle.ch/fileadmin/deutsch/01_Service/Medien_Texte/Mediencommuniqués/Independent%20Study%20Report%20Addax%20Final.pdf. Page 32.

31. Addax communication with Bread for All, May 2011 in http://www.breadforall.ch/fileadmin/deutsch/2_Entwicklungspolitik_allgemein/C_Wirtschaft%20und%20MR/11_08_Bread_for_all_response_to_the_statements_of_Addax.pdf.

32. Study for ActionAid on the Impact of the Operations of Addax Bioenergy on Food Security and Livelihoods in Northern Sierra Leone (provisional title). Forthcoming, September 2013.

33. Nippon Koei, 2012. Addax Bioenergy SL: 2011 Annual Independent Public Environmental & Social Monitoring Report.<http://www.swedfund.se/wp-content/uploads/2012/10/ABSL-2011-Annual-Independent-Public-ES-Monitoring-Report.pdf>. Pages 6 and 7.

34. SiLNoRF, 2013. Op cit. Pages 11, 12 and 18.

35. Study for ActionAid on the Impact of the Operations of Addax Bioenergy on Food Security and Livelihoods in Northern Sierra Leone (provisional title). Forthcoming, September 2013.

36. SiLNoRF, 2012. Op cit, pages 12-13 and SiLNoRF, 2013. Op cit. Page 19.

37. Nippon Koei, 2012. Op cit. page 7

discussions, opinion was unanimous that in most instances in 2010 and 2011 rice yields were low from the FDP plots; and 99% of respondents suggested that food production has declined in their communities.³⁸

Others reported to ActionAid that farming is proving difficult when young men are employed on the sugar cane plantation which produces the biofuel. Whilst many of these jobs are temporary, some coincided with critical periods for the land preparation and planting (May-July) of the key food crop, rice.

Addax insists that the FDP is producing a surplus of rice but the weighing of rice bags has been contested by communities and is thus overstated.³⁹ Indeed, a further monitoring report

for Swedfund in 2013 stated: “these figures [production and yields] must be treated with a degree of caution as weighing and maintaining the integrity of the measuring and sharing process [of rice] remains a central problem in the field”. The report also confirms that 70% of bags were not weighed.⁴⁰

Addax also claims that the local people are not giving their maximum support to the Programme.⁴¹ The concerns listed above, and the fact that this is a model of farming that they are unfamiliar with, is perhaps at the heart of the problem. Also the FDP cannot replace the full range of products, services and sources of income that people previously gained from the land and water.

Box 2: Other quotes from women’s focus group discussions in July and August 2012⁴²

NGOs are not alone with regards the collection of statements from local communities about the activities of Addax.

The following are taken from an independent report written for one of the donors, Swedfund.

FDP and food security

Question: We may also want to know why you do not have enough land to farm on?

Respondent 1: We have given our lands to Addax

Respondent 2: When Addax came, they went into our bushes and demarcated the plots of lands they want before they came to us. What they left for us is not enough for all of us in the community.

Gender

Question: When Addax leased the lands from you, were you paid, or were the lands forcefully taken from you or was an agreement made?

Respondent: Yes, they paid the land owners, but we the women are faced with serious challenges as the money is only used by the men; the money was only used by the men - that is our grievance.

38. Study for ActionAid on the Impact of the Operations of Addax Bioenergy on Food Security and Livelihoods in Northern Sierra Leone (provisional title). Forthcoming, September 2013.

39. SiLNoRF, 2013. Op cit. Page 18

40. Nippon Koei, 2013. Addax Bioenergy SL: 2012 Annual Independent Public Environmental & Social Monitoring Report. http://www.swedfund.se/ABSL_2012_Annual%20Independent%20Public%20E&S_Monitoring%20Report.pdf Page 8.

41. Study for ActionAid on the Impact of the Operations of Addax Bioenergy on Food Security and Livelihoods in Northern Sierra Leone (provisional title). Forthcoming, September 2013.

42. Nippon Koei, 2013. Op cit. Page 9.



Addax is producing biofuels from sugar cane, meaning the land is converted from food crop to energy crop production.

The 2013 report for Swedfund also concluded: "The overall performance of the FDP in terms of sustainability cannot be gauged until sometime after it has been implemented for all sites within the project area."⁴³ This brings into question as to how the RSB was able to award a sustainability certificate for the project.

Impacts on women

Women are often the main providers of food for families, and are also more likely to suffer from food insecurity. As such, they are at a particularly vulnerable position when land and food rights are under threat, as they are in the areas affected by the Addax project.

Women in the areas affected by the Addax project have indeed reported gender specific concerns (see also Box 2).

Poor levels of compensation

A complicated procedure for land compensation eventually resulted in payments for crops and trees lost and for land appropriated. Addax has paid this money in accordance with the land leases and other agreements.

But the amount of compensation and the way it is distributed raises concerns:

- > Productive trees, such as palm, are compensated at US\$8-10 each (about €6.00 -7.50 depending on exchange rates at the time)⁴⁴ but according to SiLNoRF, the palm trees are worth about US\$19 (€14.5) per year.⁴⁵
- > The level of land compensation is minimal, at just US\$7.90 (€6.00) per hectare per year.>
- > Despite the fact that there are more women in the project area, and that many women are land users and are equally active in farming activities, all the land money is controlled by and paid via a small number of male land owners or elected elders in the village. Most people, particularly land users and women see very little, if any of this money (see Box 2).

One woman that ActionAid interviewed said that she farmed about 15 acres (6ha) as a land user but this was taken by Addax. The compensation money goes to the land owner who so far has given her about 200,000 leones, about US\$45 (€35) since they started clearing her land. This is for her whole family of six. She described the money as irregular, perfunctory, very small and not sufficient to provide for her family. As a land user, she confirmed that whilst she attended stakeholder meetings and saw the lawyer, she was not consulted on whether they could take her land or not. Other community members interviewed for ActionAid have also confirmed that the amount of compensation money is inadequate.

43. Nippon Koei, 2013. Op cit. Page 22.

44. AfDB, 2010a. Op cit. Page 12. I.e. 683 trees were compensated at a cost of approximately US\$7,000

45. SiLNoRF, 2012. Op cit.

The impacts of Addax operations on jobs and livelihoods

Respondents also told ActionAid that jobs were promised to locals and to young people of families that had given up their land. But in interviews conducted by ActionAid in early 2013, many people complained that this had not happened; and that when they were employed, the conditions of employment were not made clear to them (not least because contracts were not in the local language). Table 1 reveals that nearly a half of those employed are not locally (displaced) people but come from a distance greater than 20 km from the project.

per month);⁴⁸ if a family has lost their land or the FDP is not working and/or still being implemented, the wage could provide their only income.

Wages at this level are not sufficient to cover their daily food needs let alone other daily expenditure such as housing, clothing or school fees, especially when considering the costs associated with the FDP if farmers choose this option.

In early 2013, ActionAid interviewed many people as to how much it would cost to feed

Type	Numbers/percentage
Permanent employees	523
Casual employees	911
Total employees	1434*
Percentage of National Employees within 20km of factory site	58
Percentage of National Employees within 20 km of factory + the town of Makeni	70

* In May 2013, Addax reported that it had a workforce of about 1,500 workers split 50% as permanent workers and 50% as casual workers⁴⁷

Impacts of low wages on food security

The company has supplied hundreds of jobs, pumping millions of leones - mainly through wages - into the local economy. These wages are on a par with what other companies pay and above the minimum wage.

From payment slips seen by ActionAid, the daily wage at Addax for manual work without overtime is between 15,000 - 20,000 leones (or between 300,000 and 400,000 leones per month, between US\$70/€50 and US\$90/€70

a family for a day. At a daily wage of 15,000 leones (about US\$3.5/€2.60) in January 2013, this would have bought the following; five cups of rice, three onions, two Maggie (stock) cubes, a small bag of tomatoes, half a bottle of palm oil, some chillies and two bags of charcoal for cooking. This is barely enough for one meal for one family. Two meals a day would cost at least 30,000 leones. Some families confirmed to ActionAid that they are now surviving on one meal a day (four to five cups of rice).

46. Nippon Koei, 2013. Op cit.

47. See SiLNoRF, 2013. Op cit. Page 11

48. Calculating the daily wage from Addax 'pay advice' is confusing as it includes a basic wage but then adds on Housing, transport and medical allowances. But the pivot guard pay advice seen by ActionAid gives the rate per hour as 1519.88 leones for an 8 hour day.

“Before we were eating up to 10 cups of rice [per family, per day] because of the produce we were getting from our farms. But since Addax came, we can no longer eat that amount of rice we used to eat. Now we are eating 5 cups we cannot even imagine to get 6 cups because our source of getting money is very slim.”

Zaria Conteh (alias), female farmer with nine children, interview with ActionAid in January 2013

All this is at a time when daily costs have risen massively over the past few years since Addax started operations. Respondents for another study in the Addax area reported that the prices of bush meat (per cut) and a cup of pepper, groundnuts or beans had all risen 300% compared to before the company arrived. The price of plassas (leafy greens) per tie had risen between 150% and 400% over the same time period.⁴⁹

Many farmers also now have additional costs associated with the FDP, and this will continue if farmers have few other options. So despite Addax reporting that average household incomes have improved by 200% since

2010,⁵⁰ the massive increase in local costs in part explains why so many people are finding it difficult to subsist.

In addition, many of these jobs are temporary and casual as shown in Table 1. Many people told ActionAid that the company was failing to employ a significant number of young local people on long term contracts, that Addax was paying low wages and failing to provide adequate information about employment conditions. In mid June 2013 there was a strike at the plantation. The issues of contracts, end of term benefits and regular wage payments were central to the worker's grievances.⁵¹

49. Baxter J., 2013b. Who is benefitting? The social and economic impact of three large-scale land investments in Sierra Leone. <http://www.christianaid.org.uk/images/who-is-benefitting-Sierra-Leone-report.pdf>.

50. Nippon Koei, 2013. Op cit.

51. See also Study for ActionAid on the Impact of the Operations of Addax Bioenergy on Food Security and Livelihoods in Northern Sierra Leone (provisional title). Forthcoming, September 2013.

Broken promises

The lack of free, prior and informed consent

Addax conducted consultation processes, undertook numerous pre-assessment studies (some of which went further than the performance requirements of international donors), produced land maps and has dialogue with stakeholders.

However, a key aspect of sustainability is the principle of 'free, prior and informed consent' (FPIC); the right of all stakeholders to be consulted in a timely, appropriate and 'informed' way is of paramount importance on which consent or veto is based. These are all key requirements of the RSB certification.

To the company, it appears that consultation and ensuring that a small number of people signed-off the land lease agreements constituted consent. From the survey conducted for ActionAid, only 66% of respondents said they attended consultation and stakeholder meetings. Moreover, there was essentially no dialogue at these meetings as speaker after speaker from the company or public officials reinforced the benefits of Addax's investments to the country and host-communities. Consequently, 85% said that information provided to communities on the advantages and disadvantages of Addax's investment was inadequate.⁵²

The land lease agreements were signed by few elected elders, such as the Paramount Chiefs and Chiefdom Counsellors. But 78% of the community respondents have never seen the agreements.⁵³ The land leases seen by ActionAid were also in English, not the local

language Temne.⁵⁴ One of those who signed the land lease agreement said he did not understand it.⁵⁵

Addax could argue that the details of the land lease agreements were meant for the signatories only and they should have been responsible for consultation with their communities. This would however have been an abrogation on the part of the company that is not allowed under the RSB certification. Here it is the responsibility of the feedstock producer, feedstock processor and/or biofuel producer to comply with the requirements to meet FPIC.⁵⁶

The company arranged for a lawyer to represent the communities, paid for by the company: "landowners and local authorities were represented by a respected law firm of their choosing to ensure negotiations were held on a level playing field".⁵⁷ As the RSB audit says, this was done to "represent their interests and to ensure that the lease agreements were well understood by all affected."⁵⁸

This claim stands in sharp contrast with the claims of landowners and local people. 75% of community resident respondents claim that they never saw the lawyer that was supposed to represent them. Only 2% believe that they were well represented by the lawyer.⁵⁹

To illustrate this point, the leases include the wording: "The Company ... shall be entitled to have exclusive possession over all that forms part [of the] Demised Premises including villages, rivers, forests and all other forms of environment."⁶⁰ But the local NGO SiLNoRF states that community members would have

52. Study for ActionAid on the Impact of the Operations of Addax Bioenergy on Food Security and Livelihoods in Northern Sierra Leone (provisional title). Forthcoming, September 2013

53. Study for ActionAid on the Impact of the Operations of Addax Bioenergy on Food Security and Livelihoods in Northern Sierra Leone (provisional title). Forthcoming, September 2013.

54. See <http://farmlandgrab.org/uploads/attachment/ADDAX%20-%20Land%20Lease%20Agreement.pdf>

55. See also SiLNoRF, 2013. Op cit. Page 15

56. See RSB, 2013b. <http://rsb.org/sustainability/rsb-sustainability-standards/>

57. See <http://www.swedfund.se/wp-content/uploads/2012/04/Addax-Bioenergy-Fact-Sheet-April-2012.pdf>.

58. RSB, 2013a. Op cit.

59. Study for ActionAid on the Impact of the Operations of Addax Bioenergy on Food Security and Livelihoods in Northern Sierra Leone (provisional title).



The Addax project is using up vital water resources, and changing water courses.

PHOTO: ACTIONAID

objected to this clause because of their heavy reliance on resources from forests and water courses.⁶¹

Moreover, in early 2013 (some three years after Addax started clearing the land) local communities told ActionAid that they are still not adequately informed on a range of important issues that should have been clearly resolved prior to the project starting, including:

- > What jobs would be provided to them and over what period? This issue remains largely unresolved as noted in the RSB audit - there was a “lack of understanding of conditions of employment agreements”.⁶²
- > What land would be taken, including the most productive low-lying seasonally flooded land for rice (‘bolilands’) and when it would be taken? As the AfDB states: “the Addax land selection strategy was based on avoiding the lower lying swamp lands which are currently used for rice production by local people” (this is given more consideration in the next section).⁶³

- > The way that the FDP would work? The report for Swedfund in 2012 confirmed that: “In a few cases, insufficient consultation with villagers has meant that the FDP, and the respective roles of Addax and local people in its implementation, have not been made sufficiently clear to locals”.⁶⁴
- > What would happen regarding the provision and building of social amenities such as schools and medical clinics?

In addition, a requirement of the RSB certification demands that informed consent should have a specific gender perspective. Women are not allowed to own land (but may use land) and therefore were not party to the negotiations and many were simply not consulted by the company as to whether they gave their consent.

60. See <http://farmlandgrab.org/uploads/attachment/ADDAX%20-%20Land%20Lease%20Agreement.pdf>

61. SiLNoRF, 2013. Op cit. Pages 14 and 15.

62. RSB, 2013a. Op cit.

63. AfDB, 2010a. Op cit. Page 10.

64. Nippon Koei, 2012. Op cit.

The absence of free, prior and informed consent (FPIC), and a gendered perspective are key components in the lack of sustainability of the project and makes the Addax plantation a land grab as defined by the Tirana Declaration.⁶⁵

Communities allege to have been misinformed

In interviews with ActionAid in January 2013, respondents voiced a number of issues that they said had left deep resentment within the project area; some of these are in relation to the ‘promises’ the respondents say were made to the communities in return for allowing the project to proceed.

When people agree to give up their land, affected communities place great faith in the project or the company to help lift them out of poverty. The provision of jobs and social amenities are key in this respect. But it appears that any promises made were not written down. Even if promises were not made by the company itself, Addax failed to control expectations on the ground. It appears the promises respondents referred to may have come from public officials.^{66,67}

Respondents told ActionAid that promises were made regarding the building of schools and medical clinics but these have not materialised. Addax claims that it should be the responsibility of the District and Chiefdom councils to which some of the land compensation is paid.⁶⁸

One further issue is the use by the company of bolilands. The 2012 report for Swedfund confirms there is a presumption against the use of bolilands.⁶⁹ Clearly, the issue of bolilands was discussed with communities; but here the communities’ expectations may again have been raised – that the company would avoid these areas and confine its activities to other land, but hasn’t.⁷⁰ There is still widespread belief in communities that Addax is going to use bolilands for only three years, which terminates in 2013.⁷¹ One village is still resisting the taking of bolilands by the company.⁷²

65. The Tirana Declaration was produced by 150 international civil society organisations who defined land grabs against five criteria. These can be found at: <http://www.landcoalition.org/about-us/aom2011/tirana-declaration>

66. Baxter, J, 2013b. Op cit.

67. Group interview with Clive English, Addax Bioenergy, July 18 2013

68. Study for ActionAid on the Impact of the Operations of Addax Bioenergy on Food Security and Livelihoods in Northern Sierra Leone (provisional title). Forthcoming, September 2013.

69. Nippon Koei, 2012. Op cit.

70. SiLNoRF, 2012. Op cit. Page 12; see also Baxter, 2013b. Op Cit.

71. Study for ActionAid on the Impact of the Operations of Addax Bioenergy on Food Security and Livelihoods in Northern Sierra Leone (provisional title). Forthcoming, September 2013.

72. See SiLNoRF, 2013. Op cit. Page 16.

Conclusions and recommendations

The project is far from sustainable and is undermining communities' rights. Many people told ActionAid that because their land has been taken, the failure in places of the FDP, poor wages and job insecurity as local prices and costs rise, they now simply do not have enough to eat. Of those interviewed for ActionAid, 99% said there was hunger in their communities and 90% said this was due to the loss of land to Addax.⁷³

Overall, 82% of respondents said they are dissatisfied with Addax's operations. But the vast majority (96%) want Addax to stay and make amends.⁷⁴

ActionAid calls on donors to demand that Addax dramatically improves the lives of the communities in the project area by (as a minimum):

- > paying better wages and fair compensation
- > employing local people (particularly the young) on long term contracts
- > stop further land being taken for the plantation
- > relinquishing bolilands; and

- > overhauling the Farmer Development Programme to enhance food security after consultation with the communities (and delivering the whole programme free for the duration of the lease).

If necessary, this should be done through the renegotiation of the land lease agreements.

Additionally, Members of the European Parliament have an opportunity at a vote during the second week of September 2013 to change the damaging EU policies that drive the rush for land grabs from companies such as Addax. MEPs should vote for:

- > A 5% cap on the use of land-based biofuels that can count towards targets in EU biofuel legislation, with a view to phase out the use of such biofuels as soon as possible.
- > The introduction of a binding carbon methodology that accounts for indirect land use change (these should be feedstock specific).
- > The introduction of binding social sustainability criteria for all bionenergy, including wastes, residues and other biomass.

73. Study for ActionAid on the Impact of the Operations of Addax Bioenergy on Food Security and Livelihoods in Northern Sierra Leone (provisional title). Forthcoming, September 2013.

74. Ibid