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PROJECT : ADDAX BIOENERGY PROJECT

COUNTRY : SIERRA LEONE

EXECUTIVE SUMMARY OF THE COMPREHENSIVE RESETTLEMENT POLICY FRAMEWORK AND THE PILOT PHASE RESETTLEMENT ACTION PLAN

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|---------------------------|-------------------------------|------------|-------------------------------|-------|
| Project team | Head of team: | G. MANLEY | Principal Investment Officer | OPSM2 |
| | Team members: | K. LONSWAY | Division Manager | ONEC3 |
| | | R. ARON | Social Development Specialist | ONEC3 |
| | Head of area division: | M. NIANG | Division Manager | OPSM2 |
| Area director: | T. TURNER | Director | OPSM | |
| Regional director: | F. PERRAULT | Director | ORWB | |

COMPREHENSIVE RESETTLEMENT POLICY FRAMEWORK AND THE PILOT PHASE RESETTLEMENT ACTION PLAN EXECUTIVE SUMMARY

Project title : **ADDAX BIOENERGY PROJECT**
 Country : **SIERRA LEONE**
 Project reference : **P-SL-AAG-002**

LIST OF ACRONYMS AND ABBREVIATIONS

| | | |
|-------|---|--|
| AOG | : | Addax & Oryx Group |
| CDM | : | Clean Development Mechanism |
| CER | : | Certified Emission Reduction Certificates |
| CRPF | : | Comprehensive Resettlement Policy Framework |
| ESHIA | : | Environmental, Social and Health Impact Assessment |
| EU | : | European Union |
| FAO | : | Food and Agricultural Organization of the United Nations |
| FDP | : | Farmer Development Programme |
| FFLS | : | Farmer Field and Life School |
| Ha | : | Hectare |
| HSSE | : | Health, Safety, Social and Environment |
| IFC | : | International Finance Corporation |
| ILO | : | International Labour Organization |
| MW | : | Mega Watt |
| NGOs | : | Non-Governmental Organisations |
| NSADP | : | National Sustainable Agriculture Development Plan |
| SCP | : | Smallholder Commercialisation Programme |
| SLEPA | : | Sierra Leone Environmental Protection Agency |
| PAP | : | Project Affected Persons |
| RAP | : | Resettlement Action Plan |
| RED | : | Renewable Energy Directive |
| UNFCC | : | United Nations Framework Convention on Climate Change |
| VLC | : | Village Liaison Committee |

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1. INTRODUCTION

1.1 Addax Bioenergy, a division of the Swiss-based energy corporation Addax & Oryx Group (AOG), intends to develop a Greenfield integrated agricultural and renewable energy project to produce fuel ethanol and electricity. The project will comprise a sugarcane plantation, ethanol distillery and biomass power plant and related infrastructure. It will produce about 90,000m³ of ethanol per annum, primarily for export to the European Union (EU) market and 32MW of renewable power, of which 15MW will be fed into the national grid.

1.2 The project area has been previously degraded through human activity. Most of the original vegetation has been cleared or burnt to make way for irregular use for pastures and subsistence farming. A number of villages that practise scattered subsistence farming are located within the project area. The local population uses small areas for annual staple crops such as rice and leave the remaining areas fallow. These fallow lands are periodically burnt for charcoal and firewood and used as new planting areas (slash and burn agriculture). Forested areas are generally limited to areas directly adjacent to the villages, and many of these are small plantations of mangoes, oil palms, cashews and other introduced and indigenous species with riparian vegetation along river courses throughout the project area.

1.3 The establishment of the project agricultural lands and infrastructure will result in economic displacement and limited physical displacement of populations residing within the project area. Although the placement of agricultural lands and infrastructure was done to minimise involuntary resettlement this cannot be avoided completely and as a consequence of land acquisition the population will be economically displaced by the expropriation of crops and trees. The project will likely physically displace 77 people residing in 14 households through the expropriation of their houses and their relocation to another site. Economic displacement is planned to take place over a four year period commencing with the Pilot Phase in 2010. The project will be developed in four phases as per land preparation and sugarcane seeding and planting schedules to meet the project requirements for production when factory is operational. This phased approach will ensure the sustainability of the resettlement process and minimise disruption on the PAPs lives. A total of 13,617 people will be directly and indirectly affected by the project. The four development phases and the estimated number of villages and population, based on best available information and combined with examination of the aerial photographs, affected by economic displacement are as follows:

- Pilot Phase: 8 Villages, estimated population 1,642
- Phase 2 (2011 development area): 21 villages, estimated population 5,718
- Phase 3 (2012 development area): 13 villages, estimated population 3,576
- Phase 4 (2013 development area): 18 villages, estimated population 2,681

In accordance with the African Development Bank's Involuntary Resettlement Policy, and those of the International Finance Corporation (IFC) and Sierra Leone legislation, a Resettlement Action Plan (RAP) is required. Due to the phased nature of the project, which requires the establishment of the agricultural lands over a number of seasons, a Comprehensive Resettlement Policy Framework (CRPF), that goes well beyond the IFC performance standard and incorporates elements of a Resettlement Action Plan, has been developed and a set of full RAPs will be drawn up according to the phased project expansion. Lender-approved RAPs will be produced and implemented for areas prior to the development of areas required by the project. The first of this series of RAPs is the RAP for the Pilot Phase (Nursery) of the project, which has been developed, the second will be the first phase of commercial development (approximately 3,000ha), factory site and associated infrastructure and subsequent RAPs will be developed as the development needs dictate.

1.4 The CRPF provides for the overall implementation of the project's resettlement and compensation policy and indicates Addax's intentions, planning and budgeting for the entire project. The purpose of the Pilot Phase RAP (and subsequent RAPs) is to undertake and provide: 1) a complete census of all Project Affected Persons (PAPs), this comprises villages within the Pilot Phase Area (and subsequent development areas for subsequent RAPs) which may be impacted by the project's acquisition of land; 2) an inventory and assessment of land and assets to be affected by the project; 3) a socio-economic description of affected populations; 4) details of the entitlement framework based on type of loss; and 5) a description of the organisational structures for the management and implementation of the RAP. This report is a summary of the project's CRPF and Pilot Phase RAP.

2. PROJECT DESCRIPTION AND JUSTIFICATION

Project Description

2.1 The project area is located approximately 15km west of the town of Makeni in the Chiefdoms of Makari Gbanti and Bombali Shebora in the Bombali District and in the Chiefdom Malal Mara in the Tonkolili District, in the Northern Province of Sierra Leone (Annex 1 and 2). The project area is a large, gently undulating plain limited to the north by the Makeni-Freetown highway and to the south by the Rokel River.

12.2 The project will cover about 14,300ha of land comprising approximately 10,100 ha 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 (including a power line connecting the power plant to the national grid). Included in this is an estimated 2,000ha developed as part of the project's Farmer Development Programme (FDP). This FDP land will be divided into about 60 community fields established and sown by Addax and dedicated to staple food production (mainly rice and cassava) to the benefit of the local population. The FDP programme was developed with the support of the UN Food and Agriculture Organization (FAO) with the aim of securing the per capita food baseline in the project area. The program will significantly boost food production well beyond current levels. Another 1,800ha are required for ecological corridors and buffer areas to protect existing pockets of biodiversity. The sugarcane estates comprise circular fields under pivot irrigation, the location of which have been selected on criteria of agricultural suitability, proximity to factory and water sources, and various sustainability criteria including the avoidance of villages, forests and food-producing areas thereby minimising economic and physical displacement.

2.3 Sugarcane will form the feedstock for the factory with all sugarcane requirements sourced from the project plantation. The sugarcane estates will require partial irrigation (centre pivots) during the dry season. Water for irrigation and other project needs will be abstracted from the Rokel River and a specialist hydrology study has established that the system river can sustain this abstraction. The quantity of water required for the project is 7m³/s during peak demand (November to April) at which time flows in the Rokel River are estimated to range between 238-27m³/s. The Bumbuna Dam is situated upstream of the project and regulates flow in the river, resulting in sufficient flow in the river during the dry season to maintain ecosystem functioning and ensure an adequate supply of water for project purposes.

2.4 The sugarcane stalks will be mechanically harvested, crushed to extract juice and distilled into fuel ethanol at the onsite factory, designed to be capable of processing up to 4,800 tonnes of cane per day and producing sugar juice for the 350m³ per day fermentation distillery. A co-product from this process, known as bagasse, will be used to fuel steam turbines to generate 32MW of electricity, with about 15MW sold to the domestic power grid through a Power Purchase Agreement with the National Power Authority (NPA) backed by the Government of Sierra Leone. The factory, distillery and the sugarcane estates irrigation system will be powered by the factory's own power-plant. Another co-product from the distillation process, Vinasse, is rich in nutrients and will be returned to the fields through the irrigation system and a dedicated pipeline network to replace fossil fertilizer. The final product (de-natured anhydrous ethanol) will be transported to the Kissy terminal in Freetown by road, primarily for export to Europe. The ethanol will be stored and loaded on ocean-going tankers from the terminal.

2.5 The reduction of carbon emissions achieved by the electric power generated from residual sugarcane fibres (bagasse) will earn Addax Certified Emission Reduction certificates (CER), also known as carbon credits, after Addax certifies the high carbon savings of its ethanol production under the EU certification schemes. A greenhouse gas life-cycle assessment has estimated the CO₂ savings of Addax' ethanol production versus gasoline at 71%, i.e. well above the EU RED floor of 50%. Addax is developing the co-generation part of its project under the Clean Development Mechanism (CDM) of the United Nations Framework Convention on Climate Change (UNFCCC). Sierra Leone will benefit through an additional 15MW of renewable power into the national grid.

2.7 Addax will set up an internal training centre to transfer agricultural and industrial know-how and best practices to the company's national staff. As part of the project's Social and Environmental Management Programme, Addax is implementing a Farmer Development Programme (FDP) including a Farmer Fields and Life School (FFLS) training programme. The FDP has dedicated staff and mechanized equipment. The FFLS has been adapted from the Food and Agriculture Organization (FAO) farmer training programme and will enable about 2,000 local farmers to improve productivity of food crops.

Project Justification

2.8 The Addax project builds on the opportunity presented by a growing market for biofuels in Europe as well as preferential trade agreements and suitable climate and lands in Sierra Leone. Sierra Leone is a functioning democracy but as a post-conflict country still suffers from the consequences of civil war and has been hovering at the bottom of the UN human development index ever since the end of the hostilities in 2002. The large scale job creation and infrastructure and services development associated with the Addax project will therefore have a significant positive impact. The project is considered a priority investment by the Government and Development Partners of Sierra Leone as it contributes to diversifying its economy and attracting more foreign direct investment. The project will be among the largest private industrial investments in Sierra Leone and an important step in diversifying the economy and promoting agriculture.

2.9 The Addax project is aligned with the Government of Sierra Leone's social, investment and development policy objectives, at national and local level through its poverty reduction strategy – "An Agenda for Change – Second Poverty Reduction Strategy (PRSP II), 2008-2012" in its effort to enhance:

- a) Poverty reduction;
- b) employment creation; and
- c) food security.

The project is fully aligned with the Sierra Leone investment policy because it is a large agriculture and industrial project which:

- i. Will provide job opportunities for Sierra Leoneans at all skills levels,
- ii. provide significant foreign direct investment;
- iii. is export orientated;
- iv. makes extensive use of local raw materials;
- v. will ensure the development and transfer of a variety of skills and technology;
- vi. will produce a surplus of electricity for commercial purposes; and
- vii. makes use of renewable energy resources.

In addition the project and its farmer development and training programmes are in line with the National Sustainable Agriculture Development Plan (NSADP), including the nation-wide initiative Smallholder Commercialisation Programme (SCP), which is a broad sector-wide framework for putting the objectives of the "Agenda for Change" into action. The FDP and FFLS programmes will improve local farming practices and contribute to enabling farmers to reach a commercial capacity.

3 POTENTIAL SOCIO-ECONOMIC IMPACTS

3.1 A Social Impact Assessment specialist study was undertaken to provide Addax with a greater understanding of the socio-economic environment, the social relationships, and the cultural fabric of the project areas. The project is largely located in the Bombali District, with the town of Makeni as its main centre, and in the Tonkolili District, and predominantly in the Chiefdoms of Makarie Gbanti (population 53,742) and Bombali Shebora (population 88,674) in Bombali District and Malal Mara (population 10,227) in Tonkolili District. The Chiefdom is sub divided into sections comprising a number of villages. Sections are headed by a Section Chief and villages by a Town Chief. The majority of people in the project area are Muslim (85%), with the remaining being Christian and indigenous religions. There are more adult women than adult men in the project area, and the household survey revealed the average number of members per household to be 9.9.

3.2 The majority of households practice a mixed economy, including crop cultivation, beekeeping, charcoal production, hunting, fishing and animal husbandry. Agriculture is the main livelihood strategy in the project area, with 95% of households involved in small-scale farming. The average area cultivated over a year is generally estimated between 0.4-2.0ha per household; with the household

survey results indicating that 78% of households cultivate more than 1.2ha of land during the rainy season. Rice is the main crop grown during the rainy season with sweet potato and cassava the main crops during the dry season. In addition, a large variety of crops are grown in smaller quantities. Both men and women are involved in farming activities. Rice is the main cash crop but all surplus crops are sold when households need cash. Livestock is a minor economic livelihood in the project area. In the majority of villages only between 10-20% of the population keep livestock (other than chicken). Cattle in the project area are kept by the Fullah, a nomadic pastoralist people descended from Guinea, who graze their herds on local village land. Natural resource use is an important aspect of local livelihoods, with many people involved in charcoal production, wild plant collection, beekeeping, hunting and fishing.

3.3 The project's Social Impact Assessment specialist study thoroughly assessed the significance of the project's environmental and social impacts on the concerned communities and proposed recommendations for optimizing positive impacts and mitigating negative impacts. The project is likely to have multidimensional impacts. Negative impacts include a loss of, or reduced access to agricultural land, the loss or disruption to existing access routes, the potential for community conflict associated with land disputes, the influx of people into the project area and local and regional decreases in the standard of living at closure of the project. Positive impacts and benefits of the project are associated with the creation of job opportunities during the construction and operational phase and the return of young people to the project area. Other benefits include job creation through small business opportunities servicing the project (catering, workshops, transport etc) resulting in a stimulation of economic growth in the area, a new road and power infrastructure, benefits arising from the FDP and FFLS such as enhanced food security and increased agricultural productivity, training and qualified job opportunities expanding the local skills base.

3.4 One of the major mitigation measures for social impacts was incorporated into the project design by ensuring that the project layout avoids as far as possible any physical displacement, and ensuring that the Addax land selection strategy was based on avoiding the lower lying swamp lands which are currently used for rice production by local people (Annex 3). The primary mitigation measure for loss or reduced access to livelihood assets includes the preparation and implementation of RAPs and implementing the FDP. The primary mitigations to enhance the positive impact of providing job opportunities include: Setting up a Labour Desk/Employment Committee; employing local people as far as possible during the construction and operation phase; enhancing opportunities for women and disabled people; ensuring opportunities for people directly affected by the project compared to people indirectly affected, providing assistance with household budgeting and long term sustainable investments and planning for the gradual replacement of expatriates by local staff. An estimated 65 expatriates (3 percent) of the 2000 people strong work force will be expatriates. Addax is committed to an Expatriate Replacement Strategy.

3.5 Primary mitigation measures to enhance the positive impacts associated with the expansion of the local skills base include implementing a thorough health and safety policy including community outreach and a formal skills training programme. Mitigation measures for reducing social conflict and social problems include: Workshops to improve budgeting skills, encouraging and facilitating the use of banking facilities, awareness campaigns regarding alcohol abuse and sexual behaviour, workshops to inform workers of the employer's expectations aimed at assisting workers to adapt to formal employment, hosting gender, health and nutrition workshops, ensuring fair access to the benefits of the project, transparent and effective communication with local stakeholders, appointment of a community liaison officer, regular contact between Addax and the traditional leaders, gain insight into all existing land disputes, set up a special committee to assist with resolving the disputes associated with the leasing process.

4. ORGANISATIONAL RESPONSIBILITY

4.1 Addax will be responsible for the financing and implementation of the project RAPs. The Government of Sierra Leone will act as the primary support agent to the resettlement. Addax will work in close association with the local authorities and the Traditional Leaders, who will represent the Sierra Leone Government. Each village affected by the project will select representatives for the Village Liaison Committees (VLC) which will be established throughout the project area as part of the project's broader Stakeholder Engagement Plan. The VLC is not a statutory body but advises on all community related issues and forms part of the consultative process for the RAP. The VLCs will serve

as the focal point for consultation and communication between the project and the PAPs. Each village elects four members representing the landowners, youth, women and tenants. Village Liaison Committees will be established for each of the RAP phases of the project. A Village Liaison Committee (VLC) was established for the Pilot RAP with representatives from the affected villages of Lungi Acre, Madrissa, Maronko, Romaneh, Romaro, Woreh Yeama and Yankissa which are within the Pilot Phase Area.

4.2 Addax has established an internal, institutional structure to oversee the resettlement process. The Addax team responsible for implementing the RAPs for the project include the Health, Safety, Environment and Social (HSSE) Manager who is responsible for securing and maintaining the Addax Project's social license to operate and is responsible for the overall management of the resettlement process. The HSSE Manager is supported by a Social Affairs Manager, a FDP Manager, three Community Liaison Officers, two Resettlement Officers, 15 enumerators, database clerk, resettlement consultants and a resettlement survey team. This structure will also be responsible for monitoring the project's involuntary resettlement process.

5. COMMUNITY PARTICIPATION

5.1 In accordance with the African Development Bank's Involuntary Resettlement Policy and international best practise on involuntary resettlement, that the affected populations must be involved in the planning of the resettlement process and in the designing and implementation of the resettlement plan, the communities affected by the Addax project have been actively consulted and involved in the RAP process. Participation of, and consultation with, the PAPs through public meetings and the VLC and with national and local authorities has been extensive and ongoing; they are vital to the success of the project's resettlement process and the project's social license to operate. Consultation and participation of the public allows for the design of the project's resettlement process to benefit those affected as much as possible. Consultation commenced at the initial scoping phase for the project in 2009, intensified during the ESHIA and resettlement processes and presently continues with the project team engaging on a daily basis with the PAPs. Local radio stations have been used throughout the consultation process to inform the people about the project. Public notices were posted at prominent and focal centres throughout the project area and a Community Liaison Office was established during the Pilot Phase on the Freetown-Makeni highway within the Pilot Phase Area of the project. This office is staffed by community members conversant with the project who are available and willing to attend to any queries that anyone may have. Additional Community Liaison Offices will be established as the project develops and activities intensify for future development phases.

5.2 Every effort has been made to inform stakeholders of the project and its resettlement components. This has been through the project's Environmental, Social and Health Impact Assessment (ESHIA) disclosure process in which large public meetings were held throughout the project area as well as in Freetown, Sierra Leone's capital city. Government authorities (national and local), traditional authorities, Non-Government Organisations (NGOs), civil society organizations, woman's groups, youth associations, local businesses and project affected persons were participated in these meetings. Programmes and discussions on the local radio stations about the project were carried out. The land lease and acknowledgement agreements have been subject to discussion and consultation at a number of levels including with landowners in the project area, their legal counsel, the three Chiefdom Councils and the Government. The dedicated consultative forums facilitated the sharing of the PAPs' perspectives, enhanced their understanding of the project's resettlement effects, and guided the design of the resettlement process.

5.3 In addition to the ESHIA disclosure process, consultation has taken place through the RAP process with the communities in the project's Pilot Phase Area. An initial public meeting was held where the participatory process was initiated by disseminating information to the relevant stakeholders. The participants agreed to the formation of a representative committee for each village in the Pilot Phase Area. Representatives from each village formed the Village Liaison Committees (VLC) which represent the affected communities and serve as the primary means of consultation between the project and the affected communities. Subsequent meetings with the VLC focused on the principles under which compensation would be made available, field work required to determine land boundaries and identify fields and trees that would be lost to the project, compensation rates, the grievance procedure and the FDP. The VLC for the Pilot Phase of the project was established in

February 2010 and comprises the elected representatives from the villages of Lungi Acre, Madrissa, Maronko, Romaneh, Romaro, Woreh Yeama and Yankissa which are affected by the Pilot Phase of the project. A number of meetings were held with the Pilot Phase VLC and PAPs throughout the Pilot Phase resettlement process. Items discussed and issues raised included project updates, the compensation process, details of the Pilot Phase Household Asset and Socio-Economic Asset Survey, the grievance process, the desire of the PAPs and VLC for the project to proceed speedily, the village boundary demarcation process, land lease and acknowledgement agreement payments, the payment of crop and tree compensation, the FDP and enlistment of farmer facilitators and sensitisation on FFLS.

5.4 Similar consultations with PAPs and the establishment of VLCs are planned for each development phase and subsequent RAP. The project's Stakeholder Engagement Plan will ensure that consultations with stakeholders remain an integral part of the resettlement process and subsequent RAP development process.

6. INTEGRATION WITH HOST COMMUNITIES

6.1 No physical displacement is associated with the Pilot Phase of the project. This reflects the careful planning used to minimise displacement as far as possible. To this end a land selection process for the project layout was undertaken by Addax, using a number of data sources such as remote sensing, detailed aerial photographs, soil surveys and field data, topography and other information sourced thus far. The project layout has undergone a large number of revisions to optimise irrigation and agricultural potential on the one hand, and to balance this against environmental and social impacts on the other.

6.2 In a later phase of the project's resettlement programme, covered by one of the project's subsequent RAPs during which the required planning and consultation will be undertaken, the project will displace 77 people residing in 14 households. The physical relocation of these households to a new site will be required. The process of identifying and selecting the potential resettlement site will be transparent and include consultation with the affected households and any possible host community. The following will be considered in the site selection process: 1) Location; 2) access to natural resources; 3) maintaining community structure; 4) continued access to existing activities; 5) impacts on host communities; and 6) land ownership and tenure rights.

6.3 It is anticipated that when physical displacement is required then households will move only very short distances (never more than 1,000m). The FDP will be developed on lands adjacent to each village. This will ensure that the economic displacement experienced from the land that will be used for centre pivots will be replaced with land that is concentrated in locations more accessible to the villages. This land will be vested in the landowners via the customary entitlement.

7. SOCIO-ECONOMIC STUDIES

7.1 The socio-economic baseline for the project area was informed by both primary and secondary data gathered through the Social Impact Assessment specialist study and comprehensively integrated into the ESHIA. The primary data was collected from various sources, including district administrative personnel, traditional authorities, civic leaders and directly from community members by various data collection tools, including key informant interviews, focus groups, observation and household surveys throughout the project area. Secondary data was assessed through internet searches and available reports and articles.

7.2 For the Pilot Phase RAP a detailed Socio-Economic and Household Asset Survey was conducted for all households in the villages of Lungi Acre, Madrissa, Maronko, Romaneh, Romaro, Woreh Yeama and Yankissa which were affected by the Pilot Phase of the project. This survey provided baseline socio-economic data for each household including composition of household, details of household assets, sources of income, health indicators, basic needs (including sanitation, water) indicators and livelihood strategies.

7.3 The main ethnic group in the project area are Temne, with 92% of the households in the Pilot Phase Area being Temne. There are also smaller populations of Limba, Loko and Mende. There appear to be no obvious ethnic tension in the Pilot Phase Area. Among the Pilot Phase Area population most are Muslims (80%) interweaving Islamic beliefs with traditional African practices. A minority are Christian.

7.4 Of the Pilot Phase Area population 46% are males and 54% are females. The greatest differences are found in the 20-29 age group with significantly more females residing in the Pilot Phase Area, other age group where the differences are evident are the 10-19 age group and the 30-49 age group. The difference can primarily be attributed to older boys and young men moving to large centres to attend secondary school and seek employment.

7.5 The studies found agriculture to be the main livelihood strategy in the project area. Agricultural activity is more intense during the rainy season than the dry season. In addition to rice and cassava, the main crops grown in the project area, a variety of other crops are grown in smaller quantities. Of these the important ones are lentils, maize, okra, groundnuts and pepper. Households engaged in farming rely almost entirely on manual labour (hoes) and neither mechanised tools, nor traction animals are used. Both men and women are involved in farming activities. Whereas the men prepare the fields (cut the bush), women take the lead in weeding and bird scaring. Both men and women plant and harvest. Rice is the main cash crop. However, all surplus crops are sold when households need cash. Tree crops are generally subsistence crops, with the exception of palm oil, mangoes and pineapples, which are often sold. Other livelihood strategies practised include beekeeping, charcoal production, hunting, fishing and animal husbandry. Also important to some of the villages in the Pilot Phase Area, particularly those adjacent to the road, is trade with the passing traffic. The road between Freetown and Makeni is a good surfaced road and one of the most important aspects of the nation's transport network. As such it carries a relatively heavy traffic load and provides an opportunity for villages to market goods. The road means that the villages of Yankissa and Madrissa, in particular, find it relatively easy to market their goods. Respondents from some of the other villages also pointed to sale of agricultural surplus as being important to their overall income. In all 77% of households indicated that sale of agricultural products was an important part of their livelihood strategy. Sale of cassava was reported by 64% of households to be sold. This is the most important crop sold followed by rice (38% of households) and ground nuts (30.6%). The survey revealed that while 77% of the households in the Pilot Phase Area are employed in the informal sector, only 3.5% have a stable, regular income. The Addax operation at the pre-nursery (40ha development) provides a substantial portion of this employment income. Crop sales also form a significant contribution to the overall income of households in the Pilot Phase Area.

8. LEGAL FRAMEWORK AND GRIEVANCE MECHANISM

Legal Framework

8.1 Under the Public Lands Ordinance Law 1898 the Government of Sierra Leone can acquire any land in the public interest simply by publishing a declaration in the Gazette and informing the owners of the land accordingly. The Ordinance also provides for payment of compensation to those affected by the declaration. Land administration in Sierra Leone is governed by a dual system of law, dispersed in about twenty statutes and regulations. Among these are the general Property Statutes consisting mainly of received English law adopted by the Courts Act of 1955. The Law of Property Act 1925 forms the basis for land law, but this has been amended and supplemented by a number of key legislations, such as: The Constitution of Sierra Leone Act No 6 of 1991 Sec 21; The Public Lands Ordinance Cap 116; The Unoccupied Lands Act Cap 117; Defence lands Acquisition Ordinance Cap 119; Compulsory Acquisition of Property (Constitutional Safeguards) Act of 1961; The Non-Citizen Interest in Land Act 1966; Provinces Lands Act Cap 122; Tribal Authorities Act Cap 61; Protectorate Lands (Amendment) Act No 15 of 1961; The Mines and Minerals Act of 1994; and The National Power Authority Act of 1982, as amended by an Act in 2006. Essentially these regulations speak to how the public sector (the state) acquires land and the degree to which they are liable to compensate occupiers. Legislation is generally silent on the issue of the private sector but assumes that they would follow a similar course.

8.2 Land tenure in Sierra Leone is characterised by a dual ownership structure. Land in the Western Area, which is the area originally settled by the Creole, the liberated slaves on their arrival in

the country, is held under the English system of freehold interests. However land in the rest of the country (the Provinces), including that required for the Addax project, is held in communal ownership under customary tenure and is controlled by traditional rulers who administer it on behalf of their communities in accordance with customary principles and usage. The force of customary law in the provinces is established by section 76 (1) of the Courts Act 1965. However, the validity of customary law is contingent on it being compatible with statutory law. Three statutes are directly relevant to customary landholding practices in Sierra Leone. These are: The Provinces Land Act Cap 122; The Chiefdom Councils Act Cap 61; and The Local Government Act 1994. Through customary law, ownership of land is vested in the chiefdoms and communities, and can never be owned freehold. Land always belongs to the communities under the different forms of tenure under customary law. This principle is established by the Chiefdom Councils Act as well as by Section 28 (d) of the Local Government Act 1994. Statutes such as Cap 122, the Provinces Land Act, regulates holding by non natives in the provinces. Non natives are loosely defined for the purposes of this policy as those who do not have any inheritance rights in the chiefdoms.

8.3 The Bank's Involuntary Resettlement Policy, the World Bank's Operational Policy 4.12 and the IFC's Performance Standard 5 make extensive provisions for the manner in which people who are displaced or suffer other loss as a result of various projects should be treated. They advocate for minimal displacement and where displacement is unavoidable, for full compensation for affected persons. These provisions do not detract from Sierra Leone's statutory provision but goes much further in detailing the form of compensation and or assistance to be given to persons who suffer all forms of losses. The Sierra Leone legislation seemingly has one form of compensation for those who suffer involuntary resettlement – they get paid compensation but the Sierra Leone legislation is silent on other aspects of resettlement.

8.4 It should be noted that the FAO paper (2006)¹ indicates that leasing is preferred by landowning families over selling land, because it continues to provide over time (annual lease payments) and it does not violate their 'custodian' rights over the land. The paper further states, however, that approaches to leasing from customary landholders need to include arrangements of contract security that suits customary realities and that go beyond payments. Periodic lease payments tend not to trickle down to the broader community. In order to enhance the "element of continuation" in ways that benefit a broader community the lease could include arrangements such as: Hiring and training local workers; investor-smallholder relationships regarding mechanisation and processing of agricultural products and other out-grower arrangements; shares in the business; dividends; and social infrastructure development. Addax has opted to lease land rather purchase it outright, in addition Addax has Acknowledgement Agreements in place which ensure that part of the monies paid by Addax for land is paid directly to the landowning families. Addax has surveyed village boundaries² in the Pilot Phase Area, and based on these Acknowledgement Agreements for the Pilot Phase, rent is paid directly to the landowning families. There are 8 landowning families within the Pilot Phase Area.

Grievance Redress

8.5 Even when the project can ultimately claim successful resettlement, there may still be individuals and groups who feel that they have been treated inadequately or unfairly. Providing credible and accessible means to pursue grievances allows the project to address genuine issues in a timely manner and decreases the chances of overt resistance to the project from disgruntled persons. The project's grievance mechanism was developed to address all grievances on environmental and social matters, including resettlement. Resettlement grievances will be catered to under the broader grievance mechanism for environmental and social impacts, and the project will deal with such grievances through negotiations aimed at reaching consensus between the project and the affected parties. The project's grievance redress mechanism has been implemented since October 2009 by the project and has been extensively communicated to the PAPs in the Pilot Phase Area through public meetings, the VLC and the Community Liaison Offices ongoing consultations in the affected

¹ FAO Report on "Land tenure, food security and investment in post-war Sierra Leone" <ftp://ftp.fao.org/docrep/fao/009/ah243e/ah243e00.pdf>

² After extensive consultation with the landowning families in the Pilot Phase the landowners indicated that they did not want individual landowning family boundaries to be demarcated but wanted village boundaries survey and the monies due to be paid to be paid to the landowning families from each village be paid into a joint bank account for the landowners of each village. The landowning families would then distribute the money as they chose.

villages. PAPs' awareness of the grievance redress mechanism has grown and they have been encouraged to utilize the mechanism when they feel it is appropriate. The grievance redress mechanism provides a number of grievances boxes located at points throughout the project area. One of these grievances boxes is located in the Pilot Phase Area of the project at the purpose built structure in the village of Yankissa which serves as the Addax Community Liaison Office. Grievances can be reported directly to the staff or written down and handed over. A custom designed grievance book has been set up and the grievance process has been made known to stakeholders. The Community Liaison Officers and the Social Affairs Manager assess the grievance in their capacity to resolve it locally. If the grievance cannot be resolved at this level it is referred to senior project management. The grievance redress mechanism also allows for PAPs to address their community leaders and inform them of resettlement grievances. Given the high illiteracy rates, community members have been sensitized on the option of making their initial grievance either through the Section Chief/Paramount Chief, or the District Council who will bring it to Addax's attention for resolution. Addax will conduct an internal investigation to determine the underlying cause of the grievance and make any changes required to internal systems to prevent reoccurrence of a similar grievance. As appropriate, Addax will also hold meetings with the person/group expressing the grievances to discuss, clarify and solve the issue, and prevent it from reoccurring. Once the investigation has been completed and necessary measures have been taken, the results will be communicated to the complainant and entered in the register. Following completion of the corrective action, the appropriate Community Liaison Officer will verify the outcome with the complainant. The complainant will be asked to sign off on his/her acceptance of the 'solution' (or nominate someone to do so on his/her behalf). In the event that the complainant remains dissatisfied with the outcome, additional corrective action may be agreed and carried out by Addax. Situations may arise where complainants will choose to pursue legal recourse. Addax will not impede access to this recourse.

9. ELIGIBILITY

9.1 The persons who will be displaced are those losing assets or investments, land and property, and/or access to natural and/or economic resources as a result of the project activities. The land owning families will be paid 50% of the Land Lease monies and 100% of the Acknowledgement Agreement monies; landowning families have been identified for the Pilot Phase Area (8) and will be identified for all subsequent RAPs. Households that will be physical displaced will be provided with replacement housing and compensated as per agreements that will be made between the household owners and the project during the relevant development phase RAP. Given that there is no physical displacement in the in the Pilot Phase Area, there are only households with assets (trees and crops) on the land that are affected by the project.

9.2 Of those households with assets on the land that will be affected by the project, there are four possible subsets for eligibility: 1) Those with land that is within the land planned for pivots and supporting infrastructure and who are currently cultivating; 2) those who claim ownership of trees within the land planned for pivots and supporting infrastructure; 3) those who do not have land in the pivot area but who have claims to be allowed to utilise or develop land as a result of their residences in one of the impacted villages; and 4) those who claim ownership of the land via the family unit system. No distinction was made between landowning families and land users (tenants) in terms of how and the amount of paid for individual trees and crops.

9.3 Compensation comprises three primary components: 1) Compensation in the form of monies for crops and trees as per a schedule of compensation rates drawn up in consultation with the Ministry of Agriculture and Food Security; 2) monies paid via the land lease and acknowledgement agreements; and 3) participation in the project FDP.

9.4 The project has acquired land for the project via 50 year land leases. Land leases have been signed for a total of 57,000ha of land. This amount exceeds the net needs of the project. This is due to the Greenfield nature of the project and the very large and non-contiguous development area which requires a degree of flexibility to address some layout changes in the implementation phase. A larger area is being leased to provide flexibility in moving exact field locations and expanding the project. The process of developing such a modern plantation of a size never seen before in Sierra Leone is further complicated by the lack of reliable soil data, topographic and elevation contour maps, land registry etc. and will take several years of land selection and conversion..As a consequence, Addax has initially leased an area that is larger than the final sugarcane fields and will relinquish lands

that are not needed for its operation. Therefore, the land leases include a relinquishment option which allows Addax to surrender lands that are not needed for its operations. Until lands are either developed or relinquished, farmers are free to continue their operations. It is not Addax's intention to keep more land under lease than it deems necessary for its agricultural and industrial operations. Addax will assess its land needs using the following criteria: Operational imperatives; coherence of plantation areas; future extensions; environmental protection and buffer zones; safety etc. The relinquishment has been limited to a period of five years.

9.5 In application of the Provinces Land Act Cap 122, the land leases were signed with the statutory authorities which are the Chiefdom Councils of the three Chiefdoms in the project area. The legal requirement is that if a third party intends to lease land, a surface rent payment needs to be made to local authorities in compensation for the loss. The rent stated in the land lease will be US\$3.60 per acre per year. The rent will be paid to the Chief Administrative Officer and requires this to be split in 20% to the District Council, 20% to the Chiefdom Administrator and 10% to the National Government, and 50% to the Landowners on the Leased Area which has not been surrendered.

9.6 According to the law, traditional landowners are not party to the land leases and no rent is payable to the landowner directly. This situation was not judged satisfactory to Addax and therefore it entered into direct discussions with traditional landowners and their communities. A reputed law firm was selected by the communities to represent them in the land lease negotiations with Addax. Over a period from June 2009 to March 2010, many information and consultation meetings were held between the communities and their lawyers and the land lease drafts were turned several times between the law firms until mutually acceptable drafts were finalized and signed in April 2010. Furthermore, Addax is giving landowners a status as project parties through Acknowledgment Agreements whereby the landowner acknowledges the rights and obligations of the parties to the lease agreements and receives an additional direct rent payment of US\$1.40 per acre per annum during the remainder of the Lease Period. Every community's and/or landowner's land boundaries are surveyed and payments are made on the basis of the surface of the land. Thus, the traditional landowner who acknowledges the lease will receive 50% of US\$3.60 plus US\$1.40 = US\$3.20 (or 64%) for the actual land that the project will lease. The total amount paid for land per acre is therefore US\$5.00 (US\$12 per hectare) which conforms to the recommendations issued by the Ministry of Agriculture, Forestry and Food Security in 2009. Addax's lease payments are specifically aligned to the Ministry's policy proposal and recommendation entitled "Investment Policies and Incentives for Private Sector Promotion in Agriculture in Sierra Leone." It is worth noting that there is no officially approved national pricing requirement for land in Sierra Leone.

9.7 The status of the landowners and their protection is at the heart of the lease agreement setup (which would not be guaranteed by the Provinces Land Act only). Addax fully complies with the Act but has introduced a major innovation through the Acknowledgment Agreements which are now suggested by the Government and resident international organizations for incoming investors in the agricultural sector. Addax has analysed land lease and compensation rates for other large agriculture projects in Sierra Leone. In consultation with PAPs and local authorities Addax has agreed to pay land lease and compensation rates which are significantly higher than in other projects.

9.8 In addition to the Land Lease and Acknowledgment Agreement payments and compensation payments for lost crops and trees, the project has implemented a FDP to complement the RAP. This will ensure that households affected by the project have access to sufficient land to produce the food they require. This farmer support programme can be defined as a programme that works on a village per village basis and comprises two components: 1) The Farmer Field and Life Schools (FFLS); and 2) the land preparation component. The FFLS is an FAO (and Government of Sierra Leone) initiative with a number of successful programmes throughout the country. The FFLS comprise a 30 week programme that aims to train local farmers in more efficient farming and life practices with the intention of improving yields in a manner that makes more effective use of the land and removes the need for reliance on the rotational mechanism currently in place. The project has trained 13 FFLS facilitators during the Pilot Phase and established 7 FFLS in the villages affected by the Pilot Phase. 180 individuals are participating in the programme; of these participants 49% are female. The programme trains the participants in better farming practices through an in-field training program involving demonstration plots and classroom material teaching improved methods of rice, cassava and vegetable cropping. In addition to the farming component the program focuses on building livelihood skills for community members through activities including training on malaria, HIV/AIDS,

nutrition, literacy and organizational management. The project will bear the costs of the FFLS established within the project area. In addition to the FFLS the project will assist with the development of a communal area of land for production activities by each household. The project will assist with the mechanical land preparation of this communal area and support input costs by providing seed at first establishment free of charge to ensure good seed stock. The amount of land prepared for each community is dependent on the size of the community and the degree to which each community is affected by the project. The Pilot Phase of the project has seen the establishment and seeding of rice for 165ha of land.

9.9 Vulnerable households are a subset of the four possible affected subsets identified in paragraph 9.2. Vulnerable people are those who by virtue of any characteristic not of their making may be more adversely affected by resettlement than others, and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits. In line with the African Development Bank's and the IFC's emphasis on vulnerable groups, vulnerable groups under the project include, but are not limited to the following:

- Households headed by women or children – it should be noted that not all female headed households are likely to be specifically vulnerable but many, particularly those headed by aged widows, are potentially vulnerable. From the survey for the Pilot Phase it is evident that there are 49 female headed households the affected villages (some of the other villages in the Pilot Phase also have female headed households but as these villages are not impacted by the Pilot Phase they are not considered at this time).
- People with disabilities – only three people with disabilities were identified in the Pilot Phase survey, all live in the village of Woreh Yeama.
- The extremely poor – the definition of what constitutes extremely poor is difficult to establish with absolute certainty, particularly within the context of endemic relative poverty. However those with no visible means of income certainly qualify and the landless are often the poorest. There were 142 households that reported no income for the month preceding the survey of the Pilot Phase Area. Not all of these can be regarded as “the poorest of the poor” however as income sources are sometimes seasonally aligned rather than monthly. Among these households however are 16 households in the impacted villages that claim no access to land. These may be considered to be extremely poor.
- The elderly – specifically households where no members are below the age of 60. There are 18 such households in the Pilot Phase impacted villages. Other vulnerable people will be identified in consultation with the community during the RAP process for each phase.

No additional categories or individuals were identified during consultation for the Pilot Phase RAP. In addition to compensation payments, the project will, in consultation with the communities, ensure that vulnerable people as outlined above are not adversely affected by the project. They will receive appropriate assistance, and where possible they will be actively encouraged to participate in the project's FDP and the project's Community and Skills Development Programmes that will be initiated throughout the life of the project. The FDP will specifically target vulnerable groups for FFLS training. Communities will be required to select participants for the FFLS. Through signed Memorandum of Agreements between Addax and concerned villages, commitments will be integrated to ensure that women, the landless, and other vulnerable groups are considered and included as participants under the FDP/FFLS. Each case involving vulnerable persons will be reviewed which will take place in an interview conducted by one project staff member and a nominated member from the local authority.

10. ASSESSMENT AND COMPENSATION OF LOSSES

10.1 The different assets that are relevant to the project that will be assessed and compensated include: 1) Homestead structures and other fixed property – this comprises residential structures, non-residential moveable structures (include sheds, verandas, etc.) and non-residential immovable structures (including latrines, kitchens, etc.); 2) land; 3) crops and trees; 4) graves and sacred sites; 5) community infrastructure; 6) businesses and enterprises; 7) access to grazing land and 7) access to natural resources. The project will compensate all assets lost as a result of the project in accordance with Sierra Leone legislation and African Development Bank and IFC requirements. The details of the assets that will be lost for the entire project area (all phases) can only be determined during each phases RAP.

10.2 Pilot Phase Homestead Structures and other Fixed Property: No homestead structures or other fixed property was affected by the Pilot Phase, thus no physical displacement was required for the Pilot Phase.

10.3 Land: During the Pilot Phase the project paid Land Lease payments for the entire area leased for the project. The Land Leases were signed by all relevant signatories on 9 April 2010 and signified that a moratorium on development in the area was in place. This was further announced at a community meeting held on the 10 April 2010. The compensation paid for land leases for the first year stands at US\$460,000. In addition to the Land Lease payments Acknowledgement Agreements were signed and paid for Plot 1 – the leased area in which the Pilot Phase of the project is located. Plot 1 comprises 3,334.5ha (8,240 acres) and thus compensation of US\$11,536 was paid to the land owning families within the Pilot Phase Area. In accordance with the land lease, 50% of the land lease monies are due to the landowners, as such the landowners of Plot 1 (the Pilot Phase Area) should receive US\$14,832 for the Land Lease monies, which together with the Acknowledgement Agreement monies would constitute a compensation value of US\$26,368 for the land. Village boundaries for the remainder of the project area are currently being surveyed and Acknowledgement Agreement compensation will be paid for the other plots being leased by the project once this is completed. A US\$ rate rather than a SLe rate was agreed upon during the Land Lease and Acknowledgement Agreement consultative process as it enabled the project to budget for the process for the life of the project and provided the landowners and their legal representation with security of a currency they perceive to be more stable and secure. The monies are received by the landowners as SLe as by law Sierra Leone nationals cannot receive payment in US\$.

10.4 Crops and Trees: Crop and tree owners were paid the entitled compensation rate by the acreage cover of crops or the number of trees lost in the Pilot Phase Area. All economic trees are compensated for at market rates. Maturity and productivity levels are factored into the compensation rates. Compensation for trees and standing crops are paid according to a set of rates that are deemed equitable to all parties, which were determined through investigations and consultations with the PAPs and the Ministry of Agriculture, Forestry and Food Security. It is worth noting that no standard set of rates have been developed by the Government for the compensation of trees and standing crops. As tree and crop rates will be determined and adjusted on an annual basis, compensation for crops and trees lost during the Pilot Phase were paid in SLe. The owners were allowed to harvest any standing crop once compensation had been paid. A total of 113 cultivated fields (24ha) belonging to 58 households located within the pivots were compensated SLe 15,265,194 (approximately US\$3,816³). A further SLe 17,344,744 (approximately US\$4,336) was paid in compensation for trees within the pivots to 24 households. For the area required for the development of supporting infrastructure in the Pilot Phase Area (access roads, drainage channels, etc) 683 trees were compensated at a cost of SLe 28,007,122 (approximately US\$7,001) and 7.20ha of crops at a cost of SLe3,039,256 (approximately US\$760).

10.5 Graves and Sacred Sites: No graves or sacred sites were impacted during the Pilot Phase of the project.

10.6 Community Infrastructure: No community infrastructure was impacted during the Pilot Phase of the project.

10.7 Businesses and Enterprises: No businesses or commercial enterprises were impacted during the Pilot Phase of the project.

10.8 Access to Grazing Land: Livestock is a minor economic livelihood in the project area. The survey of the Pilot Phase households found 16.7% of the households owned goats, 16.1% owned sheep and only one household owned 21 head of cattle. This household is Temne and resides in Woreh Yema, of whose land only a small portion is within the project area (Pilot Phase and other phases). Given the relatively small numbers of livestock kept it is anticipated that the impact of the project development in the Pilot Phase on livestock will be negligible. The only significant numbers are goats and with the total numbers low relative to the land remaining available for the communities the impact is not regarded as significant as there is sufficient land available for livestock grazing within

the Pilot Phase Area. Loss of grazing land is compensated through the Land Lease and Acknowledgement Agreement payments in the Pilot Phase.

10.9 Access to Natural Resources: Access to the Rokel River for fishing will not be impacted by the Pilot Phase development as communities are allowed to continue their activities around the pivots and access to the river is not denied or lost through project activities. Forests, which are the source of medicinal plants, nesting sites for bees and refuges for wildlife, within the Pilot Phase are Village or Riparian Forests which were not affected or destroyed by the project development. 199ha of Lophira woodland was lost to the Pilot Phase of the project. This is used for charcoal production. Communities were allowed to remove or utilise any resources within the pivot areas prior to the area being cleared for project development. Access to land between the pivots and surrounding the project's supporting infrastructure will not be denied with PAPs being granted access for the most part with the exception of the area surrounding the factory, the power plant and supporting infrastructure for safety reasons. Trees, shrubs and roots removed during the land clearing process were moved to areas where communities could remove or utilise any material they wished to. The development in the Pilot Phase will have some impact on the availability of bush meat but this is not likely to be significant. If anything the grass cutters (Cane rats *Thryonomys swinderianus*) that are a preferred form of bush meat will have a greater range of habitat in which to live and breed. The pivots have been planned so as not to impact on significant areas of natural bush that provides the refuge for animals that become bush meat. Loss of natural resources is compensated through the Land Lease and Acknowledgement Agreement payments, i.e. US\$12 per hectare a year.

11. ENVIRONMENTAL PROTECTION

11.1 The project layout has been specifically designed to avoid forested area, which have been identified as the most biodiverse areas in the project area. In addition, the creation of 1,777ha of ecological corridors across the site will facilitate ecological processes. These corridors will be conserved and rehabilitated where appropriate.

11.2 Resettlement is unlikely to result in any significant environment impacts. If anything the implementation of the FDP will provide PAPs with the enhanced knowledge to better care for the environment through the sanitation component, the pest control component (not all insects are bad for ones crops) and the land care components of the FFLS.

12. IMPLEMENTATION SCHEDULE

12.1 The project has developed and clearly defined mitigation measures for the entire resettlement process. The mitigation measures include: (i) developing RAPs through a phased approach in order to minimize disruptions to the lives and livelihoods of the concerned communities; (ii) devising a land selection strategy hinged on lay out designs which minimize to the extent possible physical displacement; (iii) developing the FDP/FFLS as complimentary initiatives in support of the resettlement process in order to ensure livelihood restoration, enhance food security, and increase agricultural productivity in the project area; (iv) developing a Community and Skills Development Program for the benefit of the PAPs and surrounding communities; (v) implementing an extensive and ongoing stakeholder consultation process aimed at guaranteeing that the interests and needs of the PAPs and critical stakeholders remain the central focus of the resettlement process; and (vi) monitoring and evaluation activities to provide the necessary oversight from the design to the implementation of the phased RAPs.

12.2 In total, using best available information and combined with examination of the aerial photographs, it is estimated that about 13,617 people (out of a total population of 24,000) spread over 60 villages will be displaced by the project. The reduced number is based on the assumption that not all village residents use land required for the pivots. Some either farm outside of these areas or are not directly involved in land based agricultural activities at all. While this figure is an estimation it is considered to be as accurate as is possible to obtain with current information levels. This figure will be continuously updated and refined as the RAP process progresses. In fact, a figure of 13,600 people is an upper estimate, as it represents 56% of the total population being affected by a land use of 26%.

12.3 As a result of the scale of the project and the practicalities and timing implications of producing the required cane for seeding and establishing the pivots for the production of feed stock

for the factory, the project will be developed in various phases. Due to the phased nature of the project, which requires the establishment of the agricultural lands over a number of seasons, RAPs will be produced and implemented in areas prior to the development of areas required by the project. The first of this series of RAPs is the RAP for the Pilot Phase (Nursery) of the project, the second will be the first phase of commercial development (approximately 3,000ha), factory site and associated infrastructure and subsequent RAPs will be developed as the development needs dictate.

12.4 The project development is planned to take place over a four year period commencing with the Pilot Phase in 2010. The four development phases and the estimated number of villages and population living within the project area are as follows:

- Pilot Phase: 8 Villages, estimated population 1,642
- Phase 2 (2011 development area): 21 villages, estimated population 5,718
- Phase 3 (2012 development area): 13 villages, estimated population 3,576
- Phase 4 (2013 development area): 18 villages, estimated population 2,681

12.5 The project's CRPF was developed in 2009 prior to the commencement of any project resettlement activities. The schedule for the implementation of the project's RAPs is presented below:

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 onwards |
|---------------------------|------|------|------|------|------|--------------|
| Preparation of CRPF | | | | | | |
| Pilot Phase RAP | | | | | | |
| Phase 2 RAP | | | | | | |
| Phase 3 RAP | | | | | | |
| Phase 4 RAP | | | | | | |
| Summary of all phase RAPs | | | | | | |
| Monitoring and Evaluation | | | | | | |

12.6 The overall Pilot Phase RAP was initiated in February 2010 with the commencement of the Household Asset and Socio-Economic Survey for the project area, the establishment of the Pilot Phase Village Liaison Committee, consultation on the resettlement process and the establishment of entitlements and compensation rates and the establishment of the grievance redress mechanism. Identification of the area required for pivot development was undertaken in March and communicated and shown to the affected communities. Surveying for crop and tree compensation was undertaken in April with compensation for trees and crops in pivot areas being paid in April. During May and June areas required for the development of supporting infrastructure were identified and crops and trees within these areas surveyed and compensation paid. The RAP for the Pilot Phase was prepared in July 2010. The schedule for the implementation of the Pilot Phase RAP is presented below.

| Pilot Phase RAP | 02/10 | 03/10 | 04/10 | 05/10 | 06/10 | 07/10 | ongoing |
|--|-------|-------|-------|-------|-------|-------|---------|
| Preparation of CRPF | | | | | | | |
| Conducting of Household Survey | | | | | | | |
| Establishment of the Village Liaison Committee | | | | | | | |
| Consultation with VLC and PAPs | | | | | | | |
| Establishment of Grievance Redress Mechanism | | | | | | | |
| Grievance Redress Mechanism Process | | | | | | | |
| Pivot Phase Surveying | | | | | | | |
| Pivot Phase Compensation Payments | | | | | | | |
| Supporting Infrastructure Surveying | | | | | | | |
| Supporting Infrastructure Payment | | | | | | | |
| Pilot Phase RAP Preparation | | | | | | | |
| Monitoring and Evaluation | | | | | | | |

13. COST AND BUDGET

13.1 The budget that has been estimated for the various phases of the project based on the project's ESHIA findings and the need for compensation payments for the loss of assets (houses and community infrastructure in the case of physical displacement and crops and trees in the case of economic displacement), the establishment of the FDP, preparation of RAPs and monitoring and evaluation. The budget does not include the Land Lease and Acknowledgement Agreement monies as this is budgeted in the land lease budget. This will be ongoing for the life of the project and the precise numbers will only be known once land has been relinquished as per these agreements (after 5 years). As the RAPs are implemented by development phase, these numbers will be revisited and, if necessary, revised as the project progresses. The amounts calculated are derived from the following parameters: 1) Affected populations as estimated for the different phases; 2) Structures affected have been identified from aerial photographs and visited to ground truth their existence. Amounts per structure are derived from estimates of local building costs triangulated with costs for a recently implemented RAP in Sierra Leone; 3) Crop fields (planted or fallow) within the centre pivot areas are estimated at 1,246ha. This is derived from the land use study undertaken for the project based on the interpretation of aerial photographs. This has also been ground truthed in a sample area; 4) The amount allowed for compensation is as per the government regulations adjusted for current market value. This number is an estimate and actual amounts paid will be based on the detailed RAP surveys per field; 5) Tree numbers are based on the density of mature and productive trees for which compensation will need to be paid. Density was derived from analysis of aerial photographs coupled with on the ground observation in a sample area. The amount allowed is as per the government regulations adjusted for current market value. Again this number is an estimate and actual amounts paid will be based on the detailed RAP surveys per field; 6) Land preparation costs have been calculated from known costs for the area at the time of producing this report; and 7) Amounts for the FDP as well as fertilisers and seed are as provided by the FAO.

The entire estimated budget for the project's development phases is presented below and includes compensation, implementation of the FDP (incl. FFLS), preparation of the RAPs and monitoring and evaluation activities:

| Year | Budgeted Expenditure (US\$) |
|--------------|------------------------------------|
| 2010 | 75,201.0 |
| 2011 | 339,205.0 |
| 2012 | 310,198.5 |
| 2013 | 212,104.9 |
| 2014 | 51,080.0 |
| 2015 | 15,320.0 |
| Total | \$1,003,109.4 |

14. MONITORING AND EVALUATION

14.1 The main objective of the project's RAPs is to ensure that individuals, communities and villages affected by the project are better off than they were before implementation of the project. This applies to the standard of living of the households affected by the project. The monitoring and evaluation of the entire resettlement process therefore focuses on ensuring that the project achieves these objectives and focuses on improving the livelihoods of those affected by project.

14.2 The project will ensure that no assets, crops or trees are destroyed prior to those affected being resettled and compensated for any loss. When physical displacement is required, compensation and the resettlement process will be monitored to ensure that the affected households are satisfied with their compensation in kind (replacement structures).

14.3 Monitoring of the implementation of the RAPs will primarily ensure that the resettlement activities are implemented within the prescribed time frame, that the costs and resources are available as required and that the conditions of the CRPF are met. The monitoring of the RAP implementation is the responsibility of Addax as the implementing agent of the project's resettlement programme and the HSSE Manager will be responsible for this. He will call upon the expertise of his Social Affairs Section and external consultants specialising in resettlement. The affected persons and local authorities will participate in the monitoring process. Affected persons and district authorities will be involved as they will participate in monitoring surveys. Addax will be required to submit to the Bank each subsequent RAP for review and approval by the Bank. The Bank will monitor the implementation of each subsequent RAP throughout the duration of the project to ensure that Addax complies with its respective obligations.

14.4 Internal and external audits will be undertaken and qualitative and quantitative monitoring surveys and focus groups will be conducted. Monitoring indicators during implementation of the project's RAPs inter alia include: 1) food security 2) quality and standard of living; 3) asset and livelihood security; 4) health, and 5) gender equality and vulnerable persons security. Post displacement and resettlement monitoring indicators also include household income and livelihood restoration, payments under land lease, community skills development, farmer development, access and development of services, grievances and resolution outcomes.

15. CONCLUSIONS

15.1 In cases in the world where resettlement has been successful, in the sense of leaving the affected people economically better off, in a socially stable condition, and in a manner that they are themselves able to sustain over time, the process has been characterised by a number of best practice enabling factors such as follows: 1) An appropriate understanding of the complexities of resettlement; 2) proper legal and policy frameworks at national level; 3) adequate funding; 4) sufficient capacity, including experience in working with resettlement; 5) genuine consultation and negotiation with the affected people; 6) rigorous and effective planning, implementation and monitoring; 7) integration of the resettlement programme into its regional economic and political context; and 8) the necessary political will to ensure that the above enabling factors are obtained, and that resettlement is properly carried out. Addax has committed to ensuring that its resettlement process is successful and that it meets the best practice goals of successful resettlement. As such, Addax has put in place the mechanisms detailed into the Pilot Phase RAP and will also apply them to subsequent RAPs for the remaining phases of the project.

15.2 International experience of many projects shows that, unless these best practice factors are obtained, resettlement exposes affected people to a range of risks such as: 1) Landlessness; 2) homelessness; 3) joblessness; 4) economic and social marginalisation; 5) increased morbidity and mortality; 6) food insecurity; 7) loss of access to common property resources; and 8) social and cultural disarticulation/disruption. Addax has made every attempt to ensure that these risks are not realised for the project.

15.3 Unless consciously countered, these risks become reality, negatively reinforcing each other in an interactive and cumulative manner. On the other hand, if these risks are incorporated as part of planning and project design, and if the necessary best practice factors are obtained, these risks can be turned into development opportunities, resulting in resettlement with development. The monitoring and evaluation of the project resettlement process will ensure that this is the case for the Addax project.

CONTACTS:**Addax Bioenergy**

Name: Jörgen Sandström, Rue Michel-Servet 12, 1206 Geneva, Switzerland, Tel: +41 22 702 9000,
Email: info@addaxbioenergy.com
Website: www.addaxbioenergy.com

Principle Consulting Company: Coastal & Environmental Services, 67 African Street, Grahamstown 6139, South Africa, Tel: +27 46 622 2364, Email: info@cesnet.co.za
Website: www.cesnet.co.za

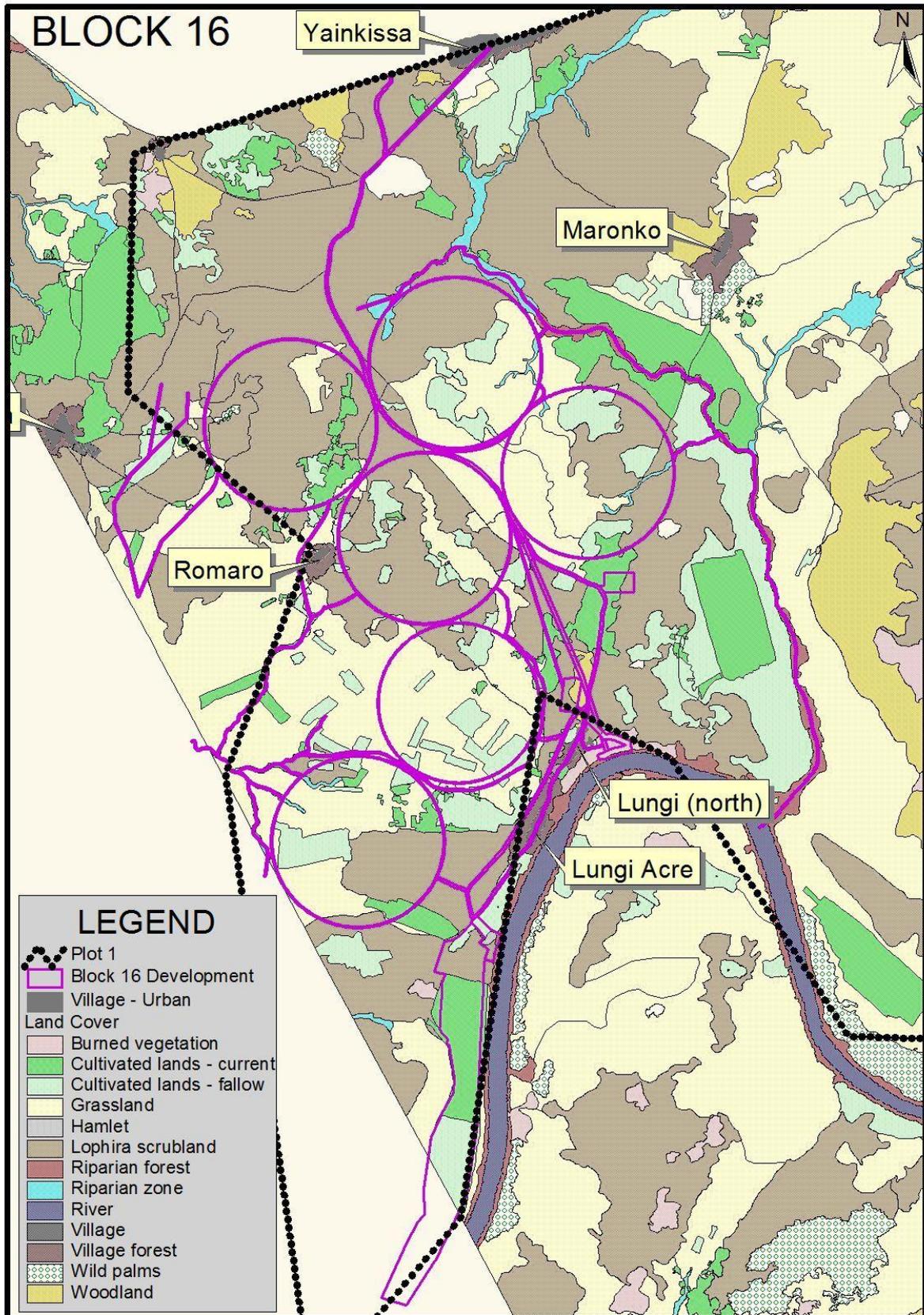
African Development Bank

Geoffrey Manley, Principal Investment Officer, Private Sector and Microfinance Department, African Development Bank, BP 323 - 1002 Tunis Belvédère, Tunisia, Tel.: (216) 71 10 2626, Email: g.manley@afdb.org

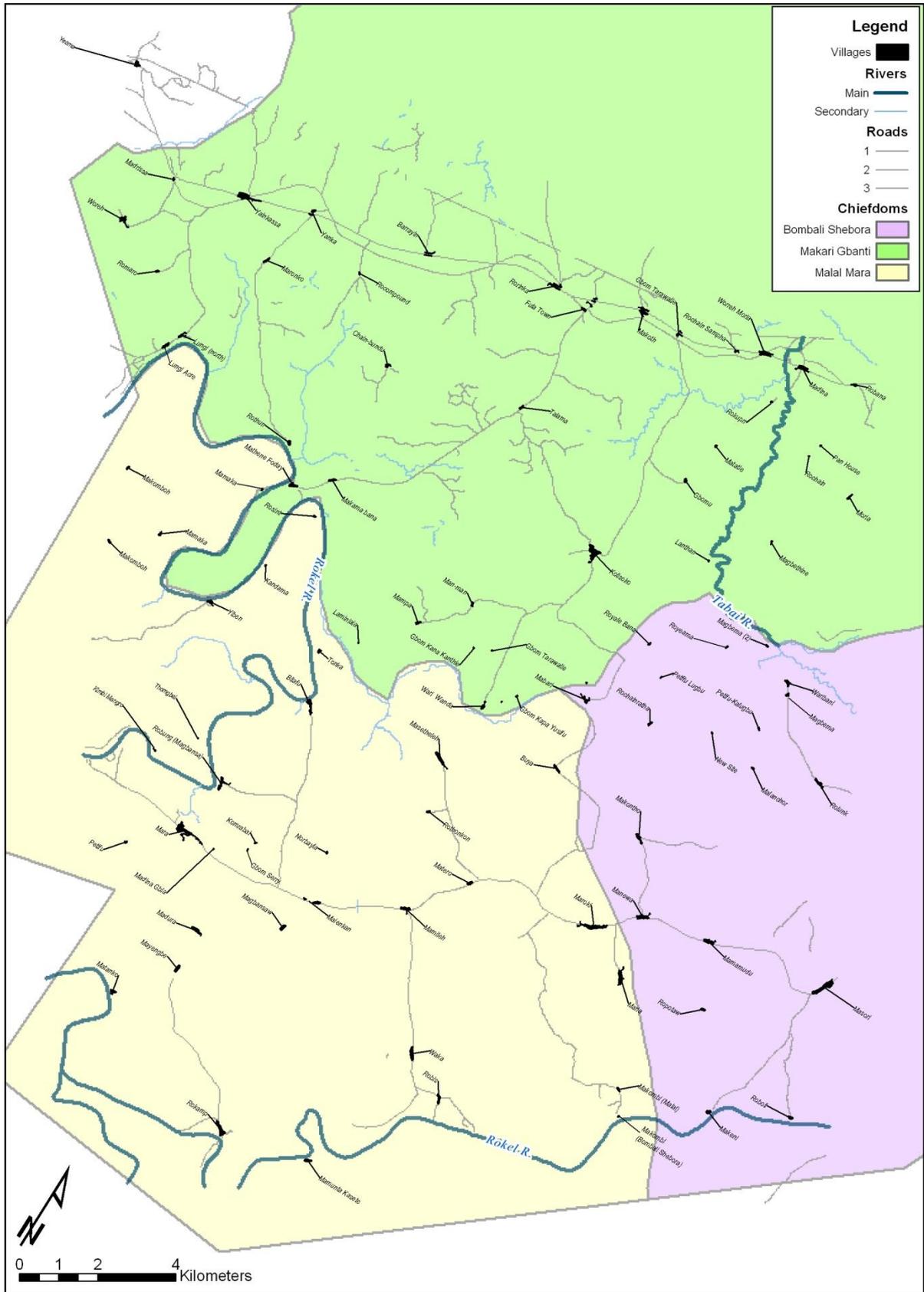
Kurt Lonsway, Division Manager, Energy, Environment and Climate Change Department, African Development Bank, BP 323 - 1002 Tunis Belvédère, Tunisia Tel.: (216) 71 10 3313, Email: k.lonsway@afdb.org

Rachel Aron, Senior Social Development Specialist, Energy, Environment and Climate Change Department, African Development Bank, BP 323 - 1002 Tunis Belvédère, Tunisia Tel.: (216) 71 10 2792, Email: r.aron@afdb.org

Annex 1: GIS map of the Pilot Phase Area showing the village locations and land categories



Annex 2: Map of the Chiefdoms and villages with the project area.



Annex 3: Location of the projects pivots by phase, with adjacent villages indicated. The blue circles indicate the 2010 Pilot Phase Area.

