

# OIL PALM COMMUNITY NEEDS ASSESSMENT

COMMUNITIES AND SMALLHOLDER FARMERS

IN THE CONCESSION AREAS OF

SIME DARBY AND GOLDEN VEROLEUM

**Final Report**

April 2016

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on behalf of the Liberia National Bureau of Concessions and the  
Oil Palm Out-grower Scheme Implementation Technical Committee,  
with funding from the GROW Liberia Programme.

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## Acronyms

CNA	Community Needs Assessment
CPP	Community Private Partnership
CACs	Concession Affected Communities
CSO	Civil Society Organization
CSOs	Civil Society Organizations
DFIs	Development Finance Institutions
FFB	Fresh Fruit Bunches
FGD	Focus Group Discussion
FGDG	Focus Group Discussion Guide
FGDs	Focus Group Discussions
FPIC	Free, Prior and Informed Consent
GDP	Gross Domestic Product
GVL	Golden Veroleum Liberia
HCV	High Conservation Value
HCV5	High Conservation Value 5
HCV6	High Conservation Value 6
HDI	Human Development Index
HDR	Human Development Report
KII	Key Informant Interview
KIIG	Key Informant Interview Guide
KIIs	Key Informant Interviews
LISGIS	Liberia Institute of Statistics & Geo-Information Services
LPPC	Liberia Palm Plantation Corporation
M4P	Making Markets Work for the Poor
MOA	Ministry of Agriculture
MOPP	Maryland Oil Palm Plantation
NGO	Non-Governmental Organization
NGOs	Non-Governmental Organizations
NPP	New Planting Procedure
OG	Out-grower
OGP	Out-grower program
OPOSITC	Oil Palm Out-grower Scheme Implementation Technical Committee
P & C	Principles and Criteria
PAC	Project Affected Community
RSPO	Round Table on Sustainable Palm Oil
SBA	Subah-Belleh Associates
SDL	Sime Darby Liberia
SHARP	Small Holder Acceleration and Redd Plus
SHOPS	Small Holder Oil Palm Support Project
SIDA	Swedish International Development Agency
SOPs	Standard Operating Procedures
UNDP	United Nations Development Programme
US\$	United States dollars
VIP	Ventilated Improved Pit Latrine

## Introduction

**GROW** is a private sector development initiative to promote pro-poor economic growth and stability in Liberia through partnerships with market actors. GROW is committed to reducing poverty and promoting stability by increasing incomes through employment opportunities for the disadvantaged segments of the population, by means of systematic market changes in the agriculture sector where the bulk of Liberia's population resides. Its program is operated on the basis of "**Making Markets Work for the Poor**" (**M4P**), a market system development and change methodology. One area of GROW's interventions is in the oil palm sector.

Within the context of a collaborative framework involving Civil Society Organizations (CSOs), local communities, potential smallholder oil palm farmers, the Government of Liberia and oil palm concessions, GROW, on behalf of the Oil Palm Out-grower Scheme Implementation Technical Committee (OPOSITIC), commissioned this Community Needs Assessment (CNA) of localities within the environs of Golden Veroleum and Sime Darby oil palm concessions. The outcomes of the needs assessment will assist the OPOSITIC to better understand the challenges faced by these communities and the smallholder farmers residing in them.

The needs assessment covered 48 communities: 27 communities in **Golden Veroleum Liberia's (GVL) concession area** in southeastern Liberia and 21 communities in **Sime Darby Plantation's (Sime Darby) concession area** in western Liberia. Specifically, the CNA sought to: (I) identify the challenges, risk factors and production concerns within these local communities, and (II) Identify and outline community concerns and production challenges regarding various types of smallholder/out-grower production arrangements and organizational structures.

## Results

### *Community Challenges*

**Access to Farmland:** Most communities around the GVL concession have access to farmland. Approximately, 82.1 percent of all households in the GVL area have access to farmland, and 65.3 percent of all households own their land through inheritance. This situation is different in the Sime Darby area. While less than a quarter (23.8 percent) of all households surveyed report having access to farmland, the situation is significantly different between PAC towns and Zodua Clan Communities. The latter report having sufficient access to farmland to meet their daily needs, while a majority of respondents in PAC towns indicated that access to farmland is a challenge.<sup>1</sup> Overall, 17.3 percent of all households own their land through inheritance.

**Extension Services:** Provision of farm extension advisory services from external sources in both concession areas is minimal. In GVL communities, households do not receive extension services. In Sime Darby communities, 3.3 percent of households receive extension services provided by the Ministry of Agriculture and other farmers.

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<sup>1</sup> The assessment involved 39 Key Informant Interviews, 44 Focus Group Discussions, and 638 household interviews.

**Access to Inputs:** The majority of households in both concession areas have access to inputs. In the GVL communities, 51.1 percent of households have access to planting materials, while 46 percent have access to tools. In SDPL communities, 59.4 percent of households have access to planting materials, while 45.5 percent have access to tools. Most of these materials and tools are self-purchased.

**Road Networks:** In general, the public road networks leading to both concession areas are challenging due to the level of high maintenance required. However, there is general satisfaction with roads within concession areas due to regular maintenance.

**Access to Credit:** Households in both concession areas rarely seek credit from banks and other formal sector financial institutions. One household (0.3 percent of total households) in the GVL concession area receives credit from a formal sector financial institution. Less than a tenth of households 7.9 percent receive credit from informal sector institutions. In the Sime Darby area, 5 households (1.5 percent of total households) have received loans from formal sector finance institutions, and 4.5 percent of total households receive credit from informal sector institutions, such as village savings associations, and private individuals.

### *Community Risk Factors*

**Economic Activities:** The main economic activity in communities around the concessions is farming. In GVL concession area communities, farming accounts for over one-third (39.4 percent) of head of households' economic activities. In Sime Darby concession area communities, farming accounts for less than one-quarter 23.2 percent head of households' economic activities. Still, it represents the single largest economic activity. Much of the farming is for subsistence, using traditional agricultural tools such as cutlasses and hoes, and traditional methods such as "slash and burn".

**Environmental Impact:** Environmental issues related to the operations of the two concessions are directly linked to the nature of their operations, which include land clearing, road construction and rehabilitation, and bridge construction, amongst others. The main environmental issues potentially include deforestation, destruction of wildlife habitat, water pollution and bio-diversity in general. If not addressed, these issues could lead to the loss of farmland, a decrease in agricultural production, and a decrease in the hunting on which these communities sustain themselves. Accordingly, these issues are critical and potential sources of conflict because the communities are agricultural-based settlements that are presently dependent on the forest for their livelihood. Within this context, environmental issues must be handled carefully and innovatively by all stakeholders.

**Impact on social life:** The populations of these communities have increased mostly through in-migration in pursuit of employment and business opportunities

**Risks of Violent Protests/Conflict:** Based on interviews conducted with households/communities, potential sources of conflict could be as a result of a lack of an adequate FPIC process on land acquisition, community exclusion in negotiating concession agreements, a delay in implementing Corporate Social Responsibility activities by concessions, limited employment opportunities for communities members and the poor dissemination of information on concession, community and government roles and responsibilities.

### *Production Challenges*

The CNA revealed community members' willingness to get involved in oil palm production, but expressed the following challenges: capital, training and extension services, tools and mechanized equipment, poor road networks, and lack of storage and processing facilities.

**Organizational Issues:** in both concession areas, there is an absence of organized farmer production groups. Particularly, there are no production or marketing cooperatives, and farmers work as individuals with their family. The practice of collective farm labor, the *Kuu*<sup>2</sup>, is not common in these communities. Results from Focus Group Discussions and Key Informant Interviews revealed that communities have no formal organization in place to represent them in the development, negotiation, and implementation of the terms and conditions of an out-grower scheme

However, in the GVL concession area, the community and the concession jointly established a community development team known as the Community Representative Committee (CRC). The objective of the CRC is to identify and manage projects coming out of social development commitments made under the Concession Agreement between the Government and GVL. In the Sime Darby area, various communities have established representative leadership teams, including the Project Affected Communities Committee and the Zodua Land Management Committee in Garwula District with the aim of addressing land matters and other issues with the government and the concessions.

### *Supplementary Community Concerns*

**Community Concerns:** Community concerns relate to additional issues that communities believe should be addressed by the concessions. These include the establishment of local stores from which community members can purchase non-agricultural consumer items, support in the organization of cooperatives, outsourcing services to local communities to employ community members, the provision of market information, and the purchase of local agricultural produce, including vegetables by the concessions from the communities. Additionally, communities feel social services such as education, health and sanitation should be provided without cost by the concessions.

### *RSPO Principles and Criteria*

RSPO principles and FPIC procedures are based on fairness, transparency, accountability and appreciation of local cultures. There is a low level of awareness of RSPO principles and FPIC guidelines amongst community members. Accordingly, this challenge provides an opportunity for the government, the concessions, and civil society organizations to constructively engage the local communities on RSPO/FPIC processes.

RSPO requires the protection of High Conservation Value (HCV) areas that are fundamental to meeting the basic needs of local communities, such as subsistence or health. HCV5 includes, for example, areas providing a source of traditional medicine, and HCV6 concerns areas that are critical for local communities' traditional cultural identities, or areas of religious significance. Common examples include religious shrines and ancestral burial grounds.

## **Conclusions**

### *Community Challenges and Concerns*

While the concessions are contributing to employment and social services such as education, health, water and sanitation and infrastructure development such as road construction and maintenance within the plantations, there remains much to be done in local communities. The government, concessions, and CSOs, as well as the communities themselves, can forge a meaningful partnership to improve communities'

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<sup>2</sup> Kuu is a traditional pooling of farm labor in which members collectively work on each other's farms on a rotational basis.



household living conditions without distracting concessions from the establishment and operation of plantations as viable, commercial businesses. Local communities' main challenges and concerns include access to farmland, limited road networks outside the concession areas, agricultural production methods, produce marketing, household and human waste disposal, human capacity development, assistance in the procurement of agricultural tools, implements and equipment, the provision of technical advisory services, and assistance in the organization of farmer groups.

### *Out-grower Arrangements/Structures*

Respondents were asked to share their level of understanding of out-grower schemes, and, generally, there is a low level of awareness amongst community members regarding out-grower schemes. In GVL communities, less than a third (27.5 percent) of households had some knowledge of out-grower schemes. In Sime Darby communities, 5.6 percent of households had some knowledge. The higher level of awareness in GVL communities appears to result, in part, from those communities' prior experience with the Decoris and Liberia Palm Produce Corporation (LPPC) concessions, which existed in the area prior to the Liberian civil conflict.

Community respondents identified smallholder/out-grower production arrangements and organizational structures that they felt best suited their conditions, concerns, and challenges. In general, the largest number of respondents reported an inclination towards individual or household farm ownership in these arrangements. However, there was also strong support among community respondents for several other types of production arrangements, including recommendations to address the challenge of land availability in the PAC area of communities near the Sime Darby concession. Key questions regarding land rights and ownership will have to be answered in the context of whether rights and ownership over land are collective or individual at the community level. This has important implications for how community members/beneficiaries are selected, organized and supported to participate in out-grower schemes.

### **Findings from other Stakeholders**

**Government:** Government ministries and Agencies that participated in the CNA process realize the need to encourage community participation from the very beginning in the negotiation of projects that affect them. Additionally, they emphasized the need for improved inter-agency communication and coordination of activities in the oil palm and other sectors.

**CSOs:** According to CSOs that were interviewed during the CNA process, land acquisition is a major challenge in the expansion of oil palm concession plantations and the implementation of the Oil Palm Outgrower Scheme program.<sup>3</sup> In their opinions, communities felt excluded from the concession granting process and seek to have a voice in land use going forward.

However, CSOs also acknowledged contributions made by concessions. They recognized the building of two schools in the Sime Darby area, one of which is exclusively for use by children and dependents of employees of the company. The health facility provided is also for the use of employees, and, although employment is limited to one person per house in the Sime Darby area, this is viewed also favorably. In the GVL area covered by the CNA, CSOs stated that the company's assistance with the renovation of schools and health centers has been a positive development.

**Concessions:** While concession companies acknowledge that all land is owned by the communities, they report that it is sometimes not clear how this ownership is asserted. Multiple communities sometimes claim the same tract of land. When communities are fragmented in their engagements with the

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<sup>3</sup> Land acquisition refers to the availability of land around communities for oil palm farming.

concessions, this causes challenges in dealing with them. This is complicated by communities' lack of awareness of the local land laws.

Contributions have been made to communities in various areas to address their needs. These contributions are in fulfillment of the concessions' obligations as good corporate citizens. Concessions agree that out-grower schemes should be beneficial to communities, and that the communities should provide input into determining the outgrower model in which they will be participants.

## **Recommendations**

1. Community access to land needs to be reviewed to identify land to support the engagement of communities in out-grower schemes. Sectorial stakeholders - including communities, government and the concessions - should discuss and agree on how to allocate land for this purpose.
2. Going forward, communities should be involved in all negotiations for the award of new concessions, as well as the renegotiation of existing agreements. They should also be involved in discussions with concessions about any issues concerning out-grower schemes and community livelihoods. This level of community participation is consistent with RSPO/FPIC requirements, will help to improve community awareness of concession operations, and will assist in the strengthening of community/concession relations.
3. In an effort to help communities engage in dialogue and negotiation with concessions and stakeholders from an informed position, there is a need to design an RSPO and FPIC sensitization program that will increase their participation in out-grower schemes.
4. While the concessions are contributing to the infrastructural development of communities through road construction and maintenance, there remains more to be done to have a sustainable and durable road network. On several of the roads constructed by the concession companies, bridges are made of logs which have a tendency to rot within a short period of time. In order to have a sustainable road network, it important to use concrete bridges as a matter of urgency.
5. Considering that communities around both concessions generally have weak organizational structures, it is necessary that a program be undertaken to build community capacity to organize into groups such as cooperatives to better represent their interests, including coordinating their participation in out-grower schemes.
6. More work is required to ensure that communities have a better understanding of how out-grower schemes work.

## 2.1 National Context

Liberia is in transition from conflict to sustainable human development. The country has a low-income level and is under-developed. Despite abundant natural resources, poverty, bad governance and armed conflicts have undermined economic growth and human development. Liberia is ranked 175 out of 186 countries in the United Nations Human Development Index (UNDP, HDR, 2015).

Poverty is widespread. Approximately 81.6 percent of the population is poor, with most households living on less than US\$2.00 per day (UNDP, HRD, 2015). The country is highly dependent on international assistance. Over half 53.6 percent of Gross Domestic Product is net official development assistance (UNDP, HRD, 2015).

Partly on account of Ebola, the economy is currently struggling. In 2014, GDP in current prices was US\$ 2.1 billion, compared to US\$2.2 billion in 2015. It is projected to increase to US\$2.5 billion in 2016. Rubber and iron ore are Liberia's traditional main foreign exchange earners. Rubber prices are generally on the decline, and iron ore prices have fallen from US\$97/ton in 2014 to US\$40/ton in 2015. The manufacturing sector under-performs, largely due to the lack of reliable power and trained labor.

Liberia's economic development strategy is concessions-driven, led by multinational corporations in the rubber, iron ore, gold mining and oil palm sectors. Other important players in the economy are Lebanese, Indian and Fula traders, who are mainly involved in commodity trading. Generally, Liberians are on the margins of their own economy, and principally involved in small-medium sized businesses and "informal" trade.

In the social sector, education is a huge challenge, with over forty-two percent 42 percent of primary school-aged students not attending school. In the health sector, Ebola has exposed gross deficiencies in the national health delivery system. Collaterally, sanitation is a huge challenge: forty-nine percent 49% percent of the population defecates without access to a toilet. The road network is limited and poorly maintained. There is a low quantity of decent housing stock. Finally, there is low social capital (trust, cohesion, solidarity) within the country.

Liberia remains a compound and complex development situation, with enormous reconstruction and recovery needs. Regrettably, there is a lack of national capacity to attend to all of Liberia's needs in a substantive, sustained manner. Within the above context, Liberia's development agenda requires national renewal through good governance and poverty reduction.

## 2.2 Agriculture Sector

### General Description

Liberia is largely an agricultural country. Although under-utilized, the country is endowed with abundant arable land, evergreen forests, lakes and watercourses, as well as sunshine and high rainfall. The sector is strategic: it is the largest economic sector in the country; approximately 70 percent of the population depends on it for its livelihood. Most of these are smallholder families.

The sector remains the most viable, sustainable and renewable source for national income growth if private sector investments are attracted to improve technology and post-harvest storage, processing and marketing. On account of concessions, the agricultural sector is: (1) a significant net contributor to the economy because it exports more and imports less; (2) contributes over half of the country's foreign exchange earnings; and (3) is the highest employer in the country, second only to the Government.

### Oil Palm Sub-Sector

Oil palm is a natural plant that grows throughout Liberia. Rural residents depend on the yield of wild oil palms in the forests, which men harvest and from which women, using traditional methods, extract palm oil. However, with the commercialization of the production and export of palm oil for industrial purposes, including biofuel, modern methods, such as mills, are now being used to produce palm oil.

A small level of commercial production began in the 1970's and occasioned the establishment of the Liberia Palm Products Corporation (LPPC), a state-owned enterprise. However, with the commencement of armed conflict towards the end of the 1980's, commercial production was suspended.

With the restoration of peace in 2003, commercial production commenced and has slowly expanded. Currently, commercial palm oil production is undertaken mostly by concessions. The Government supports the expansion of oil palm plantations. Various international financial institutions and bilateral organizations, such as the World Bank, the United States Agency for International Development (USAID) and the Swedish International Development Agency (Sida), have also supported various oil palm development initiatives in Liberia.

There are four (4) oil palm concessions currently operating in Liberia. They include: **(1) Sime Darby Plantation Liberia (SDPL)**, a Malaysian company that was granted a gross concession area 311,187 hectares in Bomi, Gbarpolu, Grand Cape Mount and Bong Counties of which 220,000 hectares may be developed for core rubber and oil palm plantations and 44,000 hectares for an out-growers program; **(2) Equatorial Palm Oil (EPO)**, based in the United Kingdom, and which has 169,000 hectares in Grand Bassa, River Cess, and Sinoe Counties, of which 10,000 hectares has so far been planted with oil palm; **(3) Golden Veroleum Liberia (GVL)**, a Singapore-listed company, owned by the Indonesian Sinar Mas Group, provided a gross concession area of 350,000 hectares in southeastern Liberia (Sinoe, Grand Kru and Maryland Counties) of which 220,000 hectares may be developed with an additional 40,000 hectares to be used for the out-growers program; and **(4) Maryland Oil Palm Plantation (MOPP)**, a subsidiary of Group SIFCA from Cote d'Ivoire, which is developing 15,000 hectares in Maryland and Grand Kru counties, including 6,000 hectares of out-grower farms. The four (4) companies have rights to a total of more than 637,000 hectares of land under oil palm concessions.

Embedded in all of the oil palm concession agreements, is the requirement for the development and implementation of "*smallholder out-grower schemes*." The search for an effective and efficient out-grower model that fits the Liberian oil palm industry is currently at the heart of the issues being addressed by sector stakeholders - the government, donors, and smallholder farmers. This strategic effort is being supported by the *Smallholder Acceleration and REDD+ Program (SHARP)*; GROW, a markets development support program funded by the Swedish International Development Agency (Sida); and the USAID-funded *Smallholder Oil Palm Support Project (SHOPS)*.

Participants at a consultative stakeholders' workshop, convened in Monrovia, June 11-12, 2014, agreed that a successful model for smallholder out-grower scheme development should address the issues of land ownership, out-grower plantation management, financing, organization of out-growers, and livelihoods.

## 2.3 The GROW Liberia Programme

The GROW Liberia Programme is a private sector development initiative to promote pro-poor economic growth and stability through partnerships with the private sector. GROW is designed and operated on the basis of 'Making Markets Work for the Poor'. The programme seeks to promote change in agricultural and associated crosscutting market systems. GROW is committed to substantially increasing incomes and employment opportunities for the disadvantaged segments of the population, particularly poor women, men and youth through systematic market changes in the agricultural sector. In addition to promoting poverty reduction, GROW focuses on interventions that promote stability and reduce the potential for conflict.

GROW works with a variety of actors from Government to banks, input suppliers, traders and smallholder farmers, to inform its interventions in four key sectors (vegetables, rubber, cocoa and oil palm), as well as aquaculture. With vegetables, the focus of GROW's intervention is to enhance the viability and increased income of approximately 15,600 smallholder farmers. The program has stimulated vegetable production in Bong and Nimba Counties by linking smallholder farmers to retail agricultural input suppliers to improve access to certified seeds adapted to Liberian growing conditions. Efforts have additionally being made to improve coordination between actors in the vegetable value chain. To improve famers' access to finance, GROW has partnered with Afriland First Bank to establish guaranteed loan facilities for smallholder farmers.

In the rubber sector, the emphasis is to move smallholders up the value chain towards the export market. GROW is facilitating the establishment of an alternative sales channel for processed rubber, and the creation of learning centers where smallholder rubber farmers can learn how to produce Ribbed Smoked Sheets (RSS), a -processed value-added rubber product. There is an ongoing effort to work with RSS Business Cluster Developers (anchor businesses) and 341-affiliated smallholder rubber farmers to develop RSS production. GROW is providing farmers with inputs, technical advice, access to finance and markets. This is the first step to the creation of an export-oriented rubber sector that benefits smallholder rubber producers and will increase their income by up to \$400 per year.

Oil palm is the focus of this assessment. GROW's portfolio in this sector is focused on improving the income of rural Liberia smallholders through support to the Government/concession out-grower scheme framework.

GROW serves as technical service provider to the National Bureau of Concessions and, in that capacity, assists the Government of Liberia to undertake an inclusive dialogue with concession holders, local communities and civil society organizations (CSOs).

GROW is a five-year programme funded by the Government of Sweden through the Swedish International Development Corporation Agency (SIDA). A consortium led by Adam Smith International and supported by the Springfield Centre, Mercy Corps and the Swedish Institute for Public Administration implements the program.

## 2.4 Community Needs Assessment

GROW, on behalf of the National Bureau of Concessions, which chairs and hosts the Secretariat of the Oil Palm Out-grower Scheme Implementation Technical Committee (OPOSITC) that includes civil society organizations, smallholder oil palm farmers, government ministries and agencies, and concession companies, has undertaken to hire a local Liberian research firm to conduct a Community Needs Assessment (CNA) in selected communities in areas where two concessions are located (GVL and Sime

Darby). The CNA will provide input to the next phase of GROW's work on behalf of the NBC, which will be the development of an Oil Palm Out-grower Scheme Operational Model and linked Financial Plan that will be produced by an expert team of oil palm out-grower scheme design consultants.

The key objective of the CNA is to help GROW, the NBC, O and OPOSITC better understand the challenges faced by smallholders and communities located around Oil Palm concession areas. The assessment is meant to also outline the potential risk factors to communities. It is additionally intended to understand how the communities feel about participating in an out-grower program to improve their lives. The CNA will identify communities' expectation of benefits from their participation in an Oil Palm Out-grower Scheme linked to the concession in their area. Further, the CNA is expected to identify and outline community concerns and production challenges regarding various types of smallholder/out-grower production arrangements and organizational structures for the local communities affected by the concessions.

The CNA covered communities in the southeast and western parts of Liberia. In the Southeast, it covered communities in Trembo District in Grand Kru County and Kpanyan District in Sinoe County that are adjacent to or located within the areas granted to the concession holder, Golden Veroleum. In Western Liberia, the CNA was conducted with communities in Garwula District in Cape Mount County that are located within the concession area operated by Sime Darby.

There are three main tasks involved in the CNA:

1. To identify the varieties of challenges faced by communities located in areas covered by the oil palm concessions;
2. To identify risk conditions of surrounding and/or adjacent smallholder communities; and,
3. To Identify and outline community concerns and production challenges regarding various types of smallholder/out-grower production arrangements and organizational structures.

The Community Needs Assessment was undertaken over a 54-day period from September to October 2015. It involved two teams of researchers deployed simultaneously in the two study locations.

Subah-Belleh Associates, a Liberian management consulting firm, conducted the CNA. Two (2) independent Oil Palm Specialists, who are knowledgeable in FPIC/RSPO principles and guidelines, worked with the study team from the validation of the survey instrument through data collection, report writing and validation of key findings.

The Community Needs Assessment (CNA) was designed and implemented utilizing two main research strategies: qualitative and quantitative. The mixed research methods were employed to sufficiently address the objectives of the CNA by answering the research questions. Accordingly, qualitative research designs included focus group discussions and key informant interviews, while a household survey was the main quantitative design used. The following is a detailed presentation of the overall procedure followed to realize the objectives of the CNA.

### 3.1 Population and sampling

The CNA was conducted in three geographical locations in Liberia: Grand Cape Mount County (Western Liberia), Grand Kru County and Sinoe County (both in Southeastern Liberia). In each of the target counties, three districts (Garwula District in Grand Cape Mount, Trembo District in Grand Kru and Kpanyan District in Sinoe) were selected for the implementation of the CNA. The target counties and districts were selected using purposeful (non-probability) sampling methods because of the specific purpose<sup>4</sup> of the CNA. The three counties were selected because they host at least one of two oil palm concessions. The three districts were selected because they contain communities that are directly affected by two concessions<sup>5</sup> operations<sup>6</sup>; some of which could likely participate in a pilot oil palm out-grower program by the concessions.

During the design phase, communities for the CNA were sampled from a sampling frame<sup>7</sup> using systematic random sampling. However, during the actual fieldwork, the team replaced<sup>8</sup> some of the sampled communities that were not directly affected by the concessions operations and had to be with communities that met the CNA's objectives.

The target population for the CNA was defined as total farming households in the target districts. Using the sampling frame mentioned above, the target population (5,630<sup>9</sup>) was estimated by calculating 70 percent<sup>10</sup> of the total household population (8,041) in the target districts.

#### 3.1.1. Sample size determination

##### 3.1.1.1. Household survey

Given the above target population, the sample size for the household survey was estimated as 660, using the Sample Size Estimation Table (SSET). This was then allocated to both regions as presented in Table-1. The sample size for each region was then allocated to the concession-affected communities (CACs)--towns/villages. Table-2 depicts the allocation of sample size by number of PACs and number of expected interviews.

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<sup>4</sup> To assess the needs of communities directly affected by concession operations.

<sup>5</sup> GVL and Sime Darby.

<sup>6</sup> Include land clearing, plant establishment, employment of local community members, etc.

<sup>7</sup> A list of communities, their populations and number of households in each of the three districts was obtained and used as the sampling frame. The list was produced by LISGIS.

<sup>8</sup> This adjustment did not change the number of communities interviewed in a significant manner.

<sup>9</sup> Rounded up from 5629.

<sup>10</sup> <http://www.fao.org/ag/agp/agpc/doc/counprof/Liberia/liberia.htm>

**Table 1:** Allocation of Projected Sample Size by Region and PAC

Region	Target Sample Size	Distribution of Sample Size	
		Number of Communities	Interviews per Community
Southeastern (Grand Kru & Sinoe)	324	27	12
Western (Cape Mount)	336	21	16
<b>Total</b>	<b>660</b>	<b>48</b>	

### 3.1.1.2. Focus Group Discussions (FGDs)

Focus Group Discussion (FGD) was one approach used to collect qualitative data simultaneously from multiple individuals. A deep understanding of community members' perceptions, feelings, opinions and thoughts was developed through FGDs. A total of 44<sup>11</sup> FGDs were conducted to complement and/or validate information obtained using other data collection methods, including related literature reviews and quantitative data collection methods. There were four (4) categories of focus group participants: adult male, adult female, youth male, and youth female. In other words, there were separate focus groups for female adults, female youth, male adults and male youth. Each focus group contained a minimum of eight (8) and a maximum of 12 participants. The location of all focus groups conducted is presented in *Appendix 2*.

### Selection of Participants

To prepare for the focus group discussions and key informant<sup>12</sup> interviews (KIIs), the research team identified and selected ideal<sup>13</sup> sample communities in the survey areas. Each community was canvassed to recruit focus group participants and key informants. Participants were mobilized and recruited through community leaders. Final participants were selected by the research team to mitigate the effect of any personal influence by community leaders who recommended or nominated them.

As stated above, participants were segmented and placed in four different categories based on gender (female and male) and age (adult and youth). This segmentation allowed each focus group to contain homogeneous<sup>14</sup> participants, thus creating an environment that maximized disclosure and reduced inhibition amongst participants, and allowed them to freely articulate their point of view on the issues that were discussed. A total of 28 FGDs were conducted in the Southeastern region, which involved 273 participants. In the Western region 16 FGDs were conducted, involving 160 participants.

### 3.1.1.3. Key Informant Interviews (KIIs)

During the CNA key informants were defined as persons knowledgeable about the issues under discussion. These included community leaders, concession representatives, Civil Society Organization leaders and officials of Government institutions. The survey teams selected informants based on their positions in the communities.

## 3.2. Data collection instruments

Due to the mixed research design that characterized the CNA, several data collection instruments, including questionnaires, interviews, document analysis and surveys, were developed by the research team and utilized to collect data. The selection of these tools was guided by the nature of the data that was collected

<sup>11</sup> 16 FGDs were conducted in Cape Mount, while 28 FGDs were conducted in the Southeast: Grand Kru and Sinoe.

<sup>12</sup> At the community level, Key Informant Interviews were also conducted in each community where FGDs were conducted.

<sup>13</sup> Refers to a community with enough population to hold at least four FGDs, four KIIs, and that required quantitative interviews.

<sup>14</sup> Each focus group included participants of the same sex and age group.



and the objectives of the CNA. Three (3) data collection tools were designed to capture both qualitative and quantitative data for this CNA; each is presented and discussed below:

- i. **Key Informant Interview Guide (KIIG):** A KIIG was developed and used to directly gather in-depth information from knowledgeable individuals at the community level and from key stakeholders in the oil palm sector. One KIIG was developed for each category of key informant (Government, CSO, concession and community). While the overall outline and layout for the different KIIGs are similar, they differ in their contents. For example, a Government KIIG focuses on the challenges faced by Government in relation to the implementation of oil palm Concession Agreements and the mechanism in place to monitor Concession Agreements. On the other hand, a Community KIIG focuses on communities' concerns, what is being done to address those concerns, and major activities in the communities. Each KIIG contains a Consent Statement, which was read to solicit the informed consent of the KI and a statement explaining the objective of the CNA. KIIGs are two pages in length and contain a minimum of 11 questions and a maximum of 19 questions depending on the category of KI.
- ii. **Focus Group Discussion Guide (FGDG):** One standardized FGDG was developed and used to gather in-depth information, insights, perceptions, feelings, and opinions of community members in relation to their challenges, needs and inter-action with concessions. Like the KIIG, the FGDG also contains a Consent Statement and a statement explaining the objectives of the CNA. The FGDG is two pages in length.
- iii. **Structured Questionnaire:** A structured questionnaire was designed and used in the survey to gather information at the household level. It was used to capture key attributes and attitudes that measure demographic, socio-economic and other relevant indicators that describe household situations in the Concession Affected Communities (CACs). All of the above instruments were reviewed and validated by key stakeholders, including CSOs and the Environmental Protection Agency (EPA), amongst others. The final tools used in the CNA emanated from a participatory process in which stakeholders contributed meaningfully to assure that tools captured the needed data. The final draft questionnaire was loaded to tablets using the CSPro mobile data collection platform. The questionnaire was field-tested (piloted) in Grand Bassa County and adjusted to address feedback from the field test.

### 3.3. Data Collection

#### 3.3.1. Training of data collectors

A six -day workshop was held to train field data collectors (enumerators, moderators and note takers). A total of 14 field staff were invited for a week of training. During the training, each of the tools was reviewed for the purpose of increasing data collectors' understanding of how to use them. Mock interviews were conducted to allow data collectors to become more conversant with the tools and to better understand their application. During the mock interviews, data collectors switched places as interviewers and interviewees. These exercises went on for 4 days of the workshop.

On the fifth day of the training, field-testing of the data collection tools was conducted in selected local communities in Grand Bassa County. Field-testing was conducted under the supervision and observation of the training facilitators. On the last day of the training, day 6, issues and problems arising from the field-testing were discussed, addressed and used to inform the finalization of the data collection instruments. At the end of the training, 12 field staff were certified on the basis of their understanding and application of the data collection tools.

### 3.3.2. Deployment of data collectors and actual field work

Twelve data collectors were organized into two teams. Each team comprised one supervisor/moderator, 3 enumerators for quantity data collection and 2 note takers. Each team was assigned to one of the two CNA regions: the Southeast, where Golden Veroleum operates, and the West, where Sime Darby operates.

#### Household interviews

Enumerators completed 638 interviews with randomly selected households in both regions. In each community the first household to be interviewed was selected randomly based on the total number of inhabited structures. Subsequent households were selected after the appropriate skip pattern was applied. Before each interview was conducted respondents' prior consent was obtained. On the average, household interviews lasted one hour and 45 minutes. At the end of each interview the enumerator thanked the respondents for participating in the survey; before leaving the site the enumerator was required to review the completed survey for completeness and accuracy. As much as was feasible, a supervisor supervised each household survey.

At the end of the data collection 48 communities had been covered in the 2 regions.

**Table 2:** Actual Data Collection Coverage by Concession and Units

Type of Units	Number of Units by County		Total
	Golden Veroleum	Sime Darby	
No of Communities	27	21	48
Household	302	336	638
Focus Group Discussions	28	16	44
Key Informant Interviews	38	11	49

#### Conducting the Focus Group Discussions

FGDs were conducted at suitable<sup>15</sup> locations or venues in each town. Participants were seated in a semi-circle facing the research team. Following the seating of participants, the moderator thanked them for agreeing to participate in the FGD and introduced members of the research team. After the introduction, the moderator explained the objective of the FGD. Participants were then allowed to ask questions or seek clarity on issues related to the FGD. This was important to ensure that participants gave their informed consent to take part in the FGD. The moderator further informed participants that their participation in the FGD was entirely voluntary and that they could leave at any time or could choose not to answer any question. The moderator assured participants that their confidentiality would be protected, as the data collected would be analyzed on an aggregate basis, with no reference to any particular individual participant. Accordingly, participants were assigned unique reference numbers for anonymous identification. No participant was referred to or acknowledged by his/her name during the Focus Group Discussions.

Following the preliminary proceedings, the Focus Group Discussions started, triggered by the moderator asking the first question. Each focus group session lasted approximately one hour and thirty minutes. This was an adequate amount of time to allow productive discussions of the FGD questions and topics without imposing on the participants' time. Twenty minutes' allowance was made between sessions to allow the team to review notes from the previous session and to prepare for the next one.

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<sup>15</sup> By suitable we mean the FGD venue was spacious enough to accommodate at least 20 people and various seating arrangements, was well ventilated, and secluded from nearby noise and distractions as much as possible.

A trained moderator facilitated each FGD session and was assisted by 2 note-takers. Cognizant that a high quality FGD depends on the skills of the moderator, each moderator was trained to effectively deal with various dynamics of conducting a FGD, including: a) asking questions in a manner that allowed participants to clearly understand and fully respond. In situations where a participant could not understand or speak the language (English), verbal translation into the local vernacular was provided by an interpreter from the local community. Responses provided by participants in their local vernacular were also translated into English to enable the research team to capture all participants' points of view on each topic. During the deliberations, the moderators listened attentively with sensitivity, keeping their personal views and egos out of the moderation. b) Moderators were also trained to tactfully deal with challenging participants, such as self-appointed experts, dominators, shy participants and quiet talking participants. Most the FGDs were conducted in the afternoon hours to limit the meeting impact on daily activities, to accommodate community members who were working, and to assure maximum participation.

The 2 note-takers helped with the organization and preparation of each FGD. During the FGDs they were responsible for taking notes of the deliberations, as well as noting the physical mood or facial reactions of participants. With prior participant consent, they audio-recorded all conversations during each FGD session. At the end of each FGD, the moderator thanked the participants for their time and dismissed the group. Immediately after the group was dismissed, the research team reviewed the notes and the audio recordings for accuracy and ensured proper filing for further processing.

### **Conducting the KIIs**

A total of 49 Key Informant Interviews were conducted in the 3 counties: 11 in Grand Cape Mount, 15 in Grand Kru and 13 in Sinoe. Five (5) KIIs were conducted in Monrovia, mainly with relevant government ministries and agencies, CSOs and with one concession. Key informants at the community level were selected based on their leadership role in their communities.

Another category of KIIs dealt with the CSOs. The CSOs interviewed were selected on the basis that they already work in the counties where concessions are located or in communities hosting concessions, and that they are knowledgeable about the Concession Agreement or the oil palm sector.

KIIs were also conducted with representatives from GVL and Sime Darby. The KIIs with these concessions were held with senior staff members highly knowledgeable of their concession operations, including engagement with communities, contribution to communities, key challenges faced in their engagements with communities, etc. These 2 concessions were selected because they are likely to pilot oil palm out-grower schemes in parts of their concession areas in the near future.

Finally, KIIs were conducted in Monrovia with the Ministry of Agriculture, the Land Commission, and the National Investment Commission.

### **Literature Reviews**

A number of secondary documentary sources were studied. These documents included books, newspaper articles, and various publications and reports on Liberia's oil palm industry. These documents were useful in providing the research team insight into the context, nature and objectives of the project interventions, and generally, providing an understanding of the context to the CNA. A full listing of documents reviewed is listed in the Bibliography.

## 3.2 Data Processing and Analysis

### Quantitative Data

Data processing began as the data was collected in the field. The questionnaire was programmed in CSPro and loaded on tablets. As household interviews were conducted, responses were recorded on the tablets. At the end of each day, the field supervisors reviewed each tablet to verify that entries were correctly made. In the case of error in the entries, corrections were made by consulting with enumerators for them to record the correct answer or for them to return to talk with interviewees to confirm their correct answer.

As and when internet signals were available, data files were transferred to the processing unit at the office in Monrovia. These files were downloaded from tablets, merged and consolidated, and further cleaned and analyzed. The cleaned data set was then exported to Statistical Package for Social Scientist (SPSS), where data tables were organized and produced. Tables were produced according to the tabulation plan formulated from the questionnaires. The tabulation plan ensured that the tables presented CNA findings by concession areas.

### Qualitative Data

The processing of data collected from FGDs and KIIs began with the compilation and review of each interview result to ensure that the parameters of interest were captured. This review was done in the field by the supervisors and then by the field coordinators. Review was done on a case-by-case basis and, where necessary, consultations were held amongst the field research team to ensure that the required data had been collected. At the end of the fieldwork, the field coordinators led their respective teams in summarizing information and articulating the information on a matrix that informed the drafting the CNA report.

## 3.3 Constraints

The CNA's timing fell within the peak of the rainy season when many roads were difficult to use. As such, traveling by roads was a challenge. However, this situation was not the same for both regions. Access to Grand Cape Mount was much easier by road than in Sinoe and Grand Kru Counties. Notwithstanding, internal access to communities in Grand Cape Mount was difficult. In fact, the survey team could not access one of the communities due to floods.

The most difficult roads were those in Sinoe and Grand Kru Counties, and it took 2 days from Buchanan to reach these counties. Beside the main access roads to the counties, internal travel was also constrained by similar bad road conditions and long distances between communities. In one particular area, the 4WD that was being used got stuck in the mud and valuable time was spent digging it out. These conditions contributed to the prolonged stay of the Data Collection Team in the Southeastern Region.

## 4.1 Socio-Demographic Characteristics of Respondents

### 4.1.1 Demographic

**Golden Veroleum:** In the Golden Veroleum concession areas in Sinoe and Grand Kru Counties, 302 households were covered by the survey. In these households, 1,102 persons were interviewed by enumerators, of whom 59.9 percent were female and 40.1 percent were male. The average household size was estimated to be 3.6. Female-headed households totaled 7.6 percent, while males headed the overwhelming majority of households 92.4 percent.

**Sime Darby:** The survey team interviewed three hundred thirty-six (336) households in Sime Darby CACs in Grand Cape Mount County. In these households, the total number of persons reached by enumerators was 1,171, of whom 61.1 percent were females and 38.9 percent males. The average household size in the Sime Darby concession area is estimated to be 3.5. There was slightly more than three times the number of male household heads (76.2 percent) than female household heads (23.8 percent).

### 4.1.2 Economic Activities

**Golden Veroleum:** The most common form of economic activity of household heads in the GVL concession area was farming (39.4 percent), followed by working with the concession (26.2 percent) and professional services (10.6 percent). Professional services include teaching, office work and working at a health facility.

**Sime Darby:** In the Sime Darby's CACs, farming (23.2 percent), followed by wholesale/retail sales (17.3 percent) and concession worker (11 percent), were identified as the most common economic activities of household heads. Small numbers of household heads were engaged in coal burning and social work. However, a substantial proportion of household heads (11 percent) were engaged in "other" unspecified economic activities. Unemployment was found to be high, with 12.8 percent of household heads not engaged in any economic activity.

As depicted above, the main economic activities of household heads in the combined GVL and Sime Darby concession areas are farming, working for the concession, wholesale/retail sales and professional services.

**Table 3: Percent Distribution by Socio-Demographic Characteristics of Household Heads**

Items	Golden Veroleum	Sime Darby
<b>Household Head</b>	(N=302)	(N=336)
Male Household Head	92.4	76.2
Female Household Head	7.6	23.8
<b>Household Members</b>	(N=1,102)	(N=1,171)
Male Member	40.1	38.9
Female Member	59.9	61.1
<b>Primary Economic Activities (Household Heads)</b>	(N=302)	(N=336)
Farming	39.4	23.2
Wholesale/retail sale	3.0	17.3
Professional Services	10.6	7.1
Fishing/hunting	4.3	2.4
Construction	0.3	2.4
Agricultural food processing	0.3	2.1
Livestock/poultry	0.0	0.3
Transport/storage	0.0	0.3
Community services	1.6	0.3
Administrative and managerial	1.2	0.3
Mining	2.0	0.0
<b>Concession Worker</b>	26.2	11.0
<b>Charcoal burning</b>	0.0	5.9
<b>No Economic Activity</b>	4.1	12.8
Social worker	0.0	3.6
Other <sup>16</sup>	7.0	11.0

#### 4.1.3 Health Situation

##### Household Experience of Illness

**Golden Veroleum:** The proportion of household members who were reported ill in the last one-month prior to the survey was 16.9 percent. The most common illness reported was malaria (70.4 percent), followed by diarrhea (7 percent), typhoid fever (3.8 percent), general body aches (3.8 percent), respiratory infections (3.2 percent), colds (2.7 percent) and leg problems (2.6 percent).

**Sime Darby:** Thirty-nine percent of all household members of those enumerated were reported ill in the last month prior to the survey. Of those experiencing illness, the most common condition reported was malaria (69.9 percent), followed by typhoid fever (7.9 percent), abdominal pain (4.8 percent), diarrhea (4 percent), skin diseases (2.4 percent) and leg problems (2.4 percent).

As shown in the statistics, the most common sicknesses in the combined concession areas in order of magnitude are malaria, typhoid fever and diarrhea.

<sup>16</sup> Other primary sources of household income include tailoring, cooking, power saw operator, etc.

**Table 4: Percent Distribution of Respondents by Type of Illness Experienced by Household Members in the Last Month Prior to the Survey and Access to Care amongst Household Members**

Household Sources of Water and Sanitation	Respondents by Concession	
	Golden Veroleum	Sime Darby
	%	%
<b>Incidence of Illness in Household</b>	<i>(n=1,102)</i>	<i>(n=1,171)</i>
Household members sick in the last 1 month	16.9	39.0
<b>Type of Illness</b>	<i>(n=186)</i>	<i>(n=458)</i>
Malaria	70.4	69.9
Typhoid Fever	3.8	7.9
Diarrhea	7.0	3.7
Respiratory infections	3.2	0.9
Skin diseases	2.2	2.4
Abdominal pain	0.0	4.8
Tooth ache	0.5	1.1
Leg pain/problems	1.6	2.4
Hypertension	0.0	1.5
Colds	2.7	0.7
General body ache	3.8	0.7
Other	0.3	4.1
<b>Access to Health Services</b>		
<b>Households with Health Facility in Community</b>	<i>(n=302)</i>	<i>(n=336)</i>
- Yes	31.8	4.8
- No	68.2	95.2
<b>Distance Away from Nearest Health Facility for HHs without Health Facility</b>	<i>(n=206)</i>	<i>(n=320)</i>
- Less than 1 hour	33.0	14.1
- 1 - 2 hour	55.8	59.1
- 3 hours or more	11.2	26.2

### Access to Health Services

**Golden Veroleum:** Nearly one third (31.8 percent) of households surveyed said they had health facilities within their communities. Of the remaining 68.2 percent of households interviewed that said they did not have a health facility located within their community, the majority (55.8 percent) said they had to travel between 1 and 2 hours to reach the nearest facility, while 11.2 percent had to travel 3 or more hours. Thirty-three said the nearest health facility was located within less than an hour of where they live.

**Sime Darby:** Only 4.8 percent of households in both PAC and Zodua Clan communities stated that they had health facilities located within their communities. The remaining 95.2 percent of households that were interviewed said they did not have a health facility located within their community. Of these, 59.1 percent said the nearest health facility was 1 to 2 hours away, while 26.2 percent said the facility was located 3 hours or more from where they live. It was noted that SDPL and Zodua Clan have not yet finalized the signing of the memorandum of understanding governing oil palm land development in that community, and, as such, no health facility yet been constructed. In the PAC, SDPL reported having one clinic that is available to all community members.

GVL communities have more access to health facilities than Sime Darby communities, both in terms of the presence of facilities, as well as their proximity to them.

### Water and Sanitation

**Golden Veroleum:** The main source of drinking water for communities located around the GVL concession area was reported to be the hand/foot pump, which, according to 7 out of every 10 respondents, was the source of drinking water for their household. Nearly all of the remaining households (30.1 percent) said they source their drinking water from streams. A little less than 1 percent relies on open/unprotected wells. Respondents stated that GVL provides an extensive maintenance program for all pumps in the area.

With respect to toilet facilities, the most common means of excrement waste disposal was identified as bushes/streams (56% percent), followed by ventilated improved pit (VIP) latrines (8.6 percent). The rest 35.4 percent use un-improved pit latrines.

**Sime Darby:** Eighty-four percent of households said hand/foot pumps are the most common source of drinking water in communities located around the Sime Darby concession area. The remaining households use running water/streams (8.3 percent), pipe-borne water (4.2 percent), protected wells (1.5 percent), open/un-protected wells (0.9 percent) and “other” means as their source of drinking water.

As regards sanitation, the most common means of excrement waste disposal was identified as bushes/streams (83.3 percent), followed by VIP latrines (7.1 percent). Flush toilets in the house (4.2 percent), un-improved pit latrines (3.3 percent) and flush toilets outside the house (1.8 percent) were the other sources identified by households.

Most households in the communities located around both GVL and Sime Darby concession areas have access to safe drinking water. The major source in both communities is hand/foot pump. NGOs and community members constructed many of these pumps. Additionally, the concessions have also constructed new pumps, rehabilitated damaged pumps, and continue to assist communities in the maintenance of pumps.

Unlike the situation with safe drinking water, sanitation appears to be a common problem as over 50 percent of households in communities located around both concession areas do not have access to safe excrement waste disposal, and most households use bushes and streams, contaminating the environment. This area provides an opportunity for concessions and the government of Liberia to collaborate with communities to install modern VIP latrines.

**Table 5: Percent Distribution of Household by Source of Drinking Water and Type of Toilet Facility**

Type	Respondents by Concession	
	Golden Veroleum (n=302)	Sime Darby (n=336)
	%	%
<b>Source of Drinking Water</b>		
Pipe borne water	0.0	4.2
Hand/foot pump	69.2	83.9
Protected well	0.0	1.5
Open/un-protected well	0.7	0.9
Running water	30.1	8.3
Other	0.0	1.2
<b>Toilet Facilities</b>		
Flush toilet in house	0.0	4.2
Flush toilet outside house	0.0	1.8
VIP pit latrine	8.6	7.1
Un-improved pit latrine	35.4	3.3
Bushes/stream	56.0	83.3

#### 4.1.4 Wealth Status in the Community



## Ownership of Housing & Housing Quality

**Golden Veroleum:** In GVL CACs, 82.5 percent of households own the house in which they reside. In terms of the quality of their housing units, the vast majority (96 percent) have walls made of mud and sticks, with only 2 percent using concrete/stones. The type of roofing materials used was split between zinc sheets (45.7 percent) and grass/thatch (54.3 percent). Floors, on the other hand, are mostly made of earth/dirt (77.2 percent) and followed by cement (22.8 percent).

**Sime Darby:** Nearly three quarters of Sime Darby CAC households (73.2 percent) own the house in which they reside. Most structures (62.2 percent) have walls made of mud and sticks, followed by 21.4 percent with concrete/stone walls and the remainder (16.4 percent) have earthen walls. The vast majority of house roofs (99.1 percent) are made of zinc sheets. The composition of flooring materials is split between earth/dirt (55.7 percent) and cement (44.3 percent).

Households in communities located around both Sime Darby and GVL concession areas have access to semi-permanent housing, most of which they own themselves. In both concession areas, the concessions have constructed housing estates for their staff and families. These housing units are of better quality and contain inside toilets, kitchens, and living rooms, unlike most of the other housing units in the communities located within the concession areas.

**Table 6: Percent Distribution of Households by Ownership and Housing Quality**

Housing Quality by Respondents		
Ownership & Type of Materials Used on House	Concession	
	Golden Veroleum (n=302)	Sime Darby (n=336)
<b>Ownership of household</b>	82.5	73.2
<b>Wall Composition</b>	(n=302)	(n=336)
Concrete/stone	2.0	21.4
Mud and sticks	96.0	62.2
Mud to mud <sup>17</sup>	0.7	16.4
Mat	0.3	0.0
Other	1.0	0.0
<i>Total</i>	<i>100.0</i>	<i>100.0</i>
<b>Roofing Composition</b>		
Zinc sheets	45.7	99.1
Grass/thatch	54.3	0.9
<i>Total</i>	<i>100.0</i>	<i>100.0</i>
<b>Floor Composition</b>		
Cement	22.0	44.3
Earth	77.2	55.7
Wood	0.3	0.0
Other	1.0	0.0
<i>Total</i>	<i>100.0</i>	<i>100.0</i>

## Ownership of Other Assets

**Golden Veroleum:** Most households own some of the basic household assets needed for daily life, though the adequacy of the various assets was not investigated. Basic assets owned by households in the concession area include a house (82.5 percent), bed (68.9% percent), mattress (96.7 percent), table (88.4

<sup>17</sup> Mud bricks laid with mud mortar.

percent) and chair (78.1 percent). Additionally, approximately 90 percent own a piece of land in town<sup>18</sup>, and 44.7 percent own radios/tape recorders while 44 percent own a mobile phone.

**Sime Darby:** The majority of households in the Sime Darby concession area own some of the basic assets needed for daily life, including a house (73 percent), a mattress (80 percent), a chair (64.3 percent), and a table (55.7 percent). Only 25.5 percent own beds.

Basic household items such as beds, mattresses, tables and chairs are available in most households in communities around concessions. Almost half of households in GVL’s CACs and close to one third in Sime Darby’s CACs own radios and tape recorders, which are useful in the receipt of public information, education and communication. Additionally, between one third and a half of all households in these communities own cell phones that are now a basic means of daily communication.

**Table 7: Percent Distribution of Households by Concession Area According to Assets Owned**

Type of Household Asset	Respondents by Concession/County	
	Golden Veroleum (n=302)	Sime Darby (n=336)
	%	%
Bed	68.9	26.5
Radio/Tape recorder	44.7	28.0
Mobile phone	44.0	51.2
Motor bike	6.0	4.8
Car	0.3	0.3
Ice box	0.3	0.3
House	82.5	73.2
Table	88.4	55.7
Generator	2.3	4.8
TV	1.3	3.9
Wheel barrow	3.6	6.0
Chair	78.1	64.3
Bicycle	1.3	0.3
Mattress	96.7	79.5
DSTV	0.3	0.3
DVD player	3.6	1.2
Sugar Cane mill	1.0	0.0
Cassava grinder	0.3	0.0
Rice mill	0.3	0.0
Power saw	1.3	0.9
Town land	88.7	62.8

## 4.2 Community Challenges

### 4.2.1 Land Access/Ownership:

**Golden Veroleum:** The Golden Veroleum concession area cuts across Sinoe and Grand Kru Counties. Access to land for farming and other productive work in this concession area does not seem to be a problem for most households where 82.1 percent said they have access to farmland. Land ownership is generally linked to either family inheritance (79.2 percent) or communal rights (15.8 percent), with the rest

<sup>18</sup> A plot of land made available for construction of a dwelling unit.

only having “squatter’s rights” (3.3 percent). None of the households interviewed have a title deed for the land they claim as their own.

**Sime Darby:** When considering all respondents, the majority of households (76.2 percent) claim to have no access to farmland. However, when disambiguated, most PAC respondents indicated a lack of access to farmland, while respondents in Zodua Clan indicated that they have sufficient farmland access. Those with access to or who own farmland share their claims with others. Thus, 72.5 percent of households and individuals with access to land obtained it by inheritance and share their ownership with other family members. In addition to inheritance, various types of land ownership exist in the Sime Darby concession area, including “squatter’s rights” (11.3 percent), title deed (8.7 percent) and communal rights (5 percent).

GVL communities have better access (79.5 percent) to farmland compared to Sime Darby communities (23.8 percent). However, in the communities located in Zodua Clan in Sime Darby’s concession area, the concession is expanding its operations and has provided local communities a 2-kilometer buffer around its core estate to use for farming. In both GVL’s and Sime Darby’s concession areas the ownership of farmland is predominantly through family inheritance, with, in some cases, households sharing title with other family members.

**Table 8: Percent Distribution of Households by Access to Farmland and Type of Ownership**

Access to Farmland	Respondents by Concession	
	Golden Veroleum Sinoe & Grand Kru (N=302)	Sime Darby Cape Mount (N=336)
	%	%
Ownership of the land	82.1	23.8
	(n=248)	(n=80)
• Youth	27.4	20.0
• Adult	72.6	80.0
Type of ownership		
- Deed	0.0	8.7
- Tribal certificate	0.8	2.5
- Communal land	15.8	5.0
- Inheritance	79.2	72.5
- Squatters	3.3	11.3
- Others	0.8	0.0

#### 4.2.2 Extension Services:

**Golden Veroleum:** In this study, extension service is limited to technical advice on farming practices. Currently, communities located around the GVL concession area do not have access to technical advisory service.

**Sime Darby:** In the communities around the Sime Darby concession area, only 3.3 percent of households have access to technical advice, which is provided by the Ministry of Agriculture and other farmers.

**Table 9: Percent Distribution of Households According to Type of Extension Services**

Type and Frequency of Services Provided	Respondents by Concession Area	
	Golden Veroleum (n=302)	Sime Darby (N=336)
	%	%
Technical Advisory	0.0	3.3

<b>Training</b>	0.0	9.5
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#### 4.2.3 Access to Farming inputs

**Golden Veroleum:** In communities located around the GVL concession areas, access to agricultural inputs is limited to planting materials, farming tools and equipment. Planting materials (51.1 percent) and tools (46 percent) are the most common agricultural inputs acquired by households in these communities.

**Sime Darby:** As shown in Table 10, the most common form of agricultural inputs in the communities located around Sime Darby’s concession area was identified as planting materials (59.4 percent), followed by tools (45.5 percent). Only 3.3 percent of households possess any sort of equipment, while 4.5 percent use insecticides and 3.9 percent have access to fertilizers. Less than 1 percent have access to spraying herbicides.

**Table 10: Percent Distribution of Households Based on Access to Agricultural Inputs**

Inputs	Respondents by Concession	
	Golden Veroleum (N=302)	Sime Darby (n=336)
	%	%
Tools	46.0	45.5
Equipment	0.8	3.8
Planting material	51.1	59.4
Insecticide	0.3	4.5
Herbicide	0.3	0.6
Fertilizer	0.0	3.9

#### 4.2.4 Source of Inputs

**Golden Veroleum:** The main source of agricultural inputs in the GVL’s concession area is self-purchase by farmers/households. Table 11 shows that all respondents identify “self-purchased” as the source of their supply of inputs, including tools (100 percent), planting materials (99.4 percent), and equipment (96.1 percent). Apart from self-purchased, other farmers serve as minor input suppliers to their colleagues.

**Sime Darby** Self-purchase is the most common source of agricultural inputs for farmers located in communities around the Sime Darby concession area. As shown in Table 11, over 90 percent of all respondents say they purchase the tools they use. Nearly three-quarters also purchase their own planting materials (74.5 percent) and equipment (72.7 percent). In addition, 80 percent purchase their own insecticides, and all farmers that use herbicides and fertilizers purchase their own supplies. Farmers help each other out by supplying inputs, including planting materials (24.1 percent) and equipment (9.1 percent). In both concession areas, household members themselves buy most inputs.

**Table 11: Percent Distribution of Households by Type of Inputs and Source**

Concession	Type of Inputs	Source of Inputs					
		The Concession	NGOs/CBOs	Self-Purchased Services	Seed Banks	MoA	Other Farmers
		%	%	%	%	%	%
GVL	<b>Tools</b>	0.0	0.0	100	0.0	0.0	0.0
	<b>Equipment</b>	0.0	0.0	96.1	0.0	0.0	3.8
	<b>Planting materials</b>	0.0	0.0	99.4	0.0	0.0	0.6
SDL	<b>Tools</b>	5.2	0.7	92.2	0.0	0.0	2.0

<b>Equipment<sup>19</sup></b>	18.2	0.0	72.7	0.0	0.0	9.1
<b>Planting materials</b>	0.0	0.0	74.7	1.3	0.0	24.1
<b>Insecticide</b>	0.0	20.0	80.0	0.0	0.0	0.0
<b>Herbicide</b>	0.0	0.0	100.0	0.0	0.0	0.0
<b>Fertilizer</b>	0.0	0.0	100.0	0.0	0.0	0.0

#### 4.2.5 Road Networks

**Golden Veroleum:** In general, households within the communities located around GVL’s concession area regard the road network as a major challenge. Community members are generally dissatisfied at the limited network of roads and their poor condition. However, as regards the roads provided by the concession, the communities view them positively. Nearly three-quarters of households (71 percent) are of the view that the roads constructed by GVL make positive contributions to their communities.

**Sime Darby:** Communities located around the Sime Darby concession area have experiences with two sets of road networks. They have access to plantation roads that are built on the concession by Sime Darby. This network is maintained by Sime Darby and facilitates access to the entire plantation. Most community members (78 percent) are satisfied with the availability and conditions of roads in the core plantation. Additionally, communities have access to a network of public roads, which links them to markets and communities outside the concession area. However, this road network is limited and often in very bad condition.

As stated above, public roads are challenging, especially during the rainy season as they are often inadequately maintained. There is general community dissatisfaction with these roads. On the other hand, roads constructed by the concessions within their area of operations are properly maintained, and there is general community satisfaction with these roads.

Table 12: Percent Distribution of Households by Level of Satisfaction with Road Conditions in their Communities

Concession	Level of Satisfaction	Total
		%
<b>Golden Veroleum</b> (n=302)	Very satisfied	0.0
	Satisfied	22.4
	Somewhat satisfied	48.7
	Dissatisfied	3.9
	Very dissatisfied	1.6
<b>Sime Darby</b> (n=336)	Very satisfied	12.2
	Satisfied	37.4
	Somewhat satisfied	22.8
	Dissatisfied	26.0
	Very dissatisfied	1.6

#### 4.2.6 Human Capacity Development:

<sup>19</sup> Tractors for road reconstruction

**Golden Veroleum:** Training, technically a form of extension service, is more frequently provided than technical advice. No household reported having access to training in improved farming practices or training in improved planting methods.

**Sime Darby:** Training is delivered to communities around the Sime Darby concession area as part of extension services. According to respondents, 9.5 percent of households have received agricultural training in such areas as marketing, planting methods, and land clearing and preparation. Training in marketing was the type most frequently mentioned by respondents (48.3 percent), followed by planting methods (20.1 percent) and land clearance (6.9 percent). Close to a quarter (24.1 percent) said they received “other” forms of training. The main providers of training are NGOs, including Action Aid, and the Ministry of Agriculture.

**Table 13: Percent Distribution of Respondents by Type of Training**

Inputs	Respondents by Concession	
	Golden Veroleum (N=302)	Sime Darby (n=336)
	%	%
Land clearance	0.0	6.9
Planting methods	0.0	20.1
Marketing	0.0	48.3
Crop management	0.0	0.0
Others <sup>20</sup>	0.0	24.1
	(n=44)	(n=32)
<b>MoA</b>	0.0	11.4
<b>Concession</b>	0.0	36.4
<b>NGOs/CBOs</b>	0.0	36.4
<b>Other farmers</b>	0.0	13.6

#### 4.2.7 Access to Credits:

**Golden Veroleum:** Most households do not access credit from formal lending institutions like banks for consumer loans. Ninety-two percent of households do not seek financing for their economic activities, including farming. The few households that do seek finance rely on informal sources, such as credit clubs and savings associations. The most important source of credit is the credit club, and 80 percent of households that apply for loans go to village savings associations. However, the total number of households that apply for loans is very low.

In both qualitative interviews and discussion groups, communities agreed that there was generally very limited access to credit and that only a few community members were able to raise loans through their *Susu*/savings clubs.

“There is no credit available in this community, except that some members are part of *Susu* clubs and can credit small money.” – FGD, Female Adult (Kilo Town, Sinoe County)

**Sime Darby:** Most households in communities around the Sime Darby concession area do not seek credit or loans from a bank to undertake activities to improve their livelihoods. Their main sources of credit are either a credit union or a community credit club.

<sup>20</sup> Other types of training received in communities were not related to agriculture, but rather focused on skills building, such as soap making, tie dyeing fabric, tailoring, sewing, masonry and other technical skills.

Focus group participants confirmed the very limited access to credit (especially from a formal lending institution) in their communities, with some indicating that there was nowhere at all in their community to access credit. On the other hand, others indicated that the limited credit available came from their “small-small” businesses, their Susu clubs, or some NGO or women’s group, depending on where they lived. However, they expressed concern that the interest rate charged by these clubs was too high.

“There is nowhere to credit in this community. Because we are strong enough to live in poverty, this is why we are surviving.” - FGD, Adult Male (Kanga Town, Zodua, Grand Cape Mount County)

“There is nowhere to credit money. We only get money from our small-small businesses.” - FGD, Adult Female (Kanga Town, Zodua, Grand Cape Mount County)

“We get credit from a group here called Falie United Women Group.” - FGD, Youth Male (Falie Town, Grand Cape Mount County)

In GVL communities, there is no access to consumer credit from formal institutions to improve household livelihoods. However, households do have access to consumer credit from informal financial institutions such as private individuals and village savings clubs where applicable. In Sime Darby communities, most households access consumer credit from village savings clubs, although they also have access to bank facilities.

Table 14: Percent Distribution of Households by Source of Credit

Type of Credit	Respondents' Source of Credit	
	Golden Veroleum (n=302)	Sime Darby (n=336)
	%	%
Bank loan	0.0	1.2
Credit union	0.3	0.3
Village savings club	6.6	3.9
Private individual	1.3	0.6
Total access to credit of all Households	8.2	6.0

## 4.3 Community Risk Factors

### 4.3.1 Sources of Livelihood and Level of Income

#### Sources of Household Livelihood

**Golden Veroleum:** Respondents around the Golden Veroleum (GVL) concession area identified a variety of livelihood sources. The most commonly mentioned was farming (59.3 percent), followed by employment by the concession (47.4 percent) and agro-processing (47 percent). Other less common sources of income included petty trading (15.6 percent), hunting/fishing (13.6 percent), “other” employment (11.9 percent), mining (4 percent), remittances (3 percent), transportation (2 percent) and pit sawing (1 percent). A little over 14 percent of respondents said “other” activities provided income for community residents.

Like household respondents, key informants at the community level and focus group participants also identified numerous sources of livelihood for community members. They said that farming and petty trade were the most important occupations, but did not agree with household respondents that employment is a major contributor to household income, stating that employment in many communities is quite low and that only those who are working actually have income.

“Employment is very low in many communities. For every six hectares of land given to the concession one employment is ensure by the policy.” – FGD, Adult Female (Newaken, Grand Kru)

**Sime Darby:** Households in communities around the Sime Darby concession area also rely on multiple sources for their livelihood. The most common source of income is employment with Sime Darby (44 percent), followed by petty trading (41.1 percent) and farming (24.4 percent). At the lower end of the scale 7 percent of households earn income from agro- processing and hunting/fishing.

Qualitative data differed on the main sources of livelihood, with respondents insisting that only a very few persons were working for Sime Darby. The dominant view among group participants was that within the PACs, residents were not engaged in farming due to a lack of farmland.

“Some residents are involved in coal burning, and engaging in petty business. Few community members are working for the company”. - FGD, Adult Male (Grand Cape Mount County)

“Only few people were working with Sime Darby. Doing back yard garden and burning coal”. - FGD, Adult Female (Senii, Grand Cape Mount County)

In GVL communities, the main sources of livelihood in order of magnitude are farming, employment by the concession, and agro-processing. In Sime Darby concessions, the main source of livelihood, in order of magnitude, are employment by the concession, petty trading and farming.

**Table 15: Percent Distribution of Households by Source of Income and Gender**

Source of Income	Respondents by Sex					
	Golden Veroleum			Sime Darby		
	Male (N=279)	Female (N=23)	Total (N=302)	Male (N=255)	Female (N=81)	Total (N=336)
	%	%	%	%	%	%
Employment (Concession)	47.7	43.5	47.4	50.4	23.8	44.0
Other Employment (Government, NGOs and other Institutions)	11.5	17.4	11.9	0.8	2.5	1.2
Farming	59.9	52.2	59.3	24.6	23.8	24.4
Agro processing	48.7	26.1	47.0	7.8	3.8	6.8
Mining	3.9	4.3	4.0	0.4	0.0	0.3
Pit sawing	1.1	0.0	1.0	0.4	0.0	0.3
Remittance	2.9	4.3	3.0	1.6	2.5	1.8
Petty trading	14.7	26.1	15.6	40.2	43.8	41.1
Hunting/Fishing	14.0	8.7	13.6	6.6	7.5	6.8
Transportation	2.2	0.0	2.0	3.5	1.3	3.0
Other activities	15.4	0.0	14.2	3.9	5.0	4.2

#### 4.3.2 Social Contributions by Concessions to the Communities

**Golden Veroleum:** The concession was said by respondents to be contributing in various ways to the community, as shown in Table 16. The most common contributions were identified as road construction and maintenance (24.8 percent), education (20.5 percent), and water and sanitation (18.9 percent). Less mentioned contributions to the community included health (3 percent), recreation (0.7 percent), market access (0.3 percent), and agriculture (0.3 percent). Close to 3 percent referred to “other” contributions.



Key Informant Interviews and Focus Group Discussion results confirmed GVL’s contributions to the communities in such areas as: jobs, renovation of schools, hand pumps, and roads, all of which contribute to improved living conditions for community members.

“The living conditions of those working for the company and government have improved.” – *KII, Youth Female Leader (Kilo Town, Sinoe County)*

**Sime Darby:** According to households, Sime Darby is contributing to their communities in a number of ways. The most popular contribution area was identified as water and sanitation (56.3 percent), followed by road construction and maintenance (36.6 percent) and education (24.7 percent). Close to 11 percent identified health as another area in which Sime Darby has had a positive impact, while 5.4 percent said they were contributing to market access. Less than 1 percent identified local housing and agriculture as high-impact areas.

The concessions are making contributions to social services in the communities. In GVL communities the concession has contributed by order of magnitude to: road construction and maintenance, education and water. Sime Darby has also made contributions to communities in the same areas, but ranked differently, with safe drinking water having the highest impact, followed by improved roads and education.

**Table 16: Percent Distribution of Households by Areas of Contribution by Concessions in their Community**

Areas to which Concessions Contribute to Communities	Respondents by Sex					
	Golden Veroleum			Sime Darby		
	Male (N=279)	Female (N=23)	Total (N=302)	Male (N=255)	Female (N=81)	Total (N=336)
	%	%	%	%	%	%
Education	21.1	13.0	20.5	24.2	26.3	24.7
Health	3.2	0.0	3.2	10.9	10.0	10.7
Road construction & maintenance	25.8	13.0	24.8	37.1	35.0	36.6
Markets access	0.4	0.0	0.3	4.3	8.8	5.4
Local housing	0.0	0.0	0.0	1.2	0.0	0.9
Safe drinking water	19.7	8.7	18.9	58.6	48.8	56.3
Agriculture	0.0	0.0	0.0	1.2	0.0	0.9
Recreation	0.7	0.0	0.7	0.4	1.3	0.6
<b>Others</b>	2.9	13.0	2.6	0.0	0.0	0.0

#### 4.3.3 Perceived Impact of the Concession on the Environment and Community

##### Perception of Positive Impacts

**Golden Veroleum.** The concession was said to be positively contributing to the environment and community as well. The most common areas cited were increased access to school (72.8 percent), health care (71.5 percent), and increase in household income (51.7 percent). Other areas mentioned included increase in commercial activities (31.8 percent), access to funding (12.6 percent), household agricultural production (7.6 percent), and increased access to markets (4 percent).

**Sime Darby.** The concession has also had positive impacts on the environment and the communities. The most commonly-mentioned impacts included increased access to health care (72.3 percent) and education for children (62.5 percent). In addition, close to a quarter (23.5 percent) referred to an increase in employment, while slightly more than a fourth observed that the concession had contributed to an increase in business activity. Other areas of positive impact identified included increased access to funding (17

percent), increase in household income (15.8 percent) and increased household agricultural production (11.6 percent).

There are perceived positive impacts of the concessions on communities. Prominent among the many positive impacts enumerated by households, key informants, and focus group discussants are the contributions made in the areas of: education, health, employment, household income and commerce. On account of the presence of the concessions, the business atmosphere in the towns is said to have improved and some towns appear more vibrant than in the past.

**Table 17:** Positive Impact of Concession on the environment and Community

Impacts	Respondents	
	Golden Veroleum	Sime Darby
	(N=302) (%)	(N=336) (%)
Increase in commercial activities	31.8	20.2
Increase in household agriculture production	7.6	11.6
Increase in employment	49.7	23.5
Increase in household income	48.3	15.8
increased access to school	72.9	62.5
Increased access to health	71.5	72.3
Increased access to market	4.0	14.0
Increased access to funding	12.6	17.0
Others	2.0	0.0

### Perception of Negative Impacts

**Golden Veroleum:** Table 18 (based on FGDs and KIIs) shows that the destruction of wildlife habitat (82.1 percent), and the loss of farm land (80.8 percent)<sup>21</sup> were the most commonly identified areas of GVL’s perceived negative impact on the environment and the community. Other areas of concern identified by respondents include the perceived decrease in household agricultural production (78.1 percent) and water pollution (71.9 percent).

The analysis of FGDs and KIIs showed that communities perceive some negative impacts that have accompanied the arrival of the concession to their areas. They particularly identified the loss of farmland as the most important perceived impact on their livelihood.

“The lack of farmland has caused us serious problem ooh.” - FGD, Adult Female (Garraway Beach, Grand Kru County)

**Sime Darby:** Most FGD and KII participants identified different perceived impacts of Sime Darby’s activities on their communities, including economic/livelihood and socio-cultural. These were the respondents’ perception of possible impacts by concession activities in general, whether or not they had yet occurred in

<sup>21</sup> Loss of farmland implies that farmers have lost farm land that was in close proximity to the community to the concession, but still have access to other farm land further away.

their specific communities. The most common impacts referred to by respondents was deforestation (88.7 percent), loss of farmland (87.2 percent), decrease in agricultural production (83 percent), and destruction of wildlife percent (86.3 percent) and wildlife habitat (86 percent). As shown in Table 18, some respondents also identified the production of hazardous waste (82.4 percent), water pollution (80.4 percent) and air pollution (68.2 percent). Additionally, respondents referred to damage to burial sites (67.9 percent) and traditional shrines (66.7 percent).

The CNA qualitative findings present communities' perception that the concessions have had some impact on CACs. The perception of communities located around Sime Darby's concession area is that forests, burial sites and sacred bushes have been negatively impacted in the PAC area, with disturbances caused by the use of heavy machinery. In Zodua Clan, no similar negative impact has been reported by communities.

These perceptions of undesirable impacts both within GVL and Sime Darby concession areas must be analyzed and understood within the context that these communities have traditionally been reliant to a large extent on subsistence agriculture and the use of forests for their livelihoods. To a great extent, they been socially and economically isolated for a long time before the arrival of the concessions. As the communities experience natural growth and evolve toward a new economic model based on increased collaboration with concessions and all the social and economic growth and change that that entails, their challenge is to ensure more economic security represented by the additional income and employment offered by the concessions and the related support services they will require, while not losing their traditional values and social cohesion.

Nevertheless, it is important to remember that most of the concerns mentioned above are perceptions, without empirical evidence to back them up. These perceptions do not take into account the influence of the actions of local communities themselves (defecating in the bush and dumping excrement into streams) that at the same time contribute to the communities' perception of some of the negative impacts on the environment that the concessions are being solely blamed for.

**Table 18: Percent Distribution of Households by Perception of Negative Impacts of Concessions on the Environment and Community**

Area of Impact of Concession	Respondents	
	Golden Veroleum (N=302)	Sime Darby (N=336)
	%	%
Deforestation	0.0 <sup>22</sup>	88.7
Production of hazardous waste	28.8	82.4 <sup>23</sup>
Water pollution	71.9	80.4
Air pollution	29.1	68.2
Loss of wildlife	82.1	86.3
Loss of wildlife habitat	82.1	86.0
Loss of farm land	80.8	87.2
Decrease in household agricultural production	78.1	83.0
Damage to burial sites	0.0	67.9
Damage to traditional shrines	0.0	66.7
Others	2.6	0.6

#### 4.3.4 Impact of Concessions on Community Social Life

<sup>22</sup> Participants explained during the validation process that only young bushes and grassland were given to GVL

<sup>23</sup> Refers to remnant of chemical used by company affecting the communities.

**Golden Veroleum:** Increase in population (55.3 percent) was identified as the most commonly perceived area of impact of the concession on community social life, followed by an increase in leisure activities (38.7 percent) and infringement of social norms (27.8 percent). Other less commonly perceived areas of impact include an increase in violence and instability (16.2 percent) and an increase in recreation (12.9 percent).

**Sime Darby:** The most commonly perceived impact was an increase in the breach of social norms (77.4 percent), followed by the increase in community population (73.5 percent). In addition, respondents felt other social impacts include an increase in leisure activities (47 percent) and an increase in violence and instability in the community (42.6 percent).

Concession operations impact community social life in both positive and negative ways. Positive effects include population growth, increases in leisure time and recreational activities, and the provision of quality housing to employees. The educational support provided by the concessions represents a quantitative improvement in quality over existing standards in school facilities, teacher training and skill levels, and instruction. Access to easily accessible and clean drinking water has expanded quickly, and sanitation, although still a widespread problem, is slowly improving.

As some community members acquire more secure employment and salaries as a result of their work with the concessions, they have more leisure time and disposable income. Also, disparities in income and standards of living become wider, and community cohesiveness based on shared poverty and lack of economic opportunities weakens. These economic changes produce social effects standard to all developing communities and economies, including the growth of leisure activities, such as nightclubs and video clubs and a decrease in reliance on each other. According to some FGD and KII respondents, this process has led to community instability, but it is not clear that this can be directly attributed to the concessions. More likely this is related to community households' unequal participation in the growth in economic opportunities stimulated by the employment and income generated by GVL and Sime Darby, as well as exposure to the wider societal and generational changes taking place in Liberia.

Another way of trying to understand the social changes that have begun to occur in communities located around the concession areas is to say that the potential for these social changes always existed within the communities but never had the opportunity to be expressed before the introduction of increased economic opportunities that have been unequally achieved by community members and households. Since the social changes mentioned above mirror changes that take place across all cultures and nationalities, the people are very likely part of the human condition once economic development begins and they are integrated into a market economy. In this case the social changes that community respondents have commented on in the CNA strongly reflect a movement away from community equality (in which everyone is equally poor and by necessity strongly inter-dependent) to the weakening of the dependency between community members and households and the rise of personal independence from the traditional social values that previously prevailed in these isolated communities before the arrival of the concessions.

**Table 19: Percent Distribution of Households by Perception of Concessions' Impact on Community Social Life**

Impacts	Respondents	
	Golden Veroleum (N=302)	Sime Darby (N=336)
	%	%
Increase in breach of social norms <sup>24</sup>	27.8	77.4
Increase in violence and instability	16.2	42.6
Increase in leisure activities	38.7	47.0
Increase in population	55.3	73.5
Increase in recreation	12.9	6.0
Others	3.3	1.8

#### 4.3.5 Risk of Conflict/Violence between Community and Concessions

**Golden Veroleum:** Respondents identified a number of areas of potential conflict between the community and the concession. A breakdown in social relationships due to the influx of migrants (74.8 percent) was mentioned as the most common area of potential conflict, followed by sexual exploitation and abuse (71.9 percent), lack of community awareness in terms of decision making (69.9 percent), land encroachment (69.5 percent), failure to provide employment for community members (68.9 percent), and failure of the concession to implement corporate social responsibility activities in the community as stipulated in agreements and MOUs (66.9 percent).

**Sime Darby:** Households in both PAC and Zodua Clan communities believe a number of factors could lead to conflict, including violence amongst community members, and between the communities and the concession. They identified possible threats of conflict whether or not they had already occurred in their communities. The most common threats identified by respondents were sexual exploitation and abuse (88.4 percent), breakdown in social relationships due to the influx of migrants (87.8 percent), low wages (84.2 percent), unfavorable working conditions (82.7 percent), land encroachment (81.8 percent), failure/delay to implement corporate social responsibility activities (80.7 percent) and failure/delay to provide employment for community members (80.4 percent). Other concerns include lack of community participation in negotiations between the government and concessions (76.5 percent) and lack of community awareness in terms of the concession agreement (74.1 percent).

“There are more problems, and we are getting tired. The company took our land by force. We don’t have any bush to get wood”. - FGD, Male Adult (Senii, PAC, Grand Cape Mount)

“The company took our land by force and promised to build clinic and school for our children to attend and provide jobs for our husbands which they have not done”. - FGD, Female Adult (Konja, PAC; Grand Cape Mount)

“Our people are faced with difficulties with farming business because there is no land to make farm.” - FGD, Adult Female (Garraway Beach, Grand Kru)

There are many risk factors that could potentially lead to conflict between the concessions and the surrounding communities. The chief risk factors include land encroachment by the concessions outside of the agreed-upon areas without adequately employing the FPIC process, lack of community awareness of the concessions’ contractual obligations (as defined by the concession agreement), delay by the concessions to pay community benefits, including land rental fees, cultural endowment fund, and

<sup>24</sup> Increase in violation of social norms includes but is not limited to the following: stealing/petty theft, gambling, drug usage, prostitution, etc.

compensation for crops, sexual exploitation of women and girls by concession employees and failure of the concession to implement corporate social responsibility (CSR) activities.

**Table 20: Percent Distribution of Households by Perception of Risk Factors of Potential Conflict/Violence between Communities and Concessions**

Perceptions of Potential Sources of Conflict/Violence	Respondents	
	Golden Veroleum (N=302)	Sime Darby (N=336)
	%	%
Land encroachment	69.5	81.8
Lack of community participation in negotiation between Government & concessions	71.2	76.5
Failure to implement corporate social responsibility activities in the community	66.9	80.7
Failure to provide employment to community members	68.9	80.4
Lack of community awareness	69.9	74.1
Break down in relationships due to the influx of migrants	74.8	87.8
Sexual exploitation and abuse	71.9	88.4
Unfavorable working conditions	70.5	82.7
Low wages	69.2	84.2
Others	5.3	0.6

## 4.4 Production Challenges

### 4.4.1 Access to Resources for Oil Palm Farming

**Golden Veroleum:** Close to three quarters of respondents (72.3 percent) reported that they are interested in engaging in oil palm farming, but almost all feel challenged in numerous ways including the intensity of capital<sup>25</sup> needed for oil palm. Other challenges they feel they face include the lack of tools (98.6 percent), no access to markets (97.2 percent), the need for improved roads (98.6 percent), the need for specialized training in oil palm farming (98.6 percent), access to oil palm processing facilities (94.9 percent), and access to farmland (67.7 percent).

Generally, qualitative data confirmed that communities do face production challenges.

**Sime Darby:** Over a quarter of respondents in the communities surrounding the Sime Darby concession area (27.2 percent) are engaged or intend to engage in oil palm farming. However, they report facing a number of challenges, including access lack of access to tools (97.7 percent), mechanized equipment (100 percent), training (94.4 percent), extension services (82.2 percent), farm labor (85.6 percent), improved roads (94 percent), oil palm processing facilities (98.9 percent), markets (97.2 percent), and farmland (84.4 percent).

Qualitative data also identified a number of production challenges coming out of focus group discussions. However, the most commonly cited was the lack of farmland. For example, during the FGD in Senii, respondents complained that there was no land for farming.

“There is no free land around. The land around us is owned by Sime Darby for 63 years, which is a long time agreement between the Government and the company.” - FGD, Youth Male (Senii, PAC, Grand Cape Mount)

Access to resources for oil palm farmers is generally limited. The main challenges include the lack of access to tools, land, mechanized equipment, training, technical advice, improved roads, transportation, storage and processing facilities.

<sup>25</sup> An estimate of \$1,750 – \$10,000 to cultivate one hectare of oil palm

**Table 21: Percent Distribution of Challenges  
Faced by Potential Farmers in Starting Oil Palm Farms**

Type of Challenge	Golder Veroleum (n=219)	Sime Darby (n=90)
	%	%
Farm tools	98.6	97.7
Mechanized equipment	99.1	100.0
Training	98.6	94.4
<b>Extension services<sup>26</sup></b>	93.5	82.2
Farm labor	94.9	85.6
Improved roads	98.6	94.0
Palm Oil processing mills	97.7	98.9
Market access	97.2	91.0
Land	67.7	84.4

#### 4.4.2 Organizational Issues

Generally, , farmers in both concession areas are not organized into production and/or marketing cooperatives. Farmers are engaged individually in both production and marketing of their commodities.

**Golden Veroleum:** In the GVL concession area, a community development team known as the Community Representative Committee (CRC) has been organized to identify and manage projects based on the social development commitments made under the concession agreement between the Government and GVL.

**Sime Darby:** In the Sime Darby area, the traditional *kuu* system is being practiced but its utilization is limited. In the concession area, communities have established representative leadership teams to address land matters and other issues with the Government, communities and the concession. Zodua clan has established a Land Committee comprised of five representatives from Kanga, Falie, and Gohn, respectively, for a total of 15 members. The PAC has also designated a representative committee for land matters and negotiations with the concession company comprising of 3 members from each of the 17 project affected communities for a total of 51 members.

### 4.5 Community Concerns

#### 4.5.1 Type of Support Communities Feel Is Needed from Concessions

There are two general community concerns: one is commercial and the other is non-commercial. Commercial concerns include the need for concessions to purchase local commodities<sup>27</sup> from community members, the outsourcing of services to community mobile mills, improving access to market information such as prices for agricultural commodities, and supporting the organization of farmers' cooperatives. Non-commercial concerns include the construction of local stores from which community members can purchase consumer goods.

<sup>26</sup> Services include extension advice, as well as improved varieties of planting materials, etc.

<sup>27</sup> Local commodities will include agriculture produce, including vegetables, cassava, and livestock, including cattle and goats.

## 4.5.2 Benefits Communities Wish to Receive from Concessions

Benefits that communities believe should be derived from the presence of the concession vary from social and economic services to infrastructure development. At least 90 percent of respondents mentioned social benefits as important contributions the concession can make. Major benefits in this sector include free education and health services, and access to safe drinking water and sanitation. Roads are the major infrastructural needs, while job opportunities are the key economic benefit sought.

## 4.6 Out-grower Production Arrangements/Structures

### 4.6.1 Process in Selecting Elements of Out-grower Arrangements

To allow for effective participation, interpreters were used to translate the discussions into the appropriate local languages.

Prior to selecting preferred elements of production arrangements and organizational structures that communities favored to have included in out-grower schemes, the team sought to establish the respondent's initial level of understanding of the concepts. This was accomplished by first asking those who had any prior knowledge to provide definitions, in their own words, for out-grower farmers and out-grower schemes. As there was usually little knowledge among respondents, definitions and descriptions of the concepts were given, as well as illustrations where necessary. This was followed by a question and answer period where respondents could ask for further information or clarification to strengthen their understanding.

Five out-grower models were used to present respondents with examples of the wide range of elements contained in various types of out-grower arrangements. They were developed by local stakeholders at the Liberia Oil Palm Sector Out-grower Models Stakeholders Consultative Workshop in June 2014 and further discussed by the OPOSITC under the Chairmanship of the National Investment Commission (NIC). These example models include:

- Model 1 - The independent community scheme
- Model 2 - The supported cooperative scheme
- Model 3 - The joint venture scheme
- Model 4 - The community private partnership scheme
- Model 5 - The community shareholder scheme

It is important to note that respondents were informed and understood that they were not required to select any of the examples of out-grower models; but could, instead propose any out-grower arrangement or combination of model elements that they believed best suited their needs.

Each respondent was then asked to propose an out-grower arrangement between the community, company, and other stakeholders that, in their view, would best fit the community's needs and expectations. With each out-grower arrangement proposed by them, respondents were further probed to ascertain the reason for their recommendation by asking that they list those preferred elements from their suggestion. The respondent's selection was then noted once it was sufficiently clear that the respondent was making an informed choice.

### 4.6.2 Summary of Out-grower Models used as Examples:

#### **Model 1 - Independent Community Out-grower Scheme**

*Independent community out-grower scheme:* Under this model, the community fully develops and manages the out-grower plantation, takes care of training, and assumes all financial risks.



### **Model 2 - Supported Cooperative Scheme**

Under this model, the community establishes a cooperative and selects the location of the out-grower farms as well as the individuals/ families who will be farmers in the out-grower scheme. These individuals/ families then join the cooperative. In phase one of this model, the company (concessionaire) develops and manages the out-grower plantation and raises the technical and organizational capacity of both the cooperative and the farmers. The cooperative would seek external financing. Phase two shifts to a joint management structure between the cooperative and company until the costs of establishment are fully repaid. In Phase three, the farm would be fully managed by the cooperative.

### **Model 3 - Joint Venture Scheme**

Under this model, the community establishes a joint venture firm with the company (concessionaire). The joint venture firm then leases the land from the communities, establishes the out-grower plantation and manages operations including training/capacity building of the community. Benefits are shared as per the joint venture agreement.

### **Model 4 - Community Private Partnership (CPP) Scheme**

Under this model, there is also a three phased approach to out-grower scheme development. In phase 1, the company (concessionaire) leases the land from the community, fully develops the out-grower plantation, and provides management while assuming all financial risks. In phase 2, the established out-grower plantation is then jointly managed by the community and the company once the company has recovered its initial investment costs and made a healthy return. In phase 3, the out-grower plantation fully transitions to the community where it employs workers and manages profits from sales. This model requires preferential employment from communities and training of the community to eventually assume full management of out-grower plantation operations.

### **Model 5 - Community Out-grower Share Program (COSP) Scheme**

This model is similar to model two in most aspects except that it considers community participation as equity shareholders of the cooperative as compared to individual participation described in Model 2. Additionally, in this model, community land is leased to the cooperative for development of the out-grower plantation by the company. The out-grower plantation is managed in contiguous blocks by small teams of out-growers sharing benefits equally.

#### **4.6.3 Who should benefit from an Out-grower Scheme**

**Golden Veroleum:** In the GVL concession area, the majority of the respondents (57.6 percent) believe that all citizens of the community should benefit from the out-grower scheme whether they are resident in the community or living elsewhere. This is closely followed by 32.8 percent who say that only citizens living in the community should benefit.

**Sime Darby:** In the Sime Darby concession area, 61.3 percent of respondents believe that all citizens of the community should benefit from the out-grower scheme, while 22.5 percent of respondents felt that only citizens who are residing in the community should benefit. There was also a general acknowledgement that any expenses incurred by the company in establishing out-grower plantations should be repaid by the communities/out-growers through an agreed cost recovery method.

**Table 22: Percent Distribution of Households as to Who Should Benefit from Out-grower Schemes**

Type of Beneficiary	Respondents' Choice of Beneficiary by Type	
	Golden Veroleum (n=229)	Sime Darby (n=111)
Resident <sup>28</sup>	5.2	22.5
Only citizens living in this town <sup>29</sup>	32.8	12.6
All citizens of this town <sup>30</sup>	57.6	61.3
<b>Other</b>	4.4	3.6

#### 4.6.4 Prior Knowledge of Out-grower Schemes

**Golden Veroleum:** GVL's current concession area overlaps part of the general area of operation previously occupied by Decoris Oil Palm Company (Decoris) and Liberia Palm Produce Corporation (LPPC). In the 1980s, Decoris introduced smallholder production arrangements that gave structure to the relationship between the concession company and supported smallholders whose oil palm plantations were established outside of the nucleus plantation area. Partially as a result of communities' experience with this Decoris model, 25.3 percent of respondents reported some prior knowledge of out-grower schemes in the GVL area. Other respondents also reported some knowledge of these schemes, using the term Community Oil Palm Farms, as a result of information shared by the concession company. Focus group discussion and key informant interview responses during the qualitative data collection in these communities suggested the need to also consider elements of the Decoris model in designing out-grower production arrangements.

The qualitative data also revealed that there was some level of knowledge of out-grower schemes amongst young people, although not widely spread and not specifically about community farms, while others were not knowledgeable about any out-grower model mentioned in the concession agreement.

*"My understanding about out-grower is when you make your farm and sell to the company." - KII, Community Leader (Garraway Beach, Grand Kru)*

**Sime Darby:** Only 4.5 percent household respondents reported having any prior knowledge of out-grower schemes. In a focus group discussion in the Zodua Clan communities, one adult male respondent reported his understanding of out-grower schemes thus, "the company told us the out-grower plantation would be established on the land left over between the community and the company's farm." This 2 kilometer buffer zone to which the respondent referred was established as a part of the company's new expansion model, and it is intended "to ensure that plantation development is far away from communities and their traditional farms," according a joint progress report between Sime Darby and The Forest Trust (TFT).

Information from the qualitative results confirmed the low level of knowledge of the communities about out-grower models. Though some said they had heard about out-grower schemes, only a few of them were able to explain what they are.

<sup>28</sup> Residents are those citizens and non-citizens residing in the community

<sup>29</sup> Only citizen residing in the community

<sup>30</sup> Include citizens residing and those not residing in the community.

**Table 23:** Percent Distribution of Households Engaged and Willing To Be Engaged in Oil Palm Farming, by Their Knowledge of "Out-grower Schemes"

Indicator	Golden Veroleum	Sime Darby
	(n=302) %	(n=336) %
Households engaged in oil palm farming	3.4 (n=292)	6.3 (n=315)
Households willing to engage in oil palm farming	72.3 (n=229)	28.6 (n=111)
Household knowledge about out-grower schemes	25.3	4.5

#### 4.6.5 Selected Schemes

**Golden Veroleum:** Over half of the respondents (55.7 percent) chose elements common to model 2 primarily because they see some semblance of personal ownership. Respondents regard this model as an opportunity to pursue their desire to own and operate a farm and to realize the benefits of their personal efforts. Their experience is that collective farming has not worked in their environment. They compared model 2 to the Decoris model, which existed a few decades preceding the arrival of GVL. There are local farmers in both southeastern counties that experienced and benefitted from the Decoris model. Even though the smallholder plantations that still exist need rehabilitation, these smallholder plantations continue to be a means of livelihood for some of these owners. The combination of elements of smallholder arrangements comprising model 1 was selected by 14.3 percent of household respondents, while 13.9 percent of household respondents thought that example model 3 presented elements which best suited their current situation. Elements in model 4 appealed to 10 percent of respondents and 6.1 percent of household respondents thought that model 5's combination of elements would work for them and their community.

**Sime Darby:** Elements common to example model 1 were selected by 9 percent of household respondents. In focus group discussions in Kanga, Zodua Clan, several respondents reported that they would prefer to establish outgrower plantations on their own without the involvement of the company. When probed for further explanation regarding their selection, two adult female respondents reported that they preferred the assumed freedom offered by model 1, while a majority of those selecting model 1 cited trust issues between the community and the concession company.

It must be noted here that this lack of trust appears to result, at least in part, from a breakdown in communication regarding the crop compensation program undertaken by the company. This program involves compensation to farmers for their crops planted on lands to be used for the development of the company's core plantation. In the PAC communities where the company's initial plantation was developed, it was reported by the community that the company paid for crops on lands that included backyard gardens behind homes with the intent of replacing these with the plantation's oil palm trees. Indeed, it was observed in several of these communities that the company's plantation was so close to one town that the fronds of the palm trees nearly rested on the houses of community members. Despite this loss of farmland, there appears to have been strong enthusiasm for the money received as compensation, and farmers in Zodua Clan, after reaching an agreement with the company to acquire 5,000 hectares of their land for expansion of the company's plantation, expected a similar windfall. By then, however, the company had adopted the inclusion of the larger buffer zone described above which excluded backyard gardens and lands close to towns where community members had established farms. The expected windfall never came for those farmers, and, lacking a proper understanding of the reasons, they have assumed that the company simply refuses to pay them as they did other communities. This appears to be a significant factor driving some respondents to select model 1 because it offered the least amount of involvement with the company.

Example model 2 was selected by 37.8 percent of respondents as having their preferred elements. An adult female respondent who reported farming a small plot on her own as a primary economic activity justified her choice by simply stating, “when it is a group work, most people will not put in the same effort.” Similarly, every traditional leader with whom a key informant interview was conducted reported a preference for Model 2’s combination of elements. One male leader explained his choice thus, “I do believe that most of the people will not be willing to get fully involved in the implementation of the out-grower scheme on a community farm in that every individual will like to do this palm farming their own way and not in group.”

Nearly one-sixth of household respondents (16.2 percent) selected the elements in model 3. Respondents identifying their preferred elements of this sample model reported that it was easy to define roles and understand how the benefits would be shared through a joint venture agreement. According to one young female respondent, “when the community gets into joint venture with the company, the community will benefit two times: the lease money and the benefits which are shared based on what you put in.”

Model 4’s combination of elements of out-grower arrangements was selected by 30.6 percent of household respondents and was the most popular choice in focus group discussions. One question that was raised several times regarding this type of model was how long of a period was required to expire before the eventual takeover of the out-grower plantation by the community once the requisite skills and training are acquired. When probed to provide their own suggestions, respondents provided responses that ranged from 15 to 25 year periods. One adult male respondent stated, “I don’t know how long for this thing because we are just learning this out-grower business, but, for me and others, the time cannot be long like the time the government gave our land to the company.”

In focus group discussions in the Sime Darby area, the elements particular to model 5 were only selected once. The older adult female respondent justified her choice by explaining that having benefits shared equally among equity holders would be a way to ensure that older members of the community would benefit after having lost the strength for the physical labor that farming requires. 6.3% of household respondents also selected model 5’s elements of out-grower arrangements.

**Table 24:** Percent Distribution of Households by Preference of Out-grower Model

Type of Model	Golden Veroleum (n=229)	Sime Darby (N=111)
	%	%
Model 1	14.3	9.01
Model 2	55.7	37.8
Model 3	13.9	16.2
Model 4	10.0	30.6
Model 5	6.1	6.3

#### 4.6.6 Additional Proposed Out-grower Production Arrangements

**Golden Veroleum:** An additional model proposed by community members in the GVL concession area is the Decoris model, which is now being implemented by Maryland Oil Palm Plantation (MOPP). The company interacts directly with the individual households, and provides all inputs, training and financing for the development of the plantation. It provides direct supervision to the farm until maturity, and, at maturity the farmer begins to pay back expenses at an agreed-upon rate based on a percentage of FFB sales. Upon completion of payment, the farm is turned over to the farmer.

Under this model, MOPP works directly with the individual farmer, providing all necessary support, including inputs, and technical and managerial assistance. Even though the MOPP relationship is with the farmer, the selection process involves the entire community, local authorities, and the neighboring community where several farmers in a contiguous locality also provide their input. Young people and women are given particular preference as this out-grower scheme is implemented because they are the main source of labor in the scheme.

The out-grower component is implemented and managed by a special unit inside MOPP, the Out-grower Plantations Projects Department. This unit is responsible for coordinating and supervising all the technical and financial aspects of the out-grower component. The farmers involved in this program are encouraged to set aside at least 0.5 hectare of their plots to growing subsistence crops for their own consumption.

The farmers repay the loans from MOPP by a 25 percent to 35 percent deduction from their production. This deduction is adjustable in accordance with international palm oil prices and the yield from the plots. Conservatively, a 25 percent rate is used when the plantation yield is less than 15t/ha, and 35 percent when yields are greater than 15t/ha.

**Sime Darby:** In three focus group discussions out of eight in the PAC, participants suggested a novel approach to the challenge of land availability to implement out-grower schemes. Respondents suggested that farmlands that have been planted by the company with oil palm trees near the towns be reassigned to the out-grower program no matter the model chosen. Among the attractive qualities of this innovative approach, the company would still be supplied the fresh fruit bunches that it requires for its processing mills, and the areas identified would have been planted and maintained using best practices required for optimal yield. The communities, for their part, would have the opportunity to earn additional benefits by participating in the out-grower program where no other land is available at this time, and workers selected for the program from the towns would have easier access to the nearby out-grower plantations.

## 6.1 Government, CSOs and Concessions

### 6.2 Government

The Government representatives who were interviewed reported challenges in inter-agency communication and coordination of oil palm sector activities. Some interviewees reported a low level of awareness regarding out-grower schemes. It was also acknowledged that government agencies, intent on spurring economic activity and job creation in rural areas, have made mistakes in the process of negotiating concession agreements, including the manner in which most land was awarded for the development of plantations.

To strengthen the gap in coordination and information flow, the National Bureau of Concessions has assumed the role of lead government agency focused on concession-related oil palm activities, including the implementation of the out-grower program. It now chairs the multi-stakeholder Oil Palm Out-grower Scheme Implementation Technical Committee. Similarly, the new Land Rights Act developed under the leadership of the Land Commission is intended to remove ambiguities in the land law. Where crop compensation to communities is concerned, the Ministry of Agriculture reported that it sets prices for crops that are removed to make way for oil palm plantations.

### 6.3 CSOs

Civil Society Organizations reported that the scarcity of farmland is a challenge. According to CSOs, the communities have complained to them that the concession companies have, in the communities' view, taken all of their land without compensation. The outcome of the investigation by the CSOs indicates that the concessions should not be blamed, but, rather, the CSOs believe that it was the Government that did not treat the communities fairly by not having communities adequately represented in the negotiation process. In addition, the Government did not provide adequate information to the communities when the concession was being awarded. They recommend that in the future, communities' involvement in the negotiation of concessions should be paramount. However, for the out-grower schemes to be implemented under current concession agreements, the concept of out-grower schemes should be thoroughly explained to the communities.

When it comes to contributions by the concessions, the CSOs in the Sime Darby area acknowledged the construction of one school in the PACs and one in the Matabo Estate, which is exclusively used by the children of company workers. They reported that the concession pays for the teachers at both schools. Concerning health, the CSOs also acknowledged one health center was constructed by the concession, which serves the company's employees. CSOs noted that the concession has employed one person per house in the PACs, and the person employed, within the context of social local practice, is expected to contribute to the welfare of the other members of the house. When the concession was engaged in a discussion by the CSOs, the concession stated that it was their policy to employ one person per house.

In the GVL area, CSOs reported that the employment arrangement is one person per 6 hectares of concession farmland developed. CSOs also reported that the concession assisted with the rehabilitation of schools, clinics and roads within their concession area.

## 6.4 Concessions

The concessions reported that the ownership of land among locals is not clear. There are multiple families and clans claiming the same piece of land, and there are boundary disputes among locals. This poses a challenge to the concession as to who to deal with in the negotiation process. GVL has noted that it will not seek to develop oil palm on land this is in dispute by two or more communities. According to the concessions, the communities were misled by NGOs that the concessions intended to take their land without compensation. This type of misinformation has complicated negotiations. Concessions also reported that most communities are fragmented. This creates a challenge of dealing with fragmented leadership structures and to negotiate for the development of scattered plots of land. The concessions reported that they strictly adhere to international, national, and community laws, but that the communities are not familiar with their own national laws.

According to the concessions, the actions they take to ensure the protection of the forest include carrying out participatory mapping in which the local communities are represented to determine the location of all sacred sites, gravesites, old towns, farms, other HCV 5/6 land and riparian buffer zones. The companies report that they respect and observe the RSPO and FPIC processes. In terms of environmental policy, the concessions state that they have developed standard operating procedures (SOPs) based on best plantation management practices. These include a zero deforestation policy.

In terms of social contributions in the Sime Darby area, the company has built schools, a clinic, and has been involved in helping old people in communities with food in the PAC. The company has constructed hand pumps in all of the PAC towns. They have also contributed to road rehabilitation outside the plantation to link various communities.

Regarding the impact that the companies have had on the level of income of the local people since operation started, there is now an increase in commercial activities, including small businesses, motorbike taxis, and entertainment businesses in the area. Some community members who are working with the two concessions have been able to change the roof of their house from thatch to metal roofing sheets (zinc).

Sime Darby reported that it has collaborated with farming communities for 1 year and 6 months to develop swamp farming, which benefits the farmers. A commercial bank has established a branch in the area and is accessible to all community members. About 2,877 community members are in the employ of the company, and 768 of them are from the PAC towns.

## 6.1 Conclusions

Communities report having very limited knowledge of RSPO and FPIC requirements. They are also not adequately informed about the activities of the concessions, and had limited input into the negotiations regarding the agreement under which the concessions operate. This information gap is not in the best interests of all parties and takes away from efforts to build a mutually beneficial relationship among Government, the concessions and communities.

### Community Challenges and Concerns

While the concessions are contributing to employment and social services, such as education, health, water and sanitation, and infrastructure development, such as road construction and maintenance within the plantations, there remains much to be done in local communities. The Government, concessions, and CSOs, as well as the communities themselves, can forge a meaningful partnership to improve household living conditions without distracting concessions from their focus to establish and operate plantations as commercial businesses. The prominent areas of challenges and concerns of communities around concessions include agricultural production methods, marketing of produce, household and human waste disposal, human capacity development, assistance in the procurement of agricultural inputs such as tools implements and equipment, the provision of technical advisory services, and assistance in the organization of farmer groups.

### Community Risk Factors

**Economic Activities:** The main economic activity in communities around the concessions is farming. In GVL communities, farming accounts for over one-third (39.4 percent) of heads of households' economic activity. In Sime Darby communities, although farming accounts for less than one-quarter (23.2 percent) of heads of households' economic activities, it represents the single largest economic activity in the area. Much of the farming is for subsistence, using traditional agricultural tools, such as cutlasses and hoes, and methods such as "slash and burn".

**Impact on social life:** On account of the presence of the concessions, the populations of these communities have increased mostly through the migration of outsiders in pursuit of employment and business opportunities. Leisure time activities such as nightclubs and video clubs have increased, as well as breaches of social norms, including more violence and petty crimes.

**Risks of Violent Protests/Conflict:** Based on interviews conducted with households/communities, potential sources of conflict could be as a result of a lack of an FPIC process on land acquisition, community exclusion in negotiating concession agreements, a delay in implementing Corporate Social Responsibility activities by concessions, limited employment opportunities for communities members and the poor dissemination of information on concession, community and Government roles and responsibilities.



## **Out-grower Production Arrangements/Structures**

Generally, there is a low level of awareness and understanding among community members regarding out-grower schemes. In GVL communities, less than a third (25.3 percent) of households had some knowledge of out-grower schemes. In Sime Darby communities less than one-twentieth (4.5 percent) of households had any knowledge of out-grower schemes. The higher number of households knowledgeable about out-grower schemes in GVL communities is as a result of experience with the Decoris and Liberia Palm Produce Corporation (LPPC) concessions, which existed in the area prior to the Liberian civil conflict.

Community respondents identified smallholder/out-grower production arrangements and organizational structures that they felt best suited their conditions, concerns, and challenges. In general, the largest number of respondents reported an inclination towards individual or household farm ownership in these production arrangements. However, there was also strong support among community respondents for several other types of production arrangements including recommendations to address the challenge of land availability in the PAC area of communities near the Sime Darby concession. Key questions regarding land rights and ownership will have to be answered in the context of whether rights and ownership over land are collective or individual at the community level. This has important implications for how community members/beneficiaries are selected, organized, and supported to participate in the out-grower scheme under this model.

Another important issue is how benefits emanating from the out-grower scheme will be distributed in a fair and equitable manner. It will be prudent for communities to have a greater say in providing answers and solutions to these issues. From a business perspective (the need to minimize cost), concessions are likely to push for organizing and planning communities or individuals in a way that promotes efficient deployment and utilization of logistics and resources on the out-grower program. This is good for improving concessions' image and protecting their investments.

Whichever out-grower model is selected should be based on a better understanding of such models and a greater participation of communities and other stakeholders. This will require building local capacity to enable implementation of sustainable oil palm development. Currently, the oil palm sector faces significant human capacity gaps.

## **Environmental Impact**

The operation of concessions in any environment lends itself to environmental issues. Liberia is no exception. The communities' perception of principal environmental issues includes deforestation, destruction of wildlife, wild life habitat, and bio-diversity in general. It is not clear that the concessions are solely responsible, or even, in many cases, responsible at all for these concerns, since natural population growth and community activities may be contributing factors.

Nevertheless, these potential environmental issues can lead to the loss of farmland and a decrease in agricultural production and hunting, which the communities rely on to sustain themselves. Accordingly, these issues are potential sources of conflict because concession-affiliated communities are dependent on agriculture and the forests for their livelihoods. Within this context, stakeholders must handle environmental issues carefully and creatively.

## Findings from other Stakeholders

**Government:** Inter-agency communication and the coordination of activities in the oil palm sector is a challenge. Most Government agencies are not as aware as they should be of the out-grower concept. In an honest effort to spur economic activities in rural Liberia, some government functionaries may possibly have overlooked the importance of certain factors in the negotiation of concession agreements, including the degree of prior consultation required with local communities before the awarding of blocks of land to concessions.

**CSOs: Civil Society Organizations** believe that land is a challenge, mainly because the Government has been hasty in awarding it to the concessions. They feel that the Government did not provide adequate information to communities on what was included in the concession agreements before they were negotiated and signed.

CSOs acknowledge several contributions made by concessions. They recognize the building of two schools in the Sime Darby area, one of which is exclusively for children and dependents of employees of the company, and the health facility that has been provided for the use of employees. Employment is limited to one person per house. In the GVL area, they recognize the company's assistance with the renovation of schools and health centers.

**Concessions:** Concession companies feel that ownership of land is not clear and that communities are fragmented, posing problems in dealing with them over this issue. They also believe that many communities are not as aware as they should be of the national land laws.

Concession companies have made several contributions to local communities in their concession areas. Likewise, concession respondents acknowledged that the out-grower schemes should be of benefit to communities, and, therefore, the communities' input into the design of out-grower schemes should be sought and considered among other relevant factors such as funding sources and governance.

## 6.2 Recommendations

- I. Community access to land needs to be reviewed to identify land to support communities' engagement in an out-grower scheme. Sector stakeholders, including communities, the Government, and the concessions, should establish a platform for dialogue to allocate land for this purpose.
- II. In the future, communities should be adequately involved in all negotiations, both for award of new concessions, as well as for the renegotiation of existing agreements. They should also be included in discussions with concessions concerning any issues surrounding out-grower schemes and their livelihood. This level of community participation is consistent with RSPO/FPIC requirements, and helps to improve community awareness of concession operations, as well as strengthen community/concession relations.
- III. In an effort to help communities meaningfully engage in dialogue and negotiations from an informed position with concessions and stakeholders, there is a need to design a community capacity building program on RSPO and FPIC procedures to increase their informed participation in out-grower schemes.

- IV. While the concessions are contributing to the infrastructure development such as road construction and maintenance, there remains more to be done to have a sustainable and durable road network. On nearly all the roads constructed by the concession companies, the bridges are made of logs which have the tendency to rot in a short period of time. In order to have a sustainable road network, it important to use concrete bridges as a matter of urgency.
- V. Considering that communities around both concessions generally do not have viable organizational structures, it is important that a program be undertaken to build the capacity of communities to organize into groups such as cooperatives to better represent their interests, including coordinating their participation in an out-grower scheme.
- VI. More work is required to ensure that communities have a better understanding of how out-grower schemes work.

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## RSPO and FPIC

**A1.1 About RSPO:** The Roundtable on Sustainable Palm Oil (RSPO) was formed in 2004 with the objective of promoting the growth and use of sustainable oil palm products through credible global standards and the engagement of stakeholders. It is now a global multi-stakeholder initiative that unites stakeholders from seven sectors to promote the growth and use of sustainable oil palm products. The seven sectors are oil palm producers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors, environmental or nature conservation NGOs and social or developmental NGOs. The RSPO has developed a global certification scheme and a sustainability standard with detailed principles and criteria (P&C) that outline requirements for producers and supply chain actors to demonstrate sustainability.

The RSPO is a member-based organization and currently has over 700 members made up of growers of oil palm, primary processors and traders, manufacturers, retailers, investors and social and environmental non-governmental organizations. These stakeholder groups are represented at all levels of the roundtable's governance structure and working groups. This is crucial to the success of the initiative as it ensures that anything developed by RSPO - the requirements for sustainability, the certification system or the governance structure itself - are understood and supported by all of the different groups involved. In Liberia, all four oil palm concession companies (Sime Darby, Golden Veroleum Liberia, Equatorial Palm Oil, and Maryland Oil Palm Plantations) or their parent bodies are members and subscribers to the standards of the RSPO.

**A1.2 The RSPO Principles and Criteria (P & C):** At the heart of the RSPO initiative is a set of Principles and Criteria (P & C), developed over several years through this multi-stakeholder process, which define the social, environmental and economic requirements for producing sustainable palm oil. The generic global RSPO requirements need to be interpreted at the national level to adapt them to the local situation and context. This is done by reviewing and adapting the indicators associated with each of the criteria – the principles and criteria themselves remain unchanged to ensure global consistency. A national interpretation was conducted through a multi-stakeholder initiative in Liberia in 2014.

The RSPO P&C contain provisions that address both existing plantations and new plantings. Principle 7 of the RSPO's P&C contains a set of requirements for new plantings. These requirements are further elaborated in the RSPO's New Planting Procedure (NPP). The NPP mandates that prior to plantation establishment, detailed social and environmental impact assessments (including an HCV assessment) are carried out. These assessments will identify all areas containing 1) primary forests; 2) high conservation values; and, 3) local people's lands. The RSPO precludes the conversion of any of these categories of land areas except in the case of local people's lands. Under the RSPO's New Planting Procedure and Principles and Criteria, no new plantations may be established on local people's lands unless their *express free, prior and informed consent* has been given. The findings are then incorporated into an implementation plan for managing the new plantation.

**A1.3 About Free, Prior, And Informed Consent:** Free, Prior, and Informed Consent (FPIC) is the principle that communities have the right to give or withhold their consent to actions that will affect them, especially proposed projects that affect the natural resources, territories or lands they customarily own, occupy or otherwise use. This implies that prior to a project-taking place on any

customary land, the developers of the project must enter into informed, non-coercive negotiations with the local communities to seek their consent. Under this principle, the communities have the right to decide whether they agree with the project or not, once they have received a full and accurate understanding of the project and its implications on their traditional lands.

Over the years, FPIC has become an integral part of many sustainability initiatives and is a key principle in international law and jurisprudence related to the rights of indigenous peoples. In September 2007, the United Nations General Assembly adopted the United Nations Declaration on the Rights of Indigenous Peoples. The Declaration refers to the right to Free, Prior and Informed Consent and in itself provides considerable guidance on how such a right shall be effectively recognized. Other pieces of international law that also affirm this right include the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the Convention on the Elimination of All Forms of Racial Discrimination, and the International Labor Organization's Convention No. 169 on Indigenous and Tribal Peoples of 1989, which requires governments to carry out good faith consultations with a view to securing consent. FPIC is recognized as a best practice in conservation and development, which is crucial in avoiding conflicts and grounding projects in equitable agreements with local communities. It entails four key interlinked elements:

Free: The process should be free from coercion, intimidation or manipulation and local communities should have the right to consent to the action or otherwise. A critical aspect of the process is that the decision-making by the communities - about whether or not to accept a plantation on their lands and if so on what terms - should be non-coercive and free from other forms of manipulation, intimidation or duress. As described below, adequate time must also be given to communities to consider proposals on their own in their own ways.

Prior: Communities should be asked to make decisions well prior to investments, land acquisition or development plans being put in place. Communities must be informed and consulted about proposed plantations long before developments are decided upon.

For their part, project developers must enter into planning with a 'no project option' as one possible outcome. This may come about for a number of reasons, including because assessments show the planned plantations will harm areas of High Conservation Value (see Criterion 7.3), because assessments show mitigation costs will outweigh any potential benefits (see Criterion 7.1) or because communities refuse sale of their lands or relinquishment of their rights (see Criterion 2.3 and 7.5).

Informed: Full information about the proposed project should be disclosed and explained to the community in a language and manner that is clearly understood, culturally appropriate and preferably from an independent source. This information should at least include details about the nature and scope of the proposed project and activities, areas that will be affected, potential environmental, economic, social and cultural risks and benefits and the organizations and actors that are likely to be involved in the project. To ensure that decisions about planned plantations can be made in informed ways prior to developments going ahead, the RSPO requires that participatory impact assessments be carried out (Criteria 5.1, 6.1 and 7.1).

Consent: The community has the right to be represented through organizations of their own choosing such as customary institutions or novel organizations or a combination of these. There should be an effective system for communicating among all the affected members in the community

about the known impacts of the project. Decisions should be made using the customary or other community chosen decision-making procedures. It requires that the affected parties are able to say yes or no to the execution of the project. Consent should result in an equitable agreement, should be iterative, and should form part of an ongoing process of communication and negotiation, rather than a once-off action.

However, it should not be assumed that communities are homogeneous. It is possible, even likely, that some rights-holders and landowners may agree to their lands being used for plantations, while others may disagree. Customary law may or may not permit leases or sales of parts of communal lands, and time and scope must be given to resolve such issues through normal community decision-making processes.

**A1.4 Importance of FPIC:** Depending upon how they are thought out and implemented, projects may support or undermine the livelihoods and cultures of local populations. A thorough and well-implemented FPIC process has numerous advantages for the project developer, local communities and governments. It helps to avoid long-term conflicts and allows for stakeholder inputs to address relevant concerns during the project design phase and implementation. These advantages include:

- Allowing communities to guard against the negative impacts of projects: Beyond giving or withholding their consent, local communities are also able to make specific inputs into project design and implementation during consultations in a way that helps to ameliorate anticipated negative impacts on their livelihoods and environments. For example, the FPIC process can help identify areas within the landscape that serve as a critical component of the community's livelihoods or cultural heritage and help to preserve such areas or values.
- Helping to provide security for projects and ensure less risky investments: The process of obtaining consent in a transparent manner also ensures that the buy-in of local communities for projects is secured, helping to avoid long-term conflicts. Local buy-in and support is one key element that helps to ensure the long-term security of investments. Where FPIC results in negotiated and documented agreements, these agreements can serve as a basis for shaping corporate-community relations.
- Facilitating ongoing dialogue: Communication channels opened during FPIC help provide the foundation for effective community engagement during the implementation of the project. This, when maintained, is crucial and useful in addressing local concerns on benefit sharing, grievance resolution and conflict management.

**A1.5 Specific RSPO Guidance on FPIC:** The RSPO standard accords with international laws and makes requirements of companies to go beyond the minimum standards required by national statutory law and ratified international treaties. The principle of Free, Prior and Informed Consent is central to the RSPO's Principles and Criteria and guides the way companies deal with local communities, provide information, carry out impact assessments, acquire land, agree on payments and benefits, settle differences, and resolve conflicts.

The current RSPO Principles and Criteria document contains eight principles, each with associated criteria, indicators and guidance. These contain all the requirements necessary to produce oil palm sustainably. Seven of the principles relate to the management of existing plantations, while one (Principle 7) focuses specifically on expansion and the establishment of new plantations, such as community oil palm / out-grower schemes.



It is important to appreciate, however, that an adequately carried out process resulting in verifiable compliance with the principle of Free, Prior and Informed Consent will also contribute substantially to companies' compliance with other major requirements of the RSPO Principles and Criteria, such as 1.1 and 1.2 on transparency, 2.2 and 2.3 on land acquisition, 5.1, 6.1, 7.1 and 7.3 on participatory social impact and HCV assessments, 6.2 and 6.4 on adequate participation and negotiated agreements, and 6.3 on dispute resolution. This inter-relatedness of FPIC and the RSPO P&C in conducting the oil palm CNA and design of the overall out-grower operational model and financing plan is covered below.

### ***Principle 1: Commitment to transparency***

- Criterion 1.1: Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision-making.
- Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

#### CNA Alignment:

The objective of the Community Needs Assessment and the method of capturing their views were explained to respondents for their consent to participate. To allow for effective participation in decision-making, interpreters were used to translate the discussions into the appropriate local languages.

Prior to the selection of out-grower models by the respondents, the team sought to establish the respondent's initial level of understanding of the concept of an out-grower. Those who had prior knowledge were asked to explain their understanding in their own words. Having realized that there was limited understanding of the concept among respondents; the team further explained the out-grower concept using illustration where necessary to augment their knowledge. This was followed by a question and answer period in which respondents could ask for further information or clarification to strengthen their understanding.

Five out-grower models were presented as examples to respondents. Given the presentation, clarifications and demonstration on each of the models by the facilitators, they were then asked to select a preferred model that, in their view, best suited the community's situations. Although the five models had been discussed, respondents were informed that they were not restricted to only selecting these models, but could instead propose any other model that they believed best suited their circumstances.

With each model selected, respondents were further probed to ascertain the reasons for their selection of the model. The respondent's selection was then noted once it was sufficiently clear to all parties that the respondent was making an informed choice.

### ***Principle 2: Legal compliance***

- Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.

- Criterion 2.2: The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.
- Criterion 2.3: Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.

CNA Alignment:

The CNA findings sought to determine the availability of land for out-grower plantations, the process used by the communities to engage those lands in accordance with the Land Rights Act and traditional norms, that clear ownership title to the land was not in dispute, that the communities were interested in providing those lands for an out-grower program, and that communities were represented through institutions or representatives of their own choosing, operating transparently and in open communication with other community members.

For example, Zodua Clan has established a Land Committee comprised of five representatives from Kanga, Falie, and Gohn, respectively, for a total of 15 members. The Committee recently agreed to terms with Sime Darby to provide 5,000 hectares out of their total land bank of 20-25,000 hectares for the expansion of the company's operations. In interviews, respondents from the Land Committee indicated that a more formal agreement than the MOU signed at the time of the land transfer is being negotiated to outline additional benefits to the communities.

Similarly, The PAC has also designated a representative committee for land matters and negotiations with the company. This PAC Committee is made up of 3 members from each of the 17 project affected communities for a total of 51 representatives. This committee exerts so much power locally that the Community Needs Assessment team was told by more than one town chief that it would not be allowed into the town or to speak with any of its residents without the expressed consent of the Committee's leadership. A priority reported by the PAC Committee is finalizing negotiations with Sime Darby for the transfer of a US\$1 million Cultural Endowment Fund to the account of the Committee as compensation to PAC towns for the accidental loss and damage to sacred sites. Another reported priority is negotiating for additional payments to its constituents from the crop compensation program, following a subsequent increase in compensation rates to other communities.

***Principle 5: Conservation of natural resources and biodiversity***

- Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

CNA Alignment:

For smallholder schemes, the scheme management has the responsibility to undertake impact assessment and to plan and operate in accordance with the results. Individual smallholders would not be expected to undertake formal impact assessments (unless there is a legal requirement), but should have a good understanding of the potential negative impacts of their activities and appropriate mitigation techniques. In key informant interviews conducted with concession representatives, interviewees reported the companies' activities and policies to mitigate negative environmental impacts. In interviews with civil society organizations, respondents reported their activities in increasing the awareness of the communities to environmental issues.

***Principle 6: Responsible consideration of employees and local communities***

- Criterion 6.1: Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.
- Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.
- Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.
- Criterion 6.4: Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

**CNA Alignment:**

The CNA sought to capture respondent's views on the potential impacts of out grower schemes. Additional identification of social impacts should be carried out with the participation of affected parties, including women and migrant workers, as appropriate to the situation.

Communication mechanisms were designed in collaboration with local communities and other affected or interested parties, considering the use of existing local mechanisms and languages. The Oil Palm Out-grower Scheme Implementation Technical Committee (OPOSITC) mostly satisfies the requirement for the existence/formation of a multi-stakeholder forum. As a result of the CNA, it is recommended that the Land Committee of Zodiac Clan and the PAC Committee be included in future meetings of the OPOSITC. The study took into account the differential access to information of women as compared to men, village leaders as compared to day laborers, new versus established community groups, and different ethnic groups.

In consideration of the need to involve third parties, such as disinterested community groups, NGOs, or Government (or a combination of these) to facilitate smallholder schemes and communities, Key Informant Interviews were conducted with representatives from each grouping.

***Principle 7: Responsible development of new plantings:***

- Criterion 7.5: No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.
- Criterion 7.6: Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

CNA Alignment:

In satisfying the conditions for Free, Prior and Informed Consent, the potential overlap between community lands and proposed plantations should have been clarified, for example by participatory mapping. The community will have chosen and explained which institutions will directly represent the community in negotiations with the developer and the developer will have accepted these arrangements. If the communities had agreed to such a step, then in order to generate adequate information for informed decision-making, participatory impact assessments will have been carried out which will make clear to the communities what they stand to lose and gain and what the legal implications of the plantations are for their lands.

Community members will have been free to get counsel and discuss their options with advisers of their choosing and time will have been afforded to the community to give consideration to their options prior to any final decisions being made. These participatory assessments will also have shown which areas should be excluded because of their role in maintaining High Conservation Values.

A key aspect of the negotiation and decision-making that will ensure is that the communities' representative institutions are given space, time and opportunity to freely consult and discuss their options among themselves and with other interested parties. Customary decision-making often requires lengthy debates in community forums between community representatives and the wider society. Such meetings are often interspersed with periods when decision-making is paused while further consultations and informal discussions are carried out at home and in council with other parties. Moreover, community representatives may enter negotiations with developers with mandates which require them not to make precipitous decisions but to bring interim offers and options back for wider discussion to allow communities to consider their options based on more detailed information. Assuming that the community has been reassured by the information provided that the plantation can bring those benefits, the stage is thus set for negotiations, which, again, should not be once-off procedures.

## Coverage Statistics

GRAND KRU COUNTY	GRAND CAPE MOUNT
<b>Household Interviews</b>	<b>Household Interviews</b>
Behwen A	GbaaFoboi
Behwen B	Madina #2
Piddy Town	Gondeh-ja
Weteken	Siafa Keh
Po River	Konja A
Sorroken City	Kenema
Gedebo Town	Dendweh
Wutuken	Johnson
Gbanken	Kaylia
Nawaken	Nimba Point
Wilsonville /Andrewville	Timbo
	Singame
<b>Qualitative (FGDs &amp; KII)</b>	Lyne
Behwen	Konja B
Garaway Atlantic City	Senii
Po River	Bacca
Nawaken	Gohn
	Falie
<b>SINOE COUNTY</b>	Kanga
<b>Household Interviews</b>	
Dejila	<b>Qualitative (FGDs &amp; KII)</b>
Kilo	Kanga
Wiah Doe	Falie
Keigbeh Town	Senii
Johnny's Town	Konjah A
Panama	
Darbye	
Mannah Town	
Tubmanville Mission	
Kabada - in Kabada Clan	
Pochen	
Tweh Town	
Quiah & Deedo Town	
Pyne Town	
Kabada - in Numopoh Clan	
Bayee	
<b>Qualitative (FGDs &amp; KII)</b>	
Tubmanville Mission	
Kilo	
Kabada	

## Detailed Comparison of Community Oil Palm Out-grower Models

	Model 1 Independent Community	Model 2 Supported Cooperative	Model 3 Joint Venture (JV)	Model 4 Community Private Partnership (CPP)	Model 5 Community Outgrower Share Program (COSP)
Who owns the land?	Community owns the land	Community owns the land	Community owns the land	Community owns the land	Community owns the land
Who uses the land?	Community develops the land	Individual/family farmers as cooperative members	Company has rights to use as JV partner	P1 = Company P2 = Joint Venture P3 = Community	Cooperative of shareholders divided into blocks/teams
How are land usage rights acquired?	Community traditional/customary rights	Community allocates temporary use to individual farmers following traditional / customary systems	Lease agreement and community equity contribution	Lease agreement	Lease agreement & contract for cooperative to operate
Who develops the land?	Community	Individual farms developed with company support (to be repaid)	Company (to be repaid)	Company (to be repaid)	Company (to be repaid)
Who chooses the outgrowers?	Community with GOL guidance	Community establishes a cooperative with GOL & company guidance	Community with GOL & company guidance	Community with GOL & company guidance	Community establishes a cooperative with GOL & company guidance
Who chooses the employees?	Community has its own employees	Joint selection	Joint selection	P1 = Company selects P2 = Community & company jointly P3 = Community	Joint selection Workers are also shareholders (e.g. 5 acres each)
Who manages the outgrower farm?	Full community management	P1: Company until loan repayment P2: Cooperative & company jointly P3: Cooperative	JV Company	P1 = Company P2 = Community & company jointly P3 = Community	Farmers/shareholders work in teams on (e.g. 75 acres) blocks as part of larger cooperative
Who buys the outgrower farm's palm fruits (ffb)?	Company (Oil palm mill)	Company (Oil palm mill)	Company (Oil palm mill)	Company (Oil palm mill)	Company (Oil palm mill)
Who provides financing?	Community seeks loan from commercial banks	Cooperative seeks concessionary loan from development banks	JV company seeks credit from commercial banks	Private partner seeks commercial credit from commercial banks	Cooperative seeks credit from bank Loan repaid to bank from sales of palm fruits

Note: P1, P2, P3 indicates Phase 1, Phase 2 and Phase 3

