

# Final Monitoring Report

**On the operations and the scale down of Addax Bioenergy  
in Makeni, Sierra Leone (period July 2014 – June 2016)**



Burned down pivot in Addax project area

**By Sierra Leone Network on the Right to Food (SiLNoRF);  
in cooperation with Bread for all (Bfa)**

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## Executive summary

This report describes the Addax Bioenergy Project in Makeni. It covers the period of July 2014 to June 2015 when Addax was still operational as well as the period of July 2015 to June 2016 when Addax scaled down its operations.

Addax was given the opportunity to comment on this Report. But besides a general critique, Addax resigned to delivering substantial comments or facts.

### Addax scale down: consequences (2015-2016)

This part is based on research by SiLNoRF and Bfa and relies on interviews with people in villages. It also refers to Addax documents as well as to two Swiss academic studies on the impacts of the Makeni project.<sup>1</sup>

**Access to land – no land:** People do not have access to their lands. The leasing contracts with Addax are still valid and enforced, even if Addax does not cultivate the land at the moment. The restrictions are enforced even more strictly than before and people are not even allowed to use the residual land (between the pivots). Moreover, the land used for sugarcane production had been levelled and drained and the trees removed. It became therefore useless for the diverse production systems of smallholders. A woman described the situation as follows: “Now this land is useless for us. All the land is infertile. We want support to continue with farming.” In a study of the legal NGO Namati, it became clear that it is close to impossible for the landowners to get back their land.<sup>2</sup>

**Jobs and salaries – no money:** The permanent workers (over 1128) were sent on garden leave and receive only 45% of their monthly salaries, which is not enough at all. All the casual workers (2243 people) lost their job. These workers relied on their seasonal jobs in order to cater for the needs of the family. Many petty businesses (mostly run by women) disappeared. People became dependent on the money from the company for their livelihoods and reported that they had never experienced this kind of poverty before. The chief of a village aptly put that “we are thankful to Addax. They came with money. Before, we were all poor. Then people got used to the money from the company. Now we have no land and no employment. We never experienced this sort of poverty before.”

**Farming operations:** The normal farming activities are severely disrupted: because of the lack of agricultural land and labour and the FDP/FDS that does not work accordingly. The lack of labour is caused by outmigration of the youth, by the high wages of labour, by the unwillingness of people to work on the fields and by the break down of earlier systems how to organise farming practices. People’s hopes to mechanized farming had been shattered.

**Addax social programs:** The longer the scale down goes on, the clearer it becomes that the services (FDP, FDS and VVG) offered by Addax are diminishing. Most machinery and tractors that are supposed to be hired through FDS are no longer in working conditions. Therefore, many farmers depend on manual labor to plough large acreages. The current

<sup>1</sup> Bottazzi, Patrick, Adam Goguen and Stephan Rist (2016), *Conflicts of customary land tenure in rural Africa: is large-scale land acquisition a driver of institutional innovation?*, Journal of Peasant Studies, p. 1-18

Rist, Stephan, Thomas Cottier and Stefan Mann (2016), *Executive Stakeholder Summary, Project title: Nachhaltige Bodenpolitik und grossflächige Landakquisition mit Schweizer Beteiligung*, available: [http://www.nfp68.ch/SiteCollectionDocuments/Rist\\_ExecutiveSummary\\_DE.pdf](http://www.nfp68.ch/SiteCollectionDocuments/Rist_ExecutiveSummary_DE.pdf)

<sup>2</sup> Conteh, Sonkita (2016). The Addax bioethanol project: legal implications of a change of ownership, a study conducted by Namati Sierra Leone



output will be inadequate to meet food security measures for their communities. VVG and FFLS are not working anymore. One man explained that “now after the scale down, it is again the women with their hoes that have to do the farming.”

**Food security:** The scale down has (and threatens to have) severe consequences for the food security of people: without money and land, the threat of hunger is omnipresent.

- **Rice and palm oil:** People grow much less native rice and have to rely more on imported rice, which is expensive. They reported that they have to ration rice now. The situation for palm oil is similar.
- **Vegetables/fruits/fish:** These items used to be available on the fields or in the bush around the villages. Now women have to buy them, often in far-away places like Makeni. This makes the diets of people (particularly of the children) less diverse. The same is true for fish that people used to catch around the villages. Some of these items people could also sell earlier giving them an additional source of income – particularly for women.
- **Non-food items:** The situation for items like sticks for construction or firewood is similar. Villagers have to walk far now and pay – and lose an additional income. This also includes a higher workload and increased time burden for women, mainly responsible to collect firewood.
- **Access to food:** A number of small traders stopped working and communities find it hard to access basic food commodities. Many have to make expensive journeys to the nearby town.

**Village life:** All these changes also affect the living together within the villages. Many formerly employed young people and men are now idle, while the workload for women becomes bigger. The young people either migrate out or stay in the villages, where people report increased incidences of alcoholism, fighting and domestic violence. Additionally, the lack of money makes people fail to pay back their credits in the village credit schemes or to pay their kids' school fees.

**Bushfires and the misery of Romaro:** In the whole Addax area, huge parts of the pivots had been destroyed by bushfires. These fires have severe consequences for the people, e.g. in the village of Romaro. Fires that started from the sugarcane had taken over to the village and the bolilands around the village, where the rice was laying to get dry. It seemed plausible that the mechanisms that hindered the fires from spreading out ceased to exist because of the sugarcane fields.

**The indomitable Masethleh:** Masethleh, in the centre of Addax project area, gave very little land to Addax but kept the majority land for their community – including bolilands and trees. People report that they still had their own rice, as well as vegetables, fruits or sticks. People from other villages said that now, Masethleh was better off than themselves. But because of their resistance, the people of Masethleh did not get many jobs, no bore-well and could not benefit much from mechanized farming (as they had wished).

**Feelings of being cheated:** Many villagers expressed feelings of being cheated by Addax as well as their own authorities. Some reported how they felt unable to say no in the beginning, mostly because it was clear to them that the project was strongly supported by the authorities and the government. Further, Addax together with the authorities tried to convince



people who were – according to them – often not totally aware about the consequences and believed the empty promises for “development”.

**Insecurity about the future:** The very high insecurity about the future leads to a feeling of hopelessness. Communities were not informed properly about the reasons, the duration and the consequences of the scale down – and they do not have any say. Further, they would not know who was responsible for this situation, who is the owner of Addax – where they can go with their protest.

**Ebola and other catastrophes – issues of vulnerability and resilience:** Addax’ scale down is only the next in a row of catastrophes. In 2014, Ebola has hit hard. Certainly, not all of the issues of food security and poverty can be tied to Addax. But the available data show clearly that the situation is desperate for people in Addax project area and that the Addax project made people vulnerable. This vulnerability of people and their decreasing resilience is also a finding of the Swiss National Research Programm 68 study<sup>3</sup>.

### Future expectations of people

People have no say in whatever happens to the project. A study about the legal possibilities of landowners or Chiefdom Councils urges to renegotiate all legal contracts, and at the same time state that certain clauses guarantee that the council would be unable to terminate the lease before its end date<sup>4</sup>.

**Expectations towards Addax:** People were very disappointed and angry about Addax. At the same time, a majority of communities was expecting the company to resume full operations soonest. Even though they had problems and perceived that most of the promises were empty, they accepted the company – if only for a lack of alternatives. They had been forced to rely on the company and if no seller would be found a complete shutdown would be announced, people will suffer the consequences.

**Expectations towards a new company:** If a new company is going to take over, many people would expect it to continue and improve on the programs of Addax and fulfil the promises. All expected the investor to be willing to renegotiate land deals in the nearest future.

**Expectations in case of shutdown:** Many people said that they would go back to farming as this has been their occupation as far as they could remember. But also for that, support would be needed to restore the land, to organise themselves into farmer based organisations (FBO’s), to get access to credit and other services.

Now, Addax is about to sell its operations probably to the British-Chinese investor Sunbird Bioenergy – a company with a questionable reputation. Development finance institutions (DFIs) who gave roughly 50% of the investment in the Makeni project do have a responsibility (i.e. the Development Banks of Germany, the Netherlands or Sweden and indirectly also from Switzerland). Even if the DFIs are or were ending their contractual relationship with Addax this does not end the responsibility of the DFIs. SiLNoRF and Bread for all demand, first, that these institutions have to take over their responsibility and support

<sup>3</sup> Rist, Stephan, Thomas Cottier and Stefan Mann (2016), *Executive Stakeholder Summary, Project title: Nachhaltige Bodenpolitik und großflächige Landakquisition mit Schweizer Beteiligung*, available: [http://www.nfp68.ch/SiteCollectionDocuments/Rist\\_ExecutiveSummary\\_DE.pdf](http://www.nfp68.ch/SiteCollectionDocuments/Rist_ExecutiveSummary_DE.pdf)

<sup>4</sup> Conteh, Sonkita (2016). The Addax bioethanol project: legal implications of a change of ownership, a study conducted by Namati Sierra Leone



the people in Makeni in the new situation. And second, that the DFIs divest from projects involving large corporations taking control over land.

### **Addax scale down: reasons**

On June 25<sup>th</sup> 2015, Addax announced on their website that they are going to scale down the Makeni project in order to conduct a review of their operations. On July 1<sup>st</sup>, Addax called an emergency meeting to inform the public that with effect on 1st July 2015, the company will scale down its operations: the factory had been shut down, sugarcane was not to be grown or harvested. Addax announced a period for scale down of six months that was later extended for another three months twice. The reasons are the following:

**Unforeseeable events:** According to Addax' the Ebola outbreak in May 2014 was a major reason for the scale down. But it is likely that more than Ebola, it had been the unforeseeable markets that were the game changer, i.e. the drastic decrease of energy prices. Additionally, EU 10% biofuel target stands on shaky grounds.

**Total costs and cost overrun:** The scale down has come as a result of the inability of the company to financially support its operations any longer, i.e. a huge deficit. The height of the deficit is not known. Even the heights of the initial and the current investment are unclear with different numbers given by different actors. In terms of reasons, very high costs for expatriate workers have been mentioned by Addax officials.

**Low yields:** Addax had very low yields of sugarcane. There are different numbers circulating, but certainly the difference between target and reality was huge and had negatively impacted the profitability. The company had not been able to fulfill their promise of supplying 15 Megawatt of electricity to the national grid.

**Accusation against the people:** Addax alleged that the activities of the communities, mostly thievery, contributed to the predicament of the company. People in villages asserted that they had not stolen anything. Further, Addax officials and villagers blamed each other for these fires – both without clear evidence. Addax urged the communities to take 'ownership' of the Addax project, by which they mean not to steal or destroy company property. At the very moment of the shut down and probable selling of the project when people are about to brutally realize that they do not at all have any ownership of the project at all.

### **Addax operations (2014-2015): assessment**

These are only those issues that are new or have – to our knowledge – changed considerably compared to the monitoring report 2014<sup>5</sup>. If the issues of concern mentioned in the monitoring report 2014 are mentioned here then, this means, they are still issues of concern.

**Ebola prevention and treatment:** When the disease engulfed the operational areas by mid July 2014, Addax provided several measures to prevent, diagnose and treat Ebola – often in cooperation with the Government. Although part of the **funding** might have come from Addax' own funds, a substantial part came from public funds, namely the Austrian Development Bank OeEB. Usually, these funds go through multilateral governmental bodies and reach people through the national government.

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<sup>5</sup> SiLNoRF 2014. "Final Monitoring Report on the Operations of Addax Bioenergy by Sierra Leone Network on the Right to Food (SiLNoRF) for the Period July 2013 – June 2014", <https://sites.google.com/site/silnorf/news-1/monitoring-report-2014> (accessed: 2016/06/11)



**Payment of land lease and acknowledgment fees:** Addax effected the payment of land lease fees to land owners, the Chiefdom Councils, the District Councils and the national government for the year 2015. The payments for 2016 are not yet issued.

**Employment and working conditions:** In March 2015, Addax had a total of 3'850 national employees. The working conditions are satisfactory. But over half of the Addax' total employees (2243) were fixed term contracted (**casual**) doing mostly manual labour at the sugarcane plantation and the factory. They had to work in those times of the year when they would need to work on their own private farms. In the other periods, most of these casual workers became idle. Only a small minority of the employees were women (6%). The recruitment process was prone to corruption and favoritism.

**Social programmes:** Addax enrolled communities in a **Farmer Development Program (FDP)** at no cost and provided agricultural operations during the farming period 2014 and 2015. But Addax failed to use local expertise in the implementation of FDP with consequences for the yields. Many families, particularly the poorer ones, could not cope with the workload for rice production on the huge FDP lands and therefore had poor yields. In the **Farmer Development Service (FDS)**, already up to 300 small farmers and women's groups from 20 villages were participating. The provision of services (ploughing etc) to the communities was sometimes too late (due to unavailability of tractors and other equipments) leading to poor harvests. The costs to plough one acre were not significantly different compared to commercial providers of tractors. Not all farmers could afford the FDS fee to use heavy machinery putting their food security at an increased risk. The Farmer, Field and Life School and the **Village Vegetable Garden** project were in place. Two communities reported that they had poor yields due to the late ploughing of garden lands by Addax, unsuitable seeds and Addax' ignorance of local knowledge. 13 Farmer Based Organisations (FBOs) from the villages have been registered to the Ministry of Agriculture. But other farmers reported that they did not have enough cash to register as FBOs.

**Bolilands:** In 2015 Addax began relinquishing some lands that were no longer relevant to their operations, i.e. in Robis Waka and Kiampkakolo. But there were still large portions of the fertile bolilands in many of the 53 communities under direct control of Addax. For community people these lands are very essential for their livelihood.

**Water issues:** Addax constructed a hand pump well in Romaro giving the community access to clean water. But the lack of **access to clean water** continues to be a major threat for communities. There are still many villages without boreholes. Particularly villages close to the factory lost their access to clean water, because Addax told people that they should refrain from using the surrounding water sources. After a long time Addax provided two 500 litre tanks and filled it with water twice in one week to compensate. Most communities within the Addax operational areas rely on the **Rokel River**, the water source Addax uses for irrigation. People suspected that the wastewater from the fields erodes back to river, now polluted by chemical pesticides and fertilizers. SiLNoRF could testify that process and the hydrological studies of 2013 and 2014 confirmed such pollutions<sup>6</sup>.

**Infrastructural improvements:** Some the major infrastructural developments took place before the scale down period, e.g. construction of houses, latrines, improvement of road network.

**Production of electricity:** Addax used the promise to produce electricity as a precept to convince the national and local government, the authorities and the community residents. It

<sup>6</sup> See Monitoring Report 2014



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was even used to cry down critics of the Addax project as anti-development agents. In reality, the production of electricity did happen but lasted only for a few weeks in November 2014. It is still not public knowledge as to the exact timing, how much electricity produced and supplied to the national grid. Whatever the initial plans were, in reality Addax took away energy from the already scarce national grid without giving much back.





## 1. Introduction

The Addax Bioenergy Project in Makeni has been operational for five years before it announced its scale down in June 2015. Since its beginning, SiLNoRF and Bread for all have been monitoring and closely observing the project. In an initial report and two subsequent monitoring reports, we showed the many issues of concern that were caused by the Addax project. This is the third monitoring report on the Addax project – and most likely the last one. Addax announced that it is going to sell its operations to another company.

This monitoring report has therefore three parts. First, we examine the period from July 2014 to June 2015 when Addax was still operational. We name the issues that people on the ground had with the company and give an update on some issues mentioned in the previous report. In the second part, we will document the process and the reasons of the scale down of the Addax project in Makeni. Most importantly, we will describe the consequences this had for the people living in the project area. Third, we formulate our conclusions and concerns for the future.

### 1.1. Background to the project

Addax Bioenergy is a Swiss based subsidiary of the Addax and Oryx Group (AOG). The project in Sierra Leone, near Makeni, was initiated in 2008 and commissioned in 2014. A total land area of 54,000 ha was originally leased for the project development but final designs eventually ended up with a land use of 24,600 ha. In 2014, Addax leased 35'000 ha land as the total project area.<sup>7</sup> At the moment, the total project area utilized is 14'300 ha. 10'000 ha are sugarcane plantation, 4'300 are used for ecological compensation areas and rice production as well as the factory. The area where the project is located is currently occupied by 53 villages with 25'000 people.

The project was expected to produce 85'000 m<sup>3</sup> bioethanol to be exported to the European Union. The bagass was supposed to produce electricity to feed in to Sierra Leone national power grid, adding up to approximately 20% of the country's total production. Addax began producing Ethanol in May 2014, but stopped shortly afterwards. During this period the Ebola epidemic virus was ravaging the country. In June 2015, citing primarily Ebola as cause, Addax announced a down scale of its operation in Sierra Leone in order to review of all options. After a period of a year, the company sells the Makeni project.

### 1.2. Purpose of the Report

This monitoring report intends to provide an overview of the information and facts collected by SiLNoRF on the operations of Addax Bioenergy since the publication of the "Monitoring Report on the Operations of Addax Bioenergy by Sierra Leone Network on the Right to Food (SiLNoRF) for the Period July 2013 – June 2014"<sup>8</sup> published in August 2014 (called monitoring report 2014 henceforth). First, the report describes the positive aspects of the project as well as the issues of concern to both the people and SiLNoRF regarding the operations of Addax Bioenergy before the scale down in June 2015. Second, the report

<sup>7</sup>Clive English and Jörgen Sandström , Addax Bioenergy: Implementing a Large Land Based Investment in Sierra Leone, Land Grab or Real Development- An Investor Perspective, February 2014. Found in

[https://www.conftool.com/landandpoverty2014/index.php?page=browseSessions&form\\_session=15](https://www.conftool.com/landandpoverty2014/index.php?page=browseSessions&form_session=15)

<sup>8</sup> SiLNoRF 2014. "Final Monitoring Report on the Operations of Addax Bioenergy by Sierra Leone Network on the Right to Food (SiLNoRF) for the Period July 2013 – June 2014".

<https://sites.google.com/site/silnorf/news-1/monitoring-report-2014> (accessed: 2016/06/11)



assesses the scale down of Addax operation in Sierra Leone and describes the impacts it has on the project communities.

### **1.3. Methodology**

SiLNoRF employed three main methods to collect information that inform this report: direct involvement with the communities or research activities of SiLNoRF secretariat or field supervisors, focus group discussions conducted by SiLNoRF member organisations and different kinds of multistakeholder involvements. The period covered by this report is from July 2014 – June 2016. Addax was given the opportunity to comment on this Report. But besides a general critique, Addax resigned to delivering substantial comments or facts.

#### ***1.3.1. Direct involvement or research activities of SiLNoRF***

First, SiLNoRF received individual and general complaints by some communities in the Addax operational areas, which were all collated and analysed to form part of this report. Second, reports from SiLNoRF field supervisors who are working with member organisations closely were collated by the secretariat to inform this report. Third, SiLNoRF research unit organised three field data collections in order to provide accurate and relevant information on the impact of the scale down. The first and the third research trip exclusively aimed at the communities. In the first trip (10<sup>th</sup> to 17<sup>th</sup> August 2015) a total of 15 communities were selected from Bombali Sebor, Makarie Gbanti and Malal Mara Chiefdoms, in the third trip (28<sup>th</sup> March to 4<sup>th</sup> of April 2016, with Bread for all) a total of 11 communities (Maronko, Tonka, Mabilafu, Romaro, Marmaria, Kolisoko, Woreh Yeama, Yainkissa, Masethleh, Magbansaw and Waka).

The second field data collection (9<sup>th</sup> to 18<sup>th</sup> November 2015, conducted by SiLNoRF secretariat and member organisations) included communities (33), but also individual interviews were conducted with local authorities, the three District Officers and three Paramount Chiefs. In all field trips, a general meeting was conducted in each community. The meetings were open to all community members. SiLNoRF research team asked community residents questions relating to the scale down of Addax operation, their views on the social services delivered by Addax as well as their expectations for the future.

#### ***1.3.2. Focus Group Discussions by SiLNoRF member organisations***

SiLNoRF has four member organisations directly working in Addax operational areas. These member organisations deployed four field agents each in the project communities who worked directly with people to receive first-hand information. Member organisations conduct focus group discussions in all communities of Addax operational areas four times a year. The focus group discussions targeted youth, women and farmers in each community. The discussions were open and members of the community could join the various groups constituted. In most cases these groups had a minimum of five participants a. The field agents collected data from communities on pertinent issues affecting their day-to-day life.

#### ***1.3.3. Multistakeholder involvement***

Information from four types of multistakeholder involvements was integrated in this report. First, SiLNoRF member organisations facilitated multistakeholder interactive sessions in Addax operational areas. SiLNoRF field agents are trained on land rights and right to food issues by the secretariat. These field agents conduct clustered trainings for communities every three months on land issues and right to food. The youth, farmers, women and local authorities are invited to participate in these trainings. During these sessions, member organisations collect data on complaints and conflictive issues. The secretariat conducts field

trips to the communities when necessary in order to follow up on issues arising from these sessions to get further detailed information.

Second, SiLNoRF secretariat also organised multistakeholder sessions and brought together key stakeholders involved in the Addax project, including the Addax social management team, community chiefs and representatives as well as local authorities. A multistakeholder session was also organised to deal specifically with the scale down of Addax operation and brought together major stakeholders: Addax social management team, the Paramount chiefs and/or representatives of the three chiefdoms, representatives from the District Councils, representative from the provincial secretariat, civil society representatives and a representative from the Human Rights Commission, among others.

Third, SiLNoRF participates in the multistakeholder forums organised by University of Makeni (Unimak). Information gathered at those forums is integrated into this report. Fourth, Silnorf has been taking part in some of the clustered village meetings that are also organised by Addax management.

#### **1.3.4. Engagement with Addax**

Last but not least, SiLNoRF secretariat monitored Addax's operations by engaging Addax management on their operations. SiLNoRF and Bread for all confirm that before the scale down, Addax Bioenergy was open for discussions with its stakeholders, while after the scaledown this openness has decreased. When Addax was still in operation, SiLNoRF secretariat held sessions with Addax management to share information and update on specific issues like the borehole projects or the social programs of the company. SiLNoRF uses this opportunity to engage Addax on complaints arising from the communities and push the management to address specific issues as well as to gather information. Addax had been given the opportunity to comment on this report as well.



Figure 1: Community meeting in Addax project area



## **2. Addax Bioenergy in operation: 2014 - 2015**

This section will deal with issues regarding Addax before the scale down of its operations. It will first describe where Addax fulfilled its contractual obligations and where positive aspects could be observed between July 2014 and June 2015. Secondly, this part will highlight issues of concern and show the negative impacts on the communities in the operational areas.

This part is mainly a follow-up of the monitoring report 2014, which was very detailed. Due to Ebola that struck the country in mid 2014, research activities in this period were strongly limited. If – to our knowledge – nothing had changed compared to the situation described in the monitoring report 2014, we do not mention our findings and issues again – even though they remain.

### **2.1. Fulfillment of contractual obligations and positive aspects**

In this chapter, SiLNoRF acknowledges where Addax Bioenergy (SL) Ltd. had stucked to its contractual obligations and where the operation of the company had brought positive aspects to the project area. The main points are Ebola prevention and treatment, payment of land lease and acknowledgement fees, employment and working conditions, social programs of Addax, relinquishment of bolilands, the water well in Romaro, infrastructural improvements and the production of electricity.

#### **2.1.1. Ebola prevention and treatment**

Sierra Leone was struck by Ebola virus disease in mid 2014. The virus quickly spread in the country and affected almost all Addax operational areas. Despite these difficulties, Addax continued to operate and remained throughout the crisis. When the disease engulfed the operational areas by mid July 2014, Addax initiated a programme to ensure protection of Addax staff. Further, Addax helped to support and to strengthen the government initiative aiming at sensitising and mobilising the public to take stringent actions in stopping Ebola from further spreading.

Initial work commenced with a three-week public health extension programme to sensitise villagers on the dangers of Ebola and provided them with knowledge on preventing the disease. The programme was implemented by the Addax Social Team using information provided by the government. Further, over 300 chlorine wash stations were erected in all entrances of the company's operations and surrounding villages and a task force was formed to take care of the wash stations. Additionally, soaps were distributed to all employees to take home and use as disinfectant.

Addax built an Ebola holding center for staff on-site to diagnose persons in the event that symptoms of the disease were exhibited and brought in eight nurses (four expatriates and four locals) to man the unit and provided support to the health clinics. The nurses were trained in infection and Ebola control procedures. Personal protective equipment, including gloves, suits, facemasks and boots, had been imported specially. Additionally, Addax donated cash and vehicle to the central government, two vehicles to the Bombali Ebola center and a vehicle to the Tonkolili Ebola Center. Computers, fuel and torchlights were donated to the Ebola control center.

When Ebola became unbearable and the disease was fast spreading, Addax solicited funds to construct an Ebola holding center at the Makeni Government hospital. The Ebola holding center was used as isolation units for Ebola suspected cases. They could wait there for the



test result or go en route to the next treatment center in case their test turned out to be positive.

Addax solicited funds from development banks to construct the Ebola treatment centre at the Magbenteh hospital in Makeni. The Ebola treatment center was opened in November 2014 and became the first in the Bombali district. The center admitted over 157 patients, of whom 101 were discharged free of the infection and 56 tragically died.<sup>9</sup>

### **2.1.2. Payment of land lease and acknowledgment fees**

The land lease payments are supposed to be done once a year (in March or April) according to the top down approach imposed by the government. This payment is shared amongst the landowners, the Chiefdom Council, the government on district and national level. The land lease fee Addax has to pay per acre is 3.60 USD, where 50% go to village landowners, 20% go to the Chiefdom Councils, 20% to the District Officers and 10% to the government. Additionally, the landowners get 1.40 USD per acre as a consequence of the acknowledgement agreements. This leaves the landowners with 3.20 USD per acre (or 7.90 USD per hectare).<sup>10</sup>

SiLNoRF and Bread for All can confirm that Addax effected the payment of land lease fees to land owners, the Chiefdom Councils, the District Councils and the national Government for the year 2015. A total of SLL 996'618'000 was paid out and was distributed accordingly. The land owners received SLL 498'309'000; the Chiefdom Councils received SLL 199'324'000; the District Councils received SLL 199'324'000; the Government received SLL 99'662'000. In addition to the land lease payment Addax also paid the acknowledgement agreement payment 2015 for land that is currently used. The three chiefdoms received the following payments accordingly; Bombali Seborra SLL 41'180'000, Makari Gbanti SLL 128'695'000, and Malal Mara SLL 217'659'000.<sup>11</sup>

### **2.1.3. Employment and working conditions**

As of 31<sup>st</sup> March 2015, Addax had a total of 3'850 national employees. Among them, 132 employees were permanent and received fixed monthly salaries. A total of 1'472 employees were permanent but salaries were daily rated, subject to number of working days in a month. Fixed term contracted employees (casual) amounted to a total of 2'243.<sup>12</sup> The casual workers are temporary workers employed with fixed term contract ranging from 3 months to 6 months in a year.

Positive aspects of the employment (contract, due payment, social security) are described in the monitoring report 2014 (p. 13). Employment conditions around the factory and sugarcane settings were satisfactory at this period, meaning that employees were provided with safety gears and precautionary measures were put in place for workers' safety. SiLNoRF observed that transportation to and from the factory and other deployment areas were provided. Buses were available for workers coming from far distance areas like Makeni city.

<sup>9</sup> Data retrieved from Jörgen Sandström of Addax in an email to SiLNoRF dated 17th February, 2015. This data was also collaborated with data received from the Addax Social Affairs Management

<sup>10</sup> Clive English and Jörgen Sandström, Addax Bioenergy: Implementing a Large Land Based Investment in Sierra Leone, Land Grab or Real Development- An Investor Perspective, February 2014. Found in

[https://www.conftool.com/landandpoverty2014/index.php?page=browseSessions&form\\_session=15](https://www.conftool.com/landandpoverty2014/index.php?page=browseSessions&form_session=15)

<sup>11</sup> Land lease payment data sheet retrieved from Addax on the 13<sup>th</sup> January, 2015.

<sup>12</sup> Addax Human Resource data retrieved from Addax Social Affairs Management via email dated 1<sup>st</sup> February, 2015.

#### **2.1.4. Social programmes**

Addax had implemented several social programs to support the farming activities of people: the Farmer Development Programm (FDP) that after three years turns into the Farmer Development Service (FDS), the Village Vegetable Garden scheme (VVG) and the Farmer, Field and Life School (FFLS).

The Farmer Development Programme (FDP) aims at mitigating the negative impacts the project might have on food security. All communities who leased out land to Addax are entitled to join this programme. It starts after land is leased to Addax and runs for three rolling years. These communities are guaranteed the right to land ploughed and developed by Addax for rice production. The land is provided by the communities and is distributed among households according to the number of persons in the household. Addax puts this rate at approximately 0.143 ha/person.<sup>13</sup>

For the three years of the FDP, the company is supposed to plough and harrow the FDP fields for free and to provide seed rice for the farmers for three years. In the first and second year of the FDP, households are required to give back to Addax percentages of the rice harvested. Addax stores this rice for re-distribution as seeds for next year FDP or to give to other households entering the FDP. In the final year of the FDP households are not required to give any rice, but this also signifies the end of the FDP for them. From the fourth year onwards, villages leaving the FDP may subscribe to the Farmer Development Service (FDS) if they wish, if they apply and if they pay for the services. Under the FDS, Addax provides the following services at cost price to registered farmers: contract ploughing and harrowing; threshing; provision of seed and seed storage; transportation and a service desk to help farmers with their needs.



Figure 2: Pivot with sugarcane before the scale down

SiLNoRF can confirm that Addax enrolled communities at no cost and provided ploughing, harrowing, seeding and harvest support, threshing and transport to during the farming

<sup>13</sup> Clive English & Jorgen Sandstrom (2014), Implementing a Large Land Based Investment in Sierra Leone Land Grab or Real Development – an Investors Perspective. Paper prepared for presentation at the “2014 World Bank Conference on Land and Poverty” p.32.



periods 2014 and 2015. Farmers were not required to pay for services provided by Addax, however each household was responsible to take care of their own allotted farms (to weed, to drive away birds) until harvest season.

In 2015, there were 17 villages formally enrolled in the FDP programme. One village was in the first year of FDP, ten villages were in the second year and six villages were in the third year and will eventually leave the programme in 2016. No further villages have joined the FDP for 2016. The last village will leave the programme by 2017 and thus the FDP will come to an end. In 2013, over 22 villages were set to graduate from the FDP and could enter FDS. Farmers had to pay a sum of SLL 50,000 to hire a tractor for an hour. This tractor rent was rather low when compared to the use of other tractors in the market. There were many farmers who said to have been registered already and would use this service.

With regards to average yields per hectare for 2015 in the FDP, we received data from Addax.<sup>14</sup> SiLNoRF and partners were not able to independently verify the yields due to Ebola prohibitions. The numbers in the following table are therefore purely Addax data, but are difficult to interpret.

Table 1: Yields in the FDP 2014 and 2015

Chiefdom	Bombali Seborá		Malal Mara		Makari Gbanti	
	2014	2015	2014	2015	2014	2015
<b>Av Yield (kg/ha)</b>	1'152	0	1'255	8'029	1'042	9'328
<b>Per Capita (kg)</b>	154	0	329	835	206	970
<b>FDP Area (ha)</b>	72	0	836	387	411	405

For the Bombali Seborá Chiefdom, figures are easy to read: all villages have finished the third year of FDP and the district therefore dropped out of the program – leaving the yields at zero. For the Chiefdoms of Malal Mara and Makari Gbanti, however, the numbers are more delicate. Addax refers to a food security baseline of 100 kg per person a year.<sup>15</sup> In 2013 the average yield of 1'858 kg per ha resulted into 128 kg per capita.<sup>16</sup> But this is only an average and in the monitoring report 2014 we showed that in two Chiefdoms, namely Bombali Seborá and Makari Gbanti this baseline was not met (p. 23). The figures Addax presents here show an extremely steep increase in 2014 – despite being in the midst of Ebola. In 2015 then, the numbers literally exploded and would now be eight times the food security baseline. To conclude, these numbers seem too wild to make any conclusions.

The Farmer, Field and Life School (FFLS) is another component of the Addax social services geared towards training farmers on conventional methods of farming. Until 2015 more than 2'400 small holder farmers were trained through the Farmer Development Programme, the

<sup>14</sup> Information retrieved by SiLNoRF from the Addax Social Affairs Management Office, 2016.

<sup>15</sup> African Development Bank. 2011. Executive summary of the environmental, social and health impact assessment of Addax Bioenergy.

<sup>16</sup> Addax Bioenergy SL (ABSL) 2013 Annual Independent Public Environmental & Social Monitoring Report, Report of Lenders' Independent Environmental & Social Monitor, Nippon Koei UK. Prepared by Ron Bisset & Paul Driver. p.10.



Farmer Field and Life Schools and on-the-job skills training. The FFLS has been merged with the Village Vegetable Garden project.

The Village Vegetable Garden project (VVG) has been set up in eight villages in 2013. It aimed at contributing to the diversification of food and healthier diets (because the FDP only concentrates on rice production). The VVG targeted mostly women as the main beneficiaries because they are the traditional vegetable growers in the country. Besides the vegetables, the VVG added other crops like cassava and groundnuts to increase food production. The VVG is a free programme for the first year for selected farmer groups.

Addax recommended that the project would be more successful if farmers organised themselves into groups because after the first year, the scheme was expected to follow a similar trend like the FDS. Therefore, VVG programme encouraged farmer groups to officially register as Farmer Based Organisations (FBO). Registering as an FBO comes with costs but gives the groups access to aid and help from the government. This could further assist them to build up and cultivate their gardens. 13 groups from Addax project area have been registered to the Ministry of Agriculture as FBOs.

#### **2.1.5. Bolilands relinquished**

Addax initially promised not to encroach on the fertile lands, particularly the bolilands or swamp lands, where rice and other yields are better. When the operations of Addax started expanding, many communities lost their bolilands to Addax as it became very difficult for Addax to map out some pivots by avoiding the use of bolilands. SiLNoRF and Bread for All intervened and insisted that bolilands should be left with the communities so that they can grow their swamp rice for their sustenance (see monitoring report 2014, p. 20 and 26).

In 2015 Addax began relinquishing some lands that were no longer relevant to their operations. We showed in the monitoring report 2014, that the communities of Robis Waka and Kiampkakolo were particularly affected (p. 26). The people in Robis Waka and Kiampkakolo confirmed to SiLNoRF that Addax had relinquished their bolilands and the people were now using it to grow swamp rice. Further, Addax had relinquished lands they were no longer working on (including bolilands) also to other communities. We do not at this moment have data showing how much of land relinquished.

#### **2.1.6. Water well in Romaro**

Romaro community is structured on a straight line with about 15 houses, most of which are locally built mud and thatches. Sugarcane fields of Addax surround the village. This community had problems accessing water for consumption, because the stream that the community was using for consumption and domestic purposes was taken over by the Addax to make way for the pivots (see monitoring report 2014, p. 27). A prominent resident of Romaro explained that after the land was taken and Addax grew sugarcanes on them, water became a major problem, as the residents no longer had access to the lakes they were using as irrigation for their gardens. The stream they used to launder their cloths and bath etc had been taken away.

Through repeated engagement on this issue, Addax finally constructed a hand pump well for the village. During the research, the team discovered that the water situation of this community was improving as the community now had access to clean water. The resident of Romaro went on saying that “this community remained grateful to SiLNoRF for their relentless effort in ensuring that an alternative source of water is provided by Addax. Though there are few other challenges with water, but we have reasonable access to pure and uninterrupted water.”





### **2.1.7. Infrastructural improvements**

The following, some of the major infrastructural developments that took place before the scale down period are listed:

- *Houses*: Addax employees and contractors built many new houses in the communities.
- *Business center*: A permanent business centre was constructed at the factory site to enable a business atmosphere for the workers.
- *Ventilated Improved Pit (VIP) latrines* were constructed at Romaro, Yankaisa and other communities.
- *Road network*: A bridge was constructed that linked the Mabolleh village and Mamuru to facilitate the easy movement of people. Road networks in these two communities got better and the movement of people via vehicles is now quite easy. As a result, goods could easily be transported from communities to nearby Makeni city.
- *Telecommunication*: Most communities in the Addax operational areas are now connected to the wider Sierra Leonean community via mobile phones. We can assume that the presence of all Addax' workers was one reason for the extension of network coverages to these communities.
- *Boreholes*: In 2015, Addax received a post-Ebola support and funding from outside Addax<sup>17</sup> (through the Water and Sanitation Hygiene (WASH) programme) to provide boreholes to 20 villages in their operational areas. According to Addax, the villages were prioritized according to water availability and whether a village's water source(s) had been impacted by Addax operations. The following communities benefited from the WASH Program<sup>18</sup>: Roportor and Masorry in Chiefdom Bombali Seborá; Maronko, Taiama, Lungi Acre, Kolisoko, Chain Bundu and Romaneh in Chiefdom Makari Gbanti; Mamaria, Matanko, Manewa, Marokie, Malainka, Rowaka, Mayengbe, Magbansaw, Rothonkon, Robung Mabansa and Matero in Chiefdom Malal Mara.

### **2.1.8. Production of electricity**

Electricity production and provision was one of the key promises of the Addax project. Many people hoped Addax could help the national government to overcome the precarious electricity condition in the country. We know that sometime in November 2014, Addax produced electricity and supplied it to the national grid.

This part showed where Addax fulfilled its contractual obligations and where positive aspects could be observed between July 2014 and June 2015. Most of the promises Addax made to people orally (see monitoring report 2014, p. 19ff), however, remained unfulfilled.

<sup>17</sup> Addax could not disclose their source of funding this project.

<sup>18</sup> Information retrieved by SiLNoRF from the Addax Social Affairs Management Office, 2016



## 2.2. Issues of concern

In this chapter we will describe issues of concern that came up during the period under review before the scale down (July 2014 to June 2015). The issues taken up in this chapter are: employment and recruitment, social programs, bolilands, water issues and electricity.

### 2.1.1. Funding of Ebola measures

The funding of the measures against Ebola (see 2.1.1.) is an issue of concern. Although part of the funding might have come from Addax' own funds, a substantial part came from public funds, namely the Austrian development bank OeEB (at least 274'000 Euro).<sup>19</sup> Usually, these funds to support countries in cases of health emergencies go through multilateral governmental bodies and reach people through the national government. If private companies decide to spend their own finances in such cases, this is surely welcomed. But the fact that public institutions give money for relief through private companies is highly dangerous. It is, after all, the state that should be the one implementing and being supported to implement programs for health, prevention and relief. The dangers of working with companies become very clear in part 3.

### 2.1.2. Employment and recruitment

More than half of the employees (2243) were fixed term contracted (casual). This is more than half of the 3850 employees (see 2.1.3). These casual workers were mostly recruited from the communities and did manual labour at the sugarcane plantation and the factory. Most often these workers were hired (on three months or six months basis) in those times of the year that are crucial and labour intensive with regards to agriculture. This means that in those times, the workers would also need to work on their own private farms. Because farming is seasonal, missing for instance ploughing periods means missing the entire year to farm the staple foods.

In the other periods, most of these casual workers became idle in the communities and engaged themselves in thievery, over drinking and domestic violence. SiLNoRF received many reports from field visits about the recurrence of these activities. Therefore, SiLNoRF through member organisations organised a focus group section with women to enable us grab the full details of the consequences on their lives. During these discussions women lamented their husbands' unemployment status and the lack of opportunities for their husbands to employ their creativity and engage themselves in other income generating activities. Reliance on Addax for short-term job proved counterproductive in the end. Addax should prioritise permanent contracts more to community residents.

Moreover, only a small minority of the employees were women. A total of 3634 (94%) of Addax employees were male workers while only 216 (6%) were female employees.<sup>20</sup> The low percentage of female employees reiterates the struggles women underwent in the households. They were left with sometimes no option but to handle the tedious job of taking care of the family alone.

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<sup>19</sup> Fian (2015). Entwicklungsfinanzierung. Agribusiness. Menschenrechte. Access: [http://fian.at/media/filer\\_public/88/5d/885d5a14-0f88-4383-ac38-1c72bb53886e/entwicklungsfinanzierungagribusinessmensenrechte\\_fian-2015-entwicklungsfinanzierungagribusinessmensenrechteweb.pdf](http://fian.at/media/filer_public/88/5d/885d5a14-0f88-4383-ac38-1c72bb53886e/entwicklungsfinanzierungagribusinessmensenrechte_fian-2015-entwicklungsfinanzierungagribusinessmensenrechteweb.pdf)

<sup>20</sup> Addax Human Resource data retrieved from Addax Social Affairs Management via email dated 1<sup>st</sup> February, 2015.

During research visits discussions, especially the youth raised concerns about the current recruitment process. The recruitment was done via the community recruitment programme, which was facilitated by the Member of Parliament (MP) for Makari Gbanti Chiefdom. The community recruitment programme was designed to involve local authorities in the recruitment of their people to work for Addax. In essence, workers were chosen by the programme directly led by the MP for Makari Gbanti. The youth were dissatisfied with the process. They were subjected to some form of payments (in cash, livestock and food items) to recruiters responsible for the community recruitment in order to stand chances of getting employment in Addax. Those who were not in the good books of the MP and of the local authorities faced a higher risk of being disqualified for the recruitment programme. To avoid favouritism, community residents demanded for a fair process of recruitment and suggested that Addax should take direct control of the recruitment programme.



Figure 3: Workers preparing the land for sugarcane fields in the beginning of the project

### **2.1.3. Addax' social programs**

With regards to the Farmer Development Program (FDP), there were two major problems (adding up to the ones discussed in the monitoring report 2014). First, conventional methods of rice production did not necessarily translate into good yields without first knowing the composition of soil type and farming methods applied by local communities. Addax still failed to use local expertise the type of land, suitable agricultural practices and rice varieties.

Second, many families could not cope up working on huge lands for rice production. Addax did not provide any other services, therefore a huge pressure was put on families to weed the plantation and drive birds and animals for a good harvest. Most often, families were also busy with their own plantations they grew. Taking care of two or more plantations proved difficult and most often unsuccessful. Those who were able to cope up were the wealthy ones with resources, who could employ their neighbours to work on their farms. Those who were unable to cater for their farms were often the poorer families who then yielded poor harvests.

The big uncertainty in 2015 and still now had been how many farmers would be able to benefit from the Farmer Development Service (FDS), once FDP has stopped for them. For many farmers already, the Farmer Development Program (FDP) has come to an end after three years. Up to 300 small farmers and women's groups from 20 villages were participating



in the Farmer Development Service (FDS) by Addax. They were organised in 20 groups cultivating a total area of 36.6 hectares (or 90.4 acres).<sup>21</sup> It is important to note that if farmers did not apply for the FDS (or if they applied too late), there was a high risk that the rice production would decline significantly after the FDP support was over.

One problem was that the provision of these services from the side of Addax was rather limited, because there were not enough tractors and other equipments to cater for all the farmers already subscribed to the FDS. As a consequence of this, the provision of services to the communities was sometimes too late. Such late ploughing of land for instance could lead to poor harvest. Further, the costs to plough one acre of land was SLL 50'000 (USD 11.4) and farmers complained that though cheaper these prices were not significantly different compared to commercial providers of tractors.

But there was a more fundamental problem with FDS, which was based on the principle that farmers had to pay for the services to cultivate their land. Not all farmers could afford the FDS fee to use heavy machinery. Many farmers reported they did not have enough cash to pay for the services and demanded lower prices. It was difficult for poorer farmers to seek the FDS services and therefore their food security was put at a higher risk.

With regards to the Village Vegetable Garden scheme, two communities report that it was not successful due to poor yields. During SiLNoRF field visits in 2015 communities attributed the failure to the poor coordination, the late ploughing of garden lands by Addax, unsuitable seeds and again Addax' ignorance of local knowledge. Further, Addax recommended that communities should organise themselves into Farmers Based Organisations (FBO) to put their skills from the Addax' trainings into practice. Farmers reported that they were aware of that but did not have enough cash to register their FBOs and continue to meet.

### **2.2.1. Bolilands**

SiLNoRF and Bread for All could observe that there were still large portions of bolilands in many of the 53 communities under direct control of Addax. For community people these lands are very essential for their livelihood: they are productive lands and quite often close to the villages, which makes access easier. Historically, most communities chose to situate themselves closer to fertile lands and rivers for closer access to productive livelihood activities. But despite this importance, some community members came under pressure to cede their bolilands to Addax because these lands were supposed to be part of an unavoidable pivot. Some landowners were pressured by their local leaders, and others were fascinated with the sum of money they were offered as land lease rents.

### **2.1.4. Water issues: Rotonka and the Rokel River**

Access to safe drinking water has always been a major concern for SiLNoRF, Bread for All and its partners with regards to Addax's operation in the communities. The issue has been repeated many times in our previous reports (see monitoring report 2014, p. 27ff, 30ff and 37ff). The lack of access to clean water continued to be a major threat for communities. There were still many villages without boreholes.

In this report, we would like to draw attention to Rotonka Community, sharing borders with the Addax Bioenergy factory located at Mabilefu. The community provided the land for the construction of the Addax factory. Before that, the community had access to clean water from the surroundings and from the Rokel River at any given time. In 2015, the community faced a lack of adequate water for consumption.

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<sup>21</sup> Figures from Addax Social Service, retrieved by SiLNoRF 2106.



When Addax operations intensified, Addax told people that they were not allowed anymore to use the surrounding water sources because of the pivots. The company promised community residents that those water sources would be replaced with a matter of urgency. This promise was too slow to be fulfilled by Addax. When SiLNoRF research team visited Rotonka in the beginning of 2015, people reported that Addax advised the community people to deviate from consuming the water and promised to provide an alternative means. Though it was not clear from Addax that the river might be polluted, the community logically concluded that it was. They therefore are faced huge constraints with regards to accessing clean water.

But with the intervention of SiLNoRF and NAMATI, Addax adhered to its promises by providing alternative means of water supply to Rotonka. Addax provided the community with two 500 litre tanks and filled it with water twice in one week. On other visits, community residents were pleased with the two tanks. However, they claimed the water is too little to cater for the entire village. "We are left with no other option than to revert back to the river as the last resort. Addax asked us to stay away from the river without telling us that the water is not pure for drinking purposes. But we know for sure that the river is polluted by both Addax and African mineral company. They are both using the water for their activities," a community resident said. SiLNoRF together with its legal partner NAMATI further raised concerns from the community to Addax. The company promised to provide additional three 500 litre water tanks summing it up to five. SiLNoRF and Bread for all can confirm that the community now has 5 of 500 litre water tanks.

Also in other villages that are located close to the factory people reported about the same problems. In Tonka, people said that the company had said that they should stop using the water from the river, because there was chemical waste from the factory upstream of the village. Addax did not want to give them a groundwater well neither because they said that the chemicals would also affect the ground water. Therefore, the company brought them two tanks with a total of 20'000 litres per week. People from Mabilafu reported that the water from the Rokel river was polluted but that they did not get any boreholes. This issue in particular was mentioned also by many other communities: that the natural springs they used to use were no either gone or polluted with fertilizers and herbicides and the company did not build as many boreholes as they had promised to.

Most communities within the Addax operational areas are located along the Rokel River, the water source for the Addax project. Addax used this water as irrigation to sugarcane plantations. Communities like Kiampakolo, Makama Bana, Lungi Acre, Robung Mabansa and Rotonka are among those relying on the river for their water consumption, recreational facilities and economic purposes such as fishing, gardening etc. People from these communities suspected that Addax used the water for irrigation and then the wastewater eroded back to river, now impure for consumption due to the chemical pesticides and fertilizers the company was using. The people of Kiampakolo took SiLNoRF research team to the point where water was coming from the Addax pivots and empties itself back into the Rokel river where SiLNoRF team could testify that process.

Even though some communities have been provided with clean drinking water, people still depend on the river for other social activities. The Rokel River is a place of social gathering where children and elders meet to shower and do laundry. It is impossible to absolutely prevent people from accessing the river but instead, Addax must prevent the use of chemicals or fertilizers from entering back into the river. Addax should take all precautionary measures to make sure that water is not polluted by the chemicals.

In the hydrological studies of 2013 and 2014 (see monitoring report 2014, p. 31 ff) these pollutions could be confirmed for the water around the examined villages. The levels of



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phosphate and several herbicides did not reach a level harmful for human health. Nevertheless, the fact that the level of phosphate was higher than the guideline value in Switzerland and that several (even highly toxic) pesticides could be found show that the quality of the drinking water and the likely impact of the massive use of pesticides and fertilizers in the region have to be further monitored.

#### **2.1.5. Production of electricity**

The production of electricity to be supplied to the national power grid was one of the major promises of the Addax Makeni project. Over and over again, Addax used this as a precept to convince the national government, the local government and the community residents into agreeing to the terms set forth and manifested in the memorandum of understanding agreed upon by the Sierra Leone parliament and the land lease agreements signed by the local leaders on behalf of their community people.

Addax promised a “capacity of up to 15 MW of power will be supplied to the national grid of Sierra Leone, significantly adding to the country’s overall electric power capacity.”<sup>22</sup> Over the years this pretext was used to cry down critics of the Addax project as anti-development agents both by the national government and the local government. Almost all paramount chiefs and parliamentarians involved have publicly noted that the production of electricity to the national grid was their motivating factor to allow Addax operation without hindrance.

But in reality, the production of electricity lasted only for a few weeks. It is still not public knowledge as to the exact timing, how much electricity produced and supplied to the national grid. SiLNoRF and Bread for All have asked Addax to make this information available to the public as soon as possible. The production of electricity is a total failure on the part of Addax not only to communities but the nation as a whole. We are still grappling with the fact Addax was unable to produce enough sugarcane for processing of ethanol and the bagasse necessary to generate electricity for the national grid.

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<sup>22</sup> Emerging Africa Infrastructure Fund found at: <http://eaif.com/our-projects/view/addax-bioenergy-helping-power-sierra-leone>, Retrieved 20<sup>th</sup> March, 2015.



## 2. Consequences of the scale down

The following part is about the scale down of Addax in June 2015. We first list the chronology and analyse the reasons. Second, we describe the consequences of the scale-down for the communities. And last but not least we write about the expectations of people and list the demands that come out of this part. The testimonies in this chapter have been collected by SiLNoRF and BfA during the field visits in 2015 and 2016.

### 2.1. Chronology of the events

On June 25<sup>th</sup>, Addax announced on their website that they are going to scale down the Makeni project in order to conduct a review of their operations for the future – starting immediately. On Wednesday 1st July 2015, Addax called an emergency meeting at Mara, the head town of Malal-Mara Chiefdom, to inform the communities and the general public that with effect on 1st July 2015, Addax will cease its operations. This includes the shutting down of the factory. Further, sugarcane will not be grown or harvested until after the break in December.

SiLNoRF was invited to participate in this meeting. Present at the meeting were community people from the operational areas of Bombali and Tonkolili districts and the bulk of them were landowners, town heads, village Chairladies etc. SiLNoRF partner NAMATI was also present in the meeting. The purpose of the meeting was to unveil the present status of the Addax Bioenergy project and to discuss about communities' roles and responsibilities in preserving the assets of Addax while normal activities will come to a halt.

Following the announcement by Addax that they were scaling down their operations, SiLNoRF and partners – both local and international – have been concerned on how the scale down will impact on the livelihood of the project communities. In order to provide accurate and relevant information to partners on the impact of the scale down, SiLNoRF organized three separate engagements.

The first engagement was conducted from the 10<sup>th</sup> to 17<sup>th</sup> August 2015. SiLNoRF held a general community meeting with 15 communities selected from Bombali Seborá, Makarie Gbanti and Malal Mara Chiefdoms. The second engagement took place on 18<sup>th</sup> August 2015 at the SiLNoRF Secretariat. SiLNoRF organized a multistakeholder session that brought together Addax Social Affairs management team, the Paramount Chief of Bombali, the Chiefdom Speaker of Malal Mara, and Chief representative of Makarie-Gbanti chiefdom. Also present were representatives from the District Councils of Bombali and Tonkolili districts, the Human Rights Commissioner Northern Region, a representative from the Provincial Secretary's office as well as SiLNoRF partner Namati. The forum discussed vital issues ranging from the reasons of the scale down, the repercussions for community people to an action plan. The communities pledged for support while Addax asked people to help protecting Addax' properties. Third, a multistakeholder meeting was conducted on 2<sup>nd</sup> April 2016. It was organised by SiLNoRF and Bfa. There were many people from the affected communities, representatives from the local authorities, the chiefdom council, government agencies and civil society organisations.

### 2.2. Reasons for the scale down

The reasons listed here are partly given by Addax officially and in written (i.e. on their website), partly they have been named only in oral communication (i.e. in the emergency meeting of 1st July 2015, by the Labour Relations Coordinator of Addax). A part of the reasons also base on the understanding of SiLNoRF/Bread for all. We discuss the following



reasons: unforeseeable events, costs, yields and accusations against the villagers. In the emergency meeting, Addax officials attributed reasons for scaling down mainly to 'unforeseeable events' since the project inception that had impacted on their timeframe, costs and revenues.

### **2.2.1. Unforeseeable events**

One such unforeseeable event was Ebola. According to Addax' website, the Ebola outbreak in May 2014 was a major event that caused them 'substantial delays' in service delivery. Many contractors and workers were forced to leave the site of operations making it difficult to meet targeted demands. Most expatriates and contractors declared 'force majeure' and left the country at the peak of ethanol production.

At about the same time, other companies such as London Mining and African Minerals closed down. While Ebola might have been one reason, other reasons might have played a more important role. In the case of London Mining and African Minerals, the iron ore prices decreased strongly.<sup>23</sup> The same is likely to be true for Addax: more than Ebola, it might be the unforeseeable markets that were the game changer.

For SiLNoRF and its partners the reasons for the scale down are also tied to trends in the world energy market and the drastic decrease of energy prices. The oil industry, with its history of booms and busts, was in a long downturn. The cause is the plunging price of a barrel of oil, which has been cut roughly in half since June 2014, reaching levels last seen during the depths of the 2009 recession. Prices have dramatically fallen in the past years and executives think it will be years before oil and other energy prices return to what was the norm over the last decade.<sup>24</sup> The production of ethanol, on the contrary, is costly and cannot follow this trend. Therefore ethanol may no longer be a profitable business for Addax and its investor as earlier predicted.

Additionally, in 2010 the EU formulated the target to have "10% of the transport fuel of every EU country to come from renewable sources such as biofuels" by 2020<sup>25</sup>. But this target right now stands on shaky grounds. Already by the end of 2016, a new renewable energy directive is expected to be out.<sup>26</sup> Therefore, it is uncertain if the EU market keeps being promising for biofuels.

### **2.2.2. Total costs and cost overrun**

What is clear though is that the scale down has come as a result of the inability of the company to financially support its operations any longer. In an earlier engagement with the company during our monitoring visits, a senior company official disclosed that they have a financial deficit close to 150 Mio Euro – that is a huge deficit compared to an initial investment.

This initial investment though is worth giving a second look. The numbers about the investment have always been vague and changed tremendously during the phase of the project. In the beginning, Addax talked about 190 Mio Euro for the first phase of the project

<sup>23</sup> See <http://www.theguardian.com/global-development/2015/mar/10/ebola-crisis-sierra-leone-diversify-mining-economy>

<sup>24</sup> See <http://www.nytimes.com/2015/01/13/business/energy-environment/oil-prices-fall-to-their-lowest-since-2009-recession.html>

<sup>25</sup> <https://ec.europa.eu/energy/en/topics/renewable-energy/biofuels>

<sup>26</sup> <https://ec.europa.eu/energy/en/consultations/preparation-new-renewable-energy-directive-period-after-2020>





and 62.5 Mio Euro for the second phase, coming to a total of 252.5 Mio Euro.<sup>27</sup> A year later, Addax talks about 220 Mio Euro.<sup>28</sup> At the moment, Addax states a total investment of 455 Mio Euro.<sup>29</sup>

Not only Addax, also the involved development finance institutions (DFI) are not clear about the height of the investment. In 2011, the development bank of the Netherlands FMO talked about a total investment of 267 Mio Euro,<sup>30</sup> the Cordiant Bank (one of the coordinating Financial Institution) talked about 268 Mio Euro and listed the contributions of the single DFIs in 2011 as follows (in million Euro): “FMO 25, BIO 10, EAIF 20, AFDB 25, ICF 21, DEG 20, and IDC 22 (equiv). BIO, the Belgian Investment Company for Developing Countries is investing underneath FMO in this transaction”.<sup>31</sup> In the database of the Private Investment Development Group PIDG (2015), the prediction for the total investment is at 493 Mio USD. This amount is composed of a total private sector investment commitment of 259.89 Mio USD and a development finance institution investment commitment of 233.11 Mio USD.<sup>32</sup> The DFIs until now did not reveal any information about what happened to their loans or about what their plans are. They refer to contractual obligations and bank secrecy to keep these informations secret.<sup>33</sup>

We can only speculate about the internal reasons for the high costs causing the massive increase in spending. Addax did not unveil their internal numbers and the development banks claim to be bound by the bank secrecy. There is one point that Addax officials have often mentioned orally; Sierra Leone lacks skilled people for many technical jobs. Investors coming into the country often pay little attention to developing local people’s skill so that they can take over the technical jobs along the years. Though Addax provided skills training for certain jobs like use of machinery and farming tools during its operations, a comprehensive and robust approach to train locals over the years was lacking. Therefore, local people have not taken over many of the technical jobs. This in turn could have been crucial to reduce costs of the company. Over the years Addax hired many expatriates for high-level, but also normal technical jobs. This may have cost the company an unexpected high amount of money. Therefore, expatriates had been sent back to their countries following the scale down. The local permanent staffs presently employed were maintained and Addax promised that some of them would get trained to replace the expatriates who have been sent away. But with the announced sale, all employment contracts come to an end in June 2016, according to the Social Affairs manager of Addax in the multistakeholder forum held on the 22<sup>nd</sup> April, 2016 organised by the University of Makeni.

<sup>27</sup> Presentation to International Experts meeting, Bonn, 5<sup>th</sup>-6<sup>th</sup> November 2009, by Nikolai Germann

<sup>28</sup> Symposium: Business & Human Rights - The Business Perspective, Geneva, 18<sup>th</sup> October 2010, by Aminata Kamara, Andrew Turay, Nikolai Germann

<sup>29</sup> <http://www.addaxbioenergy.com/en/the-makeni-project/facts-and-figures.php>

<sup>30</sup> [http://cordiantcap.com/press\\_release/development-finance-institutions-announce-financial-close-of-pioneering-addax-bioenergy-project-in-sierra-leone/](http://cordiantcap.com/press_release/development-finance-institutions-announce-financial-close-of-pioneering-addax-bioenergy-project-in-sierra-leone/)

<sup>31</sup> [http://cordiantcap.com/icf\\_debpt/addax-bioenergy/](http://cordiantcap.com/icf_debpt/addax-bioenergy/)

<sup>32</sup> <http://data.pidg.org/projects/view.htm?id=1049>

<sup>33</sup> What happened with the DFI investments during the scale down and with the announced sale of the project will be the issue of another forthcoming report by Bread for all and Bread for the World.



Figure 4 : Factory that is shut down now

### **2.2.3. Low yields**

Apart from the high costs, there were also very low yields. A senior company official disclosed to SiLNoRF that the company was not able to reach its threshold of producing 19 Mio litres of ethanol per year as they were only able to produce 7 Mio litres. In an emission of the Swiss TV,<sup>34</sup> the numbers were different: Addax aimed to produce 85 Mio litres bioethanol per year (number of the Addax homepage<sup>35</sup>), but produced only 10 Mio litres. In both cases, the difference between goal and reality is huge and has negatively impacted on the profitability of the company. Additionally, experts had indicated to SiLNoRF that most likely also the quality of the sugarcane – and therefore the rate of yield – was also lower than expected. As a consequence, Addax had to scale down their production after only half a year in June 2015.

Another result of low yield of the sugarcane is that the company has not been able to meet their promise of supplying 15 Megawatt of electricity to the national grid per year. Also here, one finds many different numbers: from 15 Megawatt<sup>36</sup> to an initial 30 Megawatt<sup>37</sup>. Whatever the initial plans were though, in reality Addax took away energy from the already scarce national grid without giving much back. But in the initial phase of the project, the argument of providing energy was crucial for convincing the government and the people.

### **2.2.4. Accusation against the people**

Addax also mentioned another reason for the low yields. During the multistakeholder session organised in August 2015 at SiLNoRF secretariat, the Social Affairs manager explained how the activities of the communities contributed to the predicament of the company. According to him, these activities included thievery of company properties, particularly fuel, as well as the thievery of sugarcane from the field. As one result he mentioned that the company was projected to get about 80 to 100 tons of sugarcane per hectare but was only able to get 30 tons.

<sup>34</sup> See <http://www.srf.ch/news/wirtschaft/addax-bioenergy-schweizer-bioprojekt-in-schieflage>

<sup>35</sup> <http://www.addaxbioenergy.com/en/the-makeni-project/facts-and-figures.php>

<sup>36</sup> <http://www.addaxbioenergy.com/en/the-makeni-project/facts-and-figures.php>

<sup>37</sup> Presentation to International Experts meeting, Bonn, 5<sup>th</sup>-6<sup>th</sup> November 2009, by Nikolai Germann

Additionally, in the whole Addax area, huge parts of the pivots had been destroyed by bushfires at an extent unseen when Addax was in full operation or before. Addax officials and villagers blamed each other for these fires – both without clear evidence. Addax claims that it would be the villagers that burnt the sugarcane in revenge and that this made operations difficult for the company. Villagers argued that Addax workers would burn the sugarcane so that a new variety of sugarcane could be planted or the new seasonal crop would prosper on the burnt land. Also, the reasons do not need to be the same for all the fires and many people just said that they would not know what caused them. For the people however, these accusations have consequences. One woman of Romaro whose house burnt down as a consequence of the burning cane field claimed that she had asked Addax to help her out in this situation.



Figure 5: Sugarcane field that is completely burned down

It is in this context, that Addax urged people to refrain from vandalizing the Addax facilities, to steal the property of the company or to destroy the canes already planted. Reacting to the news about the scale down, local authorities promised to do their best to safeguard the Addax project. The Paramount Chiefs in collaboration with Town Chiefs have now formed vigilante groups and mounted check points in some communities to address this supposedly growing problem of protection of Addax' property as well as thievery of livestock and other things in the villages (see 1.3.6).

Additionally, Addax urged the communities to take 'ownership' of the Addax project by protecting it as theirs through community watch dogging. This plea, however, is not without irony. People are asked to take an ideational 'ownership' of the project at the very moment when they are about to realize that the communities do not have the ownership of the project at all. The ones who are the owners of Addax Bioenergy are safe and cannot lose more than their initial investment while the villages in the Addax project area fear to lose everything – without even having a say.

### **2.3. Consequences for people: “No land, no money!”**

A young villager in Maronko explained that there were two crises for the communities. The first crisis being money: people would get no salaries anymore, there were no tractors, the money from the compensations had gone. And the second crisis being land: people do not



have access to their land anymore. This problem was phrased by many people in villages that had given land to Addax.

People expressed that they became dependent on the money from the company for their livelihoods – and found themselves in trouble if, like in the case of Addax, the company left. The chief of Magbansaw aptly put that “we are thankful to Addax. They came with money. Before, we were all poor. Then people got used to the money from the company. Now we have no land and no employment. We never experienced this sort of poverty before.” In the same line, a woman in Waka said that “before Addax came, we were blind to money. Then Addax brought money. Now we don’t have anything anymore: no tractors, no money, no land.”

In this chapter, we will discuss the consequences for the people, namely the following issues:

1. Jobs and salaries: no money
2. Access to land: no land
3. Farming operations
4. Addax social programs: FDP, FDS and VVG
5. Food security
6. Village life
7. Bush fires and the misery of Romaro
8. The indomitable Masethleh
9. Feelings of being cheated
10. Insecurity about the future
11. Ebola and other catastrophes

In this chapter, we often refer to a Swiss study on the impacts of the Makeni project. Swiss researchers questioned 882 households in- and outside the project area in order to compare the situation of the people. They conducted the study within the National Research Programm NRP 68, financed by the Swiss National Science Foundation. It is referred to as NRP 68 study. The study is not published yet, but the “Executive Stakeholder Summary” is publicly available.<sup>38</sup> The findings of the NRP 68 study correspond very well with the findings of our field research and are therefore used to support our findings.

### ***2.3.1. Jobs and salaries: no money***

The most immediate consequence for the people in the project area was that right after the scale down, all the casual workers lost their job and the permanent workers were sent on garden leave. In March, 2015, Addax had employed a total of 3850 national employees.<sup>39</sup> Among them, a total of 2243 people were fixed term contracted employees (casual). These casual workers were employed only on a seasonal basis (with contracts from three to six months). They were mostly recruited from the communities and do manual labour at the sugarcane plantation and the factory, with a majority employed in the agricultural sector.

All these casual workers automatically lost their jobs in Addax from July 2015 onwards. Most of these workers relied on their seasonal jobs in order to cater for the needs of the family, such as food, school fees for their children, construction of houses, farming tools and seeds.

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<sup>38</sup> Rist, Stephan, Thomas Cottier and Stefan Mann (2016), Executive Stakeholder Summary, Project title: Nachhaltige Bodenpolitik und grossflächige Landakquisition mit Schweizer Beteiligung, available: [http://www.nfp68.ch/SiteCollectionDocuments/Rist\\_ExecutiveSummary\\_DE.pdf](http://www.nfp68.ch/SiteCollectionDocuments/Rist_ExecutiveSummary_DE.pdf)

<sup>39</sup> Human Resource Data given to SiLNoRF Secretariat Research team by the Addax Social Department 1<sup>st</sup> February, 2016.



December 2015 employment data retrieved from Addax indicated a total of only 1770 employees, which is slightly more than the permanent staff in March 2015. 642 were still active and receiving full payment, mostly those working in office jobs or security. Over 1128 were sent on garden leave and receiving only 45% of their monthly salaries.<sup>40</sup> Considering that also 100% of their salary is hardly enough to feed a family (see monitoring report 2014, p.21f), 45% of their salary is not enough at all. These developments have created a huge gap between the casual workers and the permanent workers.

The Addax workers have a workers' union and are trying to negotiate about that 45% of the salary during garden leave that is not enough at all. They demand an increase to 54% of the initial salary. There are hopes that they will get 55% of the initial salary from April to June. A man from Marmaria said that they had agreed on that with Addax but there would be no written legal documents about it.

The promise of jobs and skills training seemed to be one of the most important ones for the villagers. The problem was that in most villages, the people did only get the hard jobs on the fields, mostly casual for a few months. They were not trained to work e.g. jobs in the management. An old man from Kolisoko summarized that "Addax said that if we gave away our land, all our sons and daughters would be employed. But people here don't know how to drive tractors or bulldozers and Addax did not give skill trainings. So people did not get permanent jobs." Additionally, the women hardly got any employment at all.

Further, people often complained that the company had preferred people from other Chiefdoms or even passed off people from other villages or Makeni as people from their particular village. In this context, people often perceived that Addax used the jobs to pressurize them. After cases of conflict over bolilands for example, people felt that Addax would not employ their people anymore.

Particularly women started building some petty businesses (e.g. shops) when Addax was operational. These businesses did not go well anymore after the scale down, many disappeared. The workers from other countries or regions left and local staff lost their jobs and salaries and had no any extra money anymore to buy things.

The NRP 68 study supports these findings. It finds that the total monetary income in the project area (during the time the project was operational) was 18% higher than outside the project area (1288 USD/year and 1069 USD/year). That is a very modest increase. And it is even undone by the finding that people in the project area spend 16% more for food compared to people outside the project area (1244 USD/year and 1045 USD per year). This means that people have to use their extra income almost entirely to buy food they cannot grow anymore because they have no land.

Additionally, the land lease and acknowledgement fees have not been paid yet for the year 2016. Addax has time to do so until the end of June.<sup>41</sup> The German government recently said that they believed the fees for 2016 would be budgeted.<sup>42</sup> According to the leasing contracts,

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<sup>40</sup> After some time, Addax called back some of the people on garden leave to work some days in order to clean the burned down fields. But this did not increase their salaries if they worked only every second or third day.

<sup>41</sup> As Namati had explicated: Conteh, Sonkita (2016). The Addax bioethanol project: legal implications of a change of ownership

<sup>42</sup> Answer of the German government to the inquiry of the party "Die Linke", see <http://movassat.de/2429>



the contracts need to be renewed in after seven years, i.e. in 2016. It remains unclear if Addax or its successor is willing to renegotiate.

### **2.3.2. Access to land: no land**

The other big problem is that people do not have access to their lands. The leasing contracts with Addax are still valid and enforced. People even said that Addax enforced their land rights more strictly than before and people were not allowed anymore to use the residual land between the pivots, i.e. the land that is leased-in legally by Addax but is not used to grow sugarcane. People in Marmaria and Tonka explicitly demanded that they want at least to be allowed to use this residual land. In Tonka a young man reported Addax saying that villagers could use this residual land. But when they had asked Addax, the company informed them that this was not at all possible. In the same line, an old man from Kolisoko complained that “there is no money from the land, no one is employed and no land is there to farm anymore.” The residual land as he explained further, was no longer fertile to grow their crops like rice, cassava, groundnut and hot pepper.

The biggest problem by far is that even if people had access to their land, that land would not be useful at all in the short-term. The reason is that the land has been levelled and drained for the sugarcane production and is therefore useless for the diverse production systems of smallholders. A woman in Maronko explained that situation: Before Addax came, people grew their own rice. But then they had given all the bolilands to Addax. “That is why Addax should not go”, she said. “Because now it is difficult to adapt”, she explained, “the bolilands have dried up and we cannot grow anything else there.” And a man added that even if they would get back their land, there would be problems: the swamps had become dry land. “Now after sugarcane, we don’t know what to grow.”

A woman in Yainkassa reported that they used to have trees on the land they gave to Addax. But now, “even if Addax would give back the land, it would be of no use”. And in Magbansaw, an old man added that “we always lived in great poverty. Now we realise that someone made our poverty worse. Because land is our everything.” He demanded that Addax should give the land back. But he explained that “this would not make us happy. We used to have trees, fruits and sticks and so on from the bush. Now it is all empty land.” And to conclude, a woman from Kolisoko demanded that “now this land is useless for us. All the land is infertile. We want support to continue with farming.”

Another issue is related to a restitution of the land to the landowners. A landowner in Waka explained that they used to calculate in acres before, never in pivots. They used trees as demarcation – but now this had all gone. If the land would be given back to them, this could cause a lot of trouble, and potential for land conflicts.

The NRP 68 study supports these testimonies of the people. The land that is cultivated per family is much lower inside the project area (2.53 ha) than outside (9.16 ha). Importantly, they study also states that the re-entry into a more intense agricultural production has become very difficult to impossible. The available area of land decreased drastically. Because of deforestation, it is no longer possible for people to increase their income through production of charcoal or collection of fruits.

The study states that land users are much more affected by the loss of land than landowners (-70% and -50%). If contracts are only negotiated with landowners leaving aside the landless/landusers, the study concludes, this supports elite capture of the project. In the case of the Makeni project, the landless/landusers experienced many disadvantages: women, matrilineal families, youth, or migrants. These processes are highly complex and highly relevant as demarcating areas, defining landownership and paying leasing fees for land had

profound consequences for the people living in the project area. For more information, we recommend a study about conflicts of customary land tenure that goes into detail about the Makeni project and shows how such a large-scale land acquisitions can exacerbate existing inequalities.<sup>43</sup>



Figure 6: Pivot indicating the size of the land

### **2.3.3. Farming operations**

As a result of the scale down, villagers' normal farming activities have been severely disrupted. Apart from the lack of land, there were two major challenges. One was connected to the lack of labour and the other with the FDS. The first one about the lack of labour again consisted in different reasons.

First, farming activities were already reduced when the company was in full operations, because the youth population was engaged in Addax operations just during the time when agricultural operations needed to be done. However, some of them still used their free days to assist their family and work for themselves. Now, the youth, who used to help families ploughing their land, migrated to nearby towns like Makeni or Freetown in search for jobs. Therefore it is expected that farmlands are reduced due to lack of labour. It became more difficult for the aged family members to work on their farms and produce the required food needed to ensure their food security.

Second, labour has become very expensive now. A woman from Romaro told that because of that the big bolilands would need to be cultivated with the use of tractors. In Yainkassa, a woman reports that people asked for Addax-like wages to do work. That was why vegetables

<sup>43</sup> Bottazzi, Patrick, Adam Goguen and Stephan Rist (2016), *Conflicts of customary land tenure in rural Africa: is large-scale land acquisition a driver of 'institutional innovation'?*, Journal of Peasant Studies, p. 1-18

were so expensive to produce and there was a supply shortage. And a woman from Waka explained that there would still be land for the vegetable gardens, but the challenge was the costs for seeds and to hire labour. She reported that labour is now SLL10,000 per heap. Therefore, they could only cultivate small areas. “The land has become useless”, she concluded. This is also stated by the NRP 68 study. When Addax was operational, labour in the project area became scarce and the labour costs nearly doubled compared to outside of the project area (64 USD/ha and 34 USD/ha).

The third point is that villagers often said that people had become “lazy”. A woman in Waka said that they would still have some reserved land for farming but the problem was that people had “become lazy and do not want to work with the hoe anymore.” The youth would be used to work for Addax with mechanized farming. Now farmers had neither the money to hire tractors nor to hire labour – nor did they have enough labour in their own communities.

This points to a fourth, though more fundamental reason. A man in Romaro explained what had happened to farming with the arrival of Addax. “Earlier, we worked together in community farms. Then the mechanized farming came and each one farmed alone. We became lazy.” In Mabilafu, a villager stated that to clear the bush for farming meant a lot of work and needed 100 people. Now they would not know how to get so many people together anymore. In the same line, the village chief of Woreh Yeama said that before they used to cultivate the land in community farms and farmers groups, but now “if you do not have money, you cannot do farming.”

So on the one hand, the farming practices – particularly the social organisation of it – had many benefits before Addax came compared to now. On the other hand, people made it very clear that they want to move away from subsistence farming towards mechanized, commercial agriculture. A woman from Magbansaw clearly stated that “we want tractors, more time, more money and more yields”. Clearly, hopes in this direction were a very important reason for people to give away their land. The Chief of Kolisoko made it explicit saying that “we want mechanized farming with tractors – we had hoped that Addax would bring that.” But these hopes go shattered, as an old man from Waka explained. On their reserved land for farming, he said, this change from subsistence to mechanized farming had happened partly through FDP. But he continued that “now after the scale down, it is again the women with their hoes that have to do the farming.”



Figure 7 : Two women standing on land that is already prepared for sugarcane plantation





#### **2.3.4. The social programmes: FDP, FDS and VVG**

The second huge challenge with regards to farming is that FDP, FDS and VVG were slowly diminishing. During the emergency meeting in July as well as August 2015, Addax promised that even during the scale down period the Community Development Service Department would continue with its ongoing projects, namely provision of water wells, construction of VIP latrines for communities, the Wash project and the FDP/FDS/VVG.

In the beginning of the scale down, this was indeed the case. But the longer the scale down goes on, the clearer it becomes that the services offered by Addax are slowly diminishing. In all villages visited, people reported that they had expected the FDS to start, but after the scale down it faded out. Most machinery and tractors that were supposed to be hired through FDS were not in working conditions after the scale down. Therefore, many farmers depended on manual labor to plough huge acreages as shown above.

In most villages, FDP has faded out (see 2.1.4. and 2.2.3). Often, be it in Maronko, Magbansaw or Mabilafu, people complained that the lease was for 50 years, but the FDP is only for three years and that this was not right at all. In Waka one woman stated that “it is bitter that they are occupying the land for 50 years, but only for 3 years they give FDP”. The fact that now also the FDS was not working was a major concern for them. A landowner in Marmaria stated that Addax had assured them that FDS would work every year, but now “there are no tractors, no information, no rice. We are facing hunger.”

The threat of hunger is omnipresent. People informed that the agricultural work with FDS needs to be done in April before the rains start. If that was not possible, they said, there would be no harvest and hunger would be around the corner. According to most of the communities SiLNoRF visited, their current output and farmlands will be inadequate to meet food security measures for their communities. Addax did not receive any input (i.e. rice seeds) from farmers through FDP/FDS in 2015, but had to buy rice to give to farmers under the FDS. Further, threshing did not take place in 2015 as a result of the constraints Addax was facing.

The women in many villages reported that the VVG program had been present in their community but it did not work already before the scale down. In Maronko or Waka the problem was that the seeds were not viable. In fact, those were the wrong seeds, as the women explained: carrot and cabbage instead of sweet potato and hot pepper. In Tonka the problem with VVG was that the fields were too close to the river and therefore often flooded. In Mabilafu women reported that they had never profited from the VVG but lost the land where they used to grow vegetables. In Romaro or Magbansaw they complained about seeds being rotten or eaten by pests in the VVG. After the scale down, VVG had stopped.

Some villages reported that they took part in the FFLS. In Marmaria, people told that FFLS training was there once and they got their certificate. But now there was no land to practice these skills. In Magbansaw as well, people reported that in the FFLS they had been trained about how to grow cassava or sweet pepper in a row. However, they said that there had not been any notable difference in yield between their old way of growing these crops and growing them in lines.

#### **2.3.5. Food security**

It has become clear that the scale down has (and threatens to have) severe consequences for the food security of people.<sup>44</sup> People reported that their situation regarding food had

<sup>44</sup> Methodological remark: In order to determine how the price of food stuff and other commodities may have been influenced as a result of the scale down, communities visited were asked to list food prices



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changed tremendously since Addax went scaled down. The chief of Kolisoko aptly put it and said that now they had no access to land and nobody would be growing food. But they also would not have jobs and therefore no money. “There will be hunger soon”, he warned.

Rice is the staple food for the entire region. In many villages, people said that before Addax came, they grew their native rice varieties on the bolilands and other fertile lands. For most of the year, they could eat from that rice and only when the harvest season had long passed, they needed to buy potho-rice (imported rice). Then Addax took the bolilands, which already started to be a problem for some villages. The NRP 68 study found that the rice yield inside the project area was much lower (170 kg/ha) than outside (250 kg/ha). But at least, Addax also provided FDP for people. Now with the new reality of the scale down, people struggle to grow or buy enough rice to feed the families.

In the village Kolisoko, a lady gave a detailed account of how the situation and the prices of different foods had changed.<sup>45</sup> Before Addax came, she told, a cup of local rice was available for 400-500 SLL per cup. Now, the price had increased to 1000 SLL per cup for potho-rice. It seems though that this difference is mostly because of the lower availability of the cheaper local rice forcing people to buy the expensive potho-rice. The price for potho-rice stayed the same in the mean time because it is not determined by the events in Makeni but by the Sierra Leone market and the import of rice. Palm oil went up from 500 up to 1000 SLL per pint, probably for the same reasons.

The women from Kolisoko further named other food products whose prices changed. Many other foods they did not have to buy before Addax came, because they were available in the bushes and fields around the villages. Sometimes, people (particularly women) could even sell these items and earn an additional income. Now, these foods were often not available anymore neither in the bushes nor from local traders and they had to go to Makeni to buy them. Examples are hot pepper (now 2000 SLL per cup), potatoe leaves (now 1000 SLL/bunch), krenkren as well as vegetables or cassava. In Woreh Yeama in particular, people reported that Addax took the land with perennial water sources where many women used to grow vegetables like cucumber, melon, potato, okra, sweet pepper, krenkren, groundnut or oilpalms. As a consequence, they now have to go to Makeni to buy these vegetables – but this is very far and they often lack money to buy. In Yainkissa and Marmaria, people reported the same changes and shortages and particularly emphasized that they used to have wild fruits, plums and so on from the bush to eat or sell them. But now, the economic trees had been cut and there were no more fruits.

The same woman further explained that people used to catch fish in the small rivers as well as the Rokel river. But the small streams had gone because of the levelling and draining of the land and the fish in the Rokel had decreased because of Addax operations in the Rokel (dam). Now they had to buy it in Makeni for 2000 SLL per 4-5 fishes. People in Tonka near the factory site reported particularly that because of the chemicals in the river, the fish had gone and they had to buy fish from Freetown.

In terms of livestock, the data collected by SiLNoRF show that the prices had fallen. The people explained that this was because of a low demand due to out-migration and little

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now and compared those prices some years back. Interestingly almost all communities SiLNoRF visited presented similar figures as listed below.

<sup>45</sup> As mentioned, we asked this same question in many villages and got very similar answers. Still, this is in no way scientific.

money available. Another reason could be distress sales of people that are in need of money.

The situation for some non-food items such as sticks for construction or firewood was the same as for the vegetables or fruits. People of Kolisoko said that firewood used to be for free and was now 500 SLL per bundle. Villagers from Romaro reported that they had to walk for 4 miles (one way) for firewood to go near Rotonka and pay for the transport back to the village. The situation for construction sticks was similar. In Waka people told that they were using the charcoal from the plants uprooted by Addax to sell them. But after this had ended, they would even have to go to other villages for coal.

There is an additional problem when it comes to people's access to food. During Addax normal operations, a number of business centres for trading and small markets were popping up in the Addax project area. This was necessary to compensate the limited cultivation of food crops due to the leasing-out of land. These markets then helped to increase the availability of food and basic commodities in the communities. When the scale down of Addax started, movement of petty traders became limited. Because businesses were closed, communities found it hard to access basic food commodities. Many have to travel to the nearby town now to get some food items – journeys that are very costly.

All these changes, the ladies of Kolisoko further reported, meant a huge change in the food situation. Before, they could just take rice and eat until they were satisfied – or could even sell it. "Now we have to think about rice by cup and cannot eat freely", she complains. People report that they can just eat to maintain themselves and had to cut down on their daily intake. Particularly the kids would not have enough rice and other foods like vegetables.

Also in Maronko, in Marmaria, in Waka and in all other villages people shared these sorrows. A woman in Yainkissa said that "we want Addax to continue because we got used to the money our husbands and kids earned. We could buy food. Now it is difficult." Therefore, even though they still have access to some amount of food, the purchasing power is limited to an extent that food security is lacking for now.



Figure 8: A woman and a child in front of the completely altered land

### **2.3.6. Village life**

All these changes in the lives of the people also affected the living together within the villages. To start with, many young people and men are now idle. A young man in Tonka said



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that before Addax came the people could work on the land. When Addax came they had casual jobs. “But now”, he said “both had failed.”

Many youth, who were mostly temporarily employed, are laid off now. People explain that now they do not want to work in the fields anymore, but also they do not have a job with Addax, which leads to a lot of problems. These youth have either gone away from the communities to look for greener pastures and jobs in nearby cities or they found themselves idling and expecting the company to resume their operations to their benefit.

According to the communities, the increased occurrence of violence is one of the key consequences the scale down has brought on them. Particularly youth gets demotivated if they lost their mostly casual job opportunities. Those who cannot afford to go out of the communities to look for job elsewhere seem to be frustrated and find themselves sitting whole day arguing over minor issues and sports. Most of the time they enter into blows and fight to injury.

Through repeated visits to the communities, SiLNoRF realised that “poyo bars” (local drinking spots with hard liquor) are having increasing number of customers and hard liquor drinking is affecting many homes. This has a particularly negative impact on women. Drunk husbands often come back home to cause trouble for women. The women have been active the whole day to make sure the family demands are met but are quite often beaten by their idle husbands. Women lamented that this sort of situations had drastically increased because most of their husbands are unemployed.

Surely, the problem of domestic violence is not an entirely new one. Before Addax came, so people told, husbands had little time to intoxicate themselves like now because of their work on the fields. Additionally, the chairlady of Marmaria summarized what these changes meant according to women in all the villages: “The husbands have become idle and lazy. There is a lot of domestic violence now in the village. The husbands have no money and the women get angry. So there are a lot of conflicts in the family that lead to violence.” Before Addax came, the men worked on the fields at least. When Addax was in full operation as well, this habit of domestic violence was still on-going but at least some men had jobs to do. Before, the husband had beaten the woman, the chairlady continued, and she accepted because he brought home the money. But now, there are even more quarrels when the women would become angry about their husbands not being able to afford the daily meals.

When Addax was in full operations and many people employed at least casually, communities thought it wise to establish village credit schemes to help each other to solve problems. Any member who joins the scheme is entitled to receive a greater amount of money, but must pay back slowly each month with the minimum established amount set forth by the group. When the scale down was surprisingly announced, some community members have ran away from their communities to unknown locations because they would not be able to repay loans they received from other community members. This is also a source of potential conflict in the nearest future. There are many disgruntled affected community members who are waiting to either get their own shares or get the money they already invested in the scheme.

At the same time when many men and youth became idle, the workload for the women increased strongly for the reasons described in the paragraphs about farming and food security. It is the women who are responsible to provide the goods of the daily life and this work has increased. If women have to walk far to get all these items, it makes their lives difficult. When labour is not available in the villages or too expensive, the women have to do



a high amount hoeing etc again. Further, women now found it difficult to take care of their homes with little or no income.

Additionally, theft of personal properties, of food items and livestock is alarming in most communities. Many communities report that particularly their livestock is stolen often. They suspect outsiders that were working for Addax before and now have to return to other regions.

To conclude, one can only guess what the lack of salaries and income from farming means for the families. One major issue for example is that because of lack of money, the people were unable to pay school fees and many kids – first of all girls – dropped out of school.

### **2.3.7. Bushfires and the misery of Romaro**

As described above, big bush fires are a huge problem for people in the villages. Even if the reasons for the fires remained unclear, it seemed plausible that the mechanisms that hindered the fires from spreading out ceased to exist. In Marmaria, people told that when Addax was in full operation, there were many workers on the fields that could stop the fires. But now there are only very few workers and they are not able to stop the fires. Further, some people argued that only because Addax did not harvest and clean the sugarcane fields, the fires became very strong. The people in the village of Romaro reported that before Addax came, they used to cut the grass around the village in order to keep the bushfires away. But Addax made a rule that nobody was allowed to put fire anymore. They trusted on that and did not any longer cut the grass.

Whatever the reasons are, the fires have severe consequences for the people. In the village of Waka, three houses burnt down completely. In the village of Romaro, huge bushfires that came from the sugarcane had taken over to the village and the fields around the village. The fire has burnt the rice that was lying on the fields and has put the grass roofs of the houses on fire. Ten houses have been burnt down including clothes, utensils and money. Now when the rainy season is going to come soon, not having a shelter is a serious problem for the people. For the sticks to rebuild the houses, people have to walk eight miles (one way) to buy them and carry them home on their heads – because the village is totally surrounded by sugarcane and there are not sticks available anymore. They told that they got the sticks from Masethleh and they got them for free because the people of Masethleh knew what happened to Romaro.

The fire also destroyed the rice on the bolilands. The rice was already harvested and dried on the fields. They wanted to use the rice for food and seeds – it all burnt. Further, people planned also to sell it to earn money to pay school fees. “Life is bitter”, one lady said, “we lost all the rice in the fire”. “Without clothes you can live”, she further explained, “but seeds are utterly necessary, food is important.”



Figure 9: A house burned down completely in Waka

### **2.3.8. The indomitable Masethleh**

In the centre of Addax project area lays the village of Masethleh. They did not give away a lot of land to Addax (1.5 pivots) but kept a lot of land, the most fertile land, for their community. They still have a lot of trees and bushes around the village and can grow a lot of their own rice. They seem proud to be the first community that refused to give their land to Addax.

The reason for their refusal was that they were farmers and relied on the land. The educated people of the village, especially the teacher, warned the villagers and spoke out against the project. 50 people from Masethleh went to Makeni when Addax came and had been told that the Sierra Leone government gave the whole land to Addax. But people complained and resisted. The company came to try and convince them – together with the government officials and the local authorities. They also threatened them that if they would not give the land to the company, they would take it by force. Addax officials also tried to convince people in another way. They used papers where everybody had to write down if they would want to give more land to Addax. With these papers they tried to pressurize SiLNoRF. They asked people what they would get from SiLNoRF that would cause them to resist. “What is your advantage of not giving the land?” Addax asked. But the villagers did not receive anything. They wanted to keep their land and the hope for their family.

The rice they eat is still native, i.e. upland rice (but they also have to buy the imported pothorice when the harvest time is long back). But the rice is not the only good that they can take still from their land. The forest still gives them many things, for example sticks. People report that people from other communities have to ask all these goods from Masethleh because they do not have it anymore. This was confirmed by other communities. In Mamaria for example, people reported that they had built a common hall and had to buy the sticks for that in Masethleh.

But because of their resistance, the people of Masethleh did not get many jobs. Further, they did not get bore-wells. The water they have to use for drinking purpose is muddy and not fit to drink. This is a big problem, particularly for the women and girls of the village. Before Addax, they used to use land of other villages around that they had given now to Addax and that were therefore not accessible anymore for Masethleh.

The most important point, however, was that they did not get any benefits from Addax's social programs. Even if they also lost land they used: before Addax, they used to use land



of other villages around that they had given now to Addax and that were therefore not accessible anymore for Masethleh. People emphasize often that they are tired of farming with hoes and they also want mechanized farming. It is a problem for them that they do not get support for farming as other villages. There are many new houses in the village and people emphasize that they had built them with the profits from their farming.

### **2.3.9. Feelings of being cheated**

In this situation of the scale down, knowing and feeling all the consequences, many villagers expressed feelings of being cheated by Addax as well as their own authorities. They often told how and why they had given away their land to Addax.

Some reported how they felt unable to resist or say no. The chief of Kolisoko told that Addax came into their land. He said that “the government and the chiefdom councils were aware about Addax, they agreed. They went to landowners and then they felt like they had to accept.” A young woman specified that they “were afraid of the president and the Paramount Chief. We hear that they are in favour, so we agreed”. An old man added they all had thought that the project was the president’s baby and no one dared to resist. Also in Yainkassa, people reported that they agreed because the chiefs and members of parliament came to the village to promote the project.

In Waka people told that indeed their consent was being sought, but they tried heavily to persuade them. But the Imam of Woreh Yeama put it differently saying that “essentially the decision was made by the section chiefs, the authorities. For them, the landowners are poor. Those people came together and discussed.” He further told that the landowners met with these people and discussed but then the contracts were signed only on their behalf. The NRP 68 study agrees and states that the people living in those villages could never really frame their opinions and views in the information events organised by Addax.

Other communities on the contrary told that there were many meetings where Addax and local authorities and officials tried to convince local people to give the land to them, but still they gave it away of their own will. But this decision was often based on limited understanding of the consequences. A man from Romaro said that “when we were giving our lands to Addax, little did we know that we will face the repercussion today? “This issues is very serious as it will affect our generations yet unborn.”

In other cases, the decisions were based on the belief in empty promises. A young man in Tonka, a village that gave a lot of land for the factory site, explained that “we happily gave away the land. Our forefathers were farmers, but we are tired of that and we want a new life. We want employment and fixed salaries. The rent was never the reason why we gave away the land, it is a small rent that was not enough for food and farming. But there was hope for permanent jobs and salaries for the family and the community. But this hope has gone now.” People in Mabilafu, a village near the factory, said that the company promised them that when the production would be on going, the community would have a percentage of the labour as well as of the benefits. But Addax had never given any information about the profits or revenues. “If it continues like this, people get angry”, a man warned who gave land to the company.

Now, the people feel cheated. A landowner in Marmaria said that there was distrust between the landowners committee and the Chiefdom council because the latter had not acted on the many concerns of the people. “In the beginning”, he said “Addax did not ask people and also now they are not asking people.” The young man in Tonka even stated that other people from neighbouring villages would tease the people of Tonka saying that they had given land for that expensive factory and expected jobs in return. But now they would still be poor. To

conclude, the Chief of Kolisoko even made it more explicit saying that they are now afraid of the government and the Paramount Chiefs. “They have signed the agreement, they are accomplices”, he said.



Figure 10: People holding their acknowledgement agreement in their hands

### ***2.3.10. Insecurity about the future***

The consequences on the one hand and these feelings about being cheated in the other hand, lead to a very high feeling of insecurity among people. But most of all, communities were not properly informed about the reason, the duration and the consequences of the scale down – and they do not have any say in it.

Often, rumours went around and people had their own theories about why the company got bankrupt. But what remains with the people is a huge insecurity about their future and a feeling of hopelessness. Particularly in the village of Marmaria that has given a lot of their land to Addax, these thoughts were expressed often. One woman told that Addax officials informed them that the company would be in loss and had to find a new solution. First, in July 2015, they said that the scale down would be for 6 months, then they said that it would continue for another 3 months and then again for 3 months. Many people expressed that the problem was that it was not clear what would happen to the land.

In the same village of Marmaria one man said that the villagers would not even know who the boss of Addax is. There were always different officials coming to their village, but they would not know who is responsible. The people were all dependent on the company and do not want them to go. He told that now the company was transporting all machinery to the factory and that he would fear that one fine day, he would wake up and Addax would have disappeared. On this day, he said, “we would not even know where to go and protest.”





Figure 11 : A board of Addax at the entrance of a village

### ***2.3.11. Ebola and other catastrophes – issues of vulnerability and resilience***

The catastrophe of Addax' scale down is only the next in a row for the people in the project area of Addax. In 2014, Ebola has hit hard. In Kolisoko with a population of about 2000 people for example, they had lost 53 people to Ebola. Still 15 Ebola survivors live in the village as well as Ebola orphans. Last year, the community was under quarantine for 21 days and life completely stopped. The quarantine went on for another three weeks. This quarantine was during harvesting season and therefore people could not go to the fields to do any harvesting. So this adds to the very difficult food situation. The government gave them food during the quarantine, but it had not been enough. And after the quarantine they would also need food, the chairlady of the village said.

Certainly, not all of the issues of food security and poverty can be tied to Addax. But even if Addax and its scale down is only a major one in a whole variety of reasons, that does not weaken the argument. The available data show clearly that the situation is desperate for people in Addax project area and that the Addax project made people vulnerable.

This vulnerability of people and their decreasing resilience is an important finding of the NRP 68 study. The number of income opportunities within agriculture drastically decreased after having leased-out land. This means that they are much more vulnerable to shocks outside agriculture. The communities in the project area experienced this twice now: first through Ebola and then through the scale down.

## **2.4. Future expectations of people**

For this chapter, we asked the people to talk about their expectations in the different scenarios ahead. In fact and sadly, people have no say in whatever happens to the project. The legal NGO Namati conducted a study about the legal possibilities of landowners or Paramount Councils. The study urges to renegotiate all legal contracts, and at the same time state: "In effect, this clause [in the contract] guarantees that the council would be unable to terminate the lease before its end date. Any dispute over this clause is subject to arbitration in London."<sup>46</sup> This clearly shows how limited the legal possibilities are.

<sup>46</sup> Conteh, Sonkita (2016). The Addax bioethanol project: legal implications of a change of ownership, a study conducted by Namati Sierra Leone



#### **2.4.1. Expectations towards Addax**

People were clearly disappointed, angry and unhappy about the current situation. At the same time, the overwhelming majority of communities were expecting the company to resume full operations soonest. For them – the earlier the better. Most of them have been told to believe that Addax is their own property – that they should take ownership. Therefore they felt encouraged to rely on the project to move them away from poverty.

Over the years, they have been told many times that the company is here to improve on their lives and to help them to achieve education, to build hospitals and better roads and to improve on their livelihood. Even though they had issues and perceived that most of these promises were empty, they accepted the company if only for a lack of alternatives. For them they are not expecting an automatic delivery of those promises but they hope that along the years the company will help them to address some of these problems. The Chief of Magbansaw stated that “there were problems with Addax. But only if they were still here, we could solve them”.

People had a differentiated view on Addax’ presence in the communities. Some were thankful for some forms of improvements in the past years: some people are or were employed, some roads are either opened or renovated, hospitals have been renovated and clean water has been provided through the social programmes of the company. Others expressed more critical points. But in any case, they have come to rely so much on the company that if a shut down is announced, many things could go wrong and people will suffer the consequences.

#### **2.4.2. Expectations towards a new company**

If a new company is going to take over, many people would expect it to wear at least Addax shoes with regards to service delivery and additionally to fulfil the promises Addax has made. In particular, people would expect a new investor to employ more youth but from their communities, to protect their environment, maintain their water resources and help them to achieve education for their children. To name an example, a man from Mabilafu said that Addax promised them many things like skill training centres so that they could get a job in the factory. These promises, he demands, should be the starting point for the negotiations with the new company. “Otherwise people make the chieftom council say no”, he was convinced.

It seemed though that some people would be willing to cooperate with any investor as long as the investor is willing to help improving their lives. The Imam of Woreh Yeama said that Addax came with so many promises, promised them development – and had not fulfilled any of those promises. If Addax would fulfil these promises they could stay, he said. He continued that “if other investors came and promised us to help us, we would give away even our bolilands. But if they are like Addax, we would drive them away because of our bad experiences.”

In any case, all expected the investor to be willing enough to renegotiate land deals in the nearest future. The lease agreement needs to be renewed after seven years, namely in 2016, and many people were aware about that and demand that this must happen now. People in Magbansaw, Waka, Mabilafu or Marmaria said that only if the new buyer is ready to review the agreements, people would accept the new buyer. The chief of Kolisoko rather thought that the agreements needed to be changed and improved before the new company comes.

It is crucial in all this, that people wanted to have a say. In Maronko for example, a young man said that their demand to Addax was that if they sell, they should inform the landowners. “Everything has to be in accordance with the landowners, with the landowners committee where landowners speak in one voice”, he demanded. He also stated that they would fight for that against Addax and the Chieftdom Council. Still, as a woman in Magbansaw worriedly said, “if Addax is selling, we are afraid. We don’t know the new owner, what he wants, what he will do.”

This shows clearly how unbearable this situation is for the people: they do not know what is going to happen with their land and their jobs. Also for SiLNoRF and Bread for all, the situation is not clear. Though it seems certain now, that Addax is about to sell its operations, little information is available about the company (see below), about the loans from the development finance institutions or about the role of the government in that process.

### ***2.4.3. Expectations in case of shutdown***

It was hard for people to even imagine a possibility of a complete shut down (in case Addax could not find a buyer) – after coming to rely so much on the project and the hope to lift them away from poverty. On the one hand, many communities would plead for help to organise themselves into farmer based organisations (FBO’s) to have access to credit and microfinance and to help them with their small-scale farming. Further, support would be needed for the landscholarships for their children. This will reduce burden on them and allow them to focus to produce enough food for their consumption and for income generation.

When SiLNoRF posed the question to them about their expectations in case of shut down, there were lots of reactions. Most immediately they resorted to accept farming. This has been their occupation as far as they could remember. But also for that, support would be needed to restore the land.



Figure 12: Irrigation of a burned down pivot with new sugarcane



### 3. Conclusion and demands

People in the project area of Addax face a very difficult situation that can be summarized with “no land, no money”. The systems people used to live in have been severely disturbed with the arrival of Addax. Their lands have become infertile and useless through the sugarcane plantations. Even if people feel cheated by the empty promises and hopes that Addax had raised, they want the company to stay. Maybe because their hopes still remain, maybe because there is no way back.

Addax is about to sell its operations probably to the British-Chinese investor Sunbird Bioenergy – a company that gives reason for many questions, as the stock market analysis group “Share Prophets” shows<sup>47</sup>. Sunbird Bioenergy ([www.sunbirdbioenergy.com](http://www.sunbirdbioenergy.com)) is the trade name of NoCOO Limited, registered in England and Wales, whose single owner and director is Mr Richard Bennett. Bennett is also director and holds 33% of the shares of Sunbird Bioenergy Limited UK located in Brighton and at the same time the only non-executive director of the company China New Energy CNEC cooperating with Sunbird Bioenergy Africa Limited plans for biofuel investments in Zimbabwe, Zambia and Nigeria. The second director and 33-% shareholder of Sunbird Bioenergy Limited UK is Andrew Gee, a non-executive director at Global Lock China. China New Energy and Global Lock China are on Share Prophet’s ‘filthy forty’ list, the 40 most dubious China AIM casino companies<sup>48</sup>. CNEC announced in June 2016 to increase its capital through a subscription in new ordinary shares and linked this move to Sunbird Bioenergy Africa Limited what the stock analysts in London commented with “this is a complete and utter bargepole”.<sup>49</sup> Taking into consideration the reputation of Sunbird Bioenergy and the power this new company is going to have over the people living in the area, this is highly alarming.

Taken together, the Addax case is an impressive example of why large-scale land acquisitions cannot be considered rural development. Roughly 50% of the investment in the Makeni project is public funding – from multilateral funds as well as from national Development Banks of Germany, the Netherlands or Sweden and indirectly also from Switzerland. These development finance institutions (DFIs) still stick to the paradigm of such investments. One telling example is the reply of the German government to an appeal of a parliamentarian from “Die Linke” inquiring about the assessment of the German Development Bank DEG of the Addax project.<sup>50</sup> The government writes that the big achievement was that the Addax land had been “reclaimed – at times for the first time” and had therefore improved.

This leads to the major demands that SiLNoRF and Bread for all raise. In this report, we have shown the desperation that this investment finally brought for people – funded by public money. Even if the DFIs are or were ending their contractual relationship with Addax this

<sup>47</sup> see <http://www.shareprophets.com/views/17033/f40-china-new-energy-mous-with-sunbird-but-who-what-is-it-and-is-it-placing-ahoy>  
<http://www.shareprophets.com/views/17007/f40-china-new-energy-important-projects-in-the-offing-what-about-corporate-governance>

<http://www.shareprophets.com/views/17062/china-new-energy-some-answers-but-questions-remain>  
<sup>48</sup> <http://www.shareprophets.com/views/14293/the-china-aim-casino-filthy-forty-is-launched-be-shocked>

<sup>49</sup> <http://www.shareprophets.com/21347> and <http://www.shareprophets.com/views/21351/filthy-40-china-new-energy-placing-and-rampfest-bergepole>

<sup>50</sup> Answer of the German government to the inquiry of the party “Die Linke”, see <http://movassat.de/2429>



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does not end the responsibility of the DFIs.<sup>51</sup> SiLNoRF and Bread for all demand, first, that these institutions have to take over their responsibility and support the people in Makeni in the new situation. This may be to make sure the new company performs better than Addax or to support people to get back their land, make it fertile again for smallholder production and provide the support people need to continue farming.

And second, the involved development finance institutions have to rethink and change their policies and divest from projects involving large corporations taking over control over land.

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<sup>51</sup> Bread for all and Bread for the World are conducting herefore a study on the exact involvement of the development finance institution and particularly about their due diligence and responsibility for this situation and towards the people living in the area and affected by the project.