



Food and Agriculture
Organization of the
United Nations

Strengthening the enabling environment for Responsible Investment in Agriculture and Food Systems:

Evidence from Sierra Leone



For a world without hunger

Strengthening the enabling environment for Responsible Investment in Agriculture and Food Systems:

Evidence from Sierra Leone

Food and Agriculture Organization of the United Nations

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Disclaimer: Any error, misrepresentation and/or omission are entirely the fault of the expert and should not be attributed to any of the above.

Acronyms

ACFTA	Africa Continent Free Trade Agreement
ADB	Africa Development Bank
AGOA	Africa Growth and Opportunities Act
AIAP	Agribusiness Investment Approval Process
AU	Africa Union
CBA	Collective Bargaining Agreement
CAC	Corporate Affairs Commission
CAP	Chapter (in Law)
CSO	Civil Society Organization
CSR	Corporate social responsibility
CFS	Committee on World Food Security
DfID	Department for International Development
EBA	Everything but Arms Initiative Initiative
ECOWAS	Economic Countries of West African States
EPA	Environment Protection Agency
ESIA	Environmental and Social Impact Assessment
FAO	Food and Agriculture Organization of the United Nations
FBO	Farmer based organization
FGD	Focus group discussion
FDI	Foreign Direct Investment
FINIC	Fomel Industries and National Industrialization Center
GoSL	Government of Sierra Leone
GPS	Global Positioning System
Ha	Hectares
HRC	Human Rights Commission
HPC	Household Population Census

IDB	Islamic Development Bank
INGO	International Non-Governmental Organization
IPA	Investment Promotion Act
ILO	International Labor Organization
KI	Key informant
LCA	Local Content Act
MAF	Ministry of Agriculture and Forestry
MDAs	Ministries, Departments and Agencies
MTNDP	Mid-Term National Development Plan
MLHE	Ministry of Lands, Housing and the Environment
MoH	Ministry of Health
MLGRD	Ministry of Local Government and Rural Development
MRU	Mano River Union
NAT	National Agriculture Transformation Plan
NLP	National Land Policy
MTNDP	Mid Term National Development Plan
NMJD	Network Movement for Justice and Development
PMB	Produce Marketing Board
PHC	Population and Housing Census
RAI	Responsible Investment in Agriculture and Food Systems
RSPO	Roundtable on Sustainable Palm Oil
SMEDA	Small Medium Enterprise Development Agency
SME	Small-medium enterprises
SLCCIA	Sierra Leone Chamber of Commerce Industry & Agriculture
SSL	Statistics Sierra Leone
SLSB	Sierra Leone Standards Bureau
SLPMC	Sierra Leone Produce Marketing Company

SLIEPA	Sierra Leone Investment and Export Promotion Agency
SLARI	Sierra Leone Agricultural Research Institute
UN	United Nations
USAID	United States Agency for International Development
USL	University of Sierra Leone
VGGT	Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries, and Forests
WTO	World Trade Organization
WB	World Bank
WHH	Welthungerhilfe

Executive summary

This report presents the findings of a participatory baseline assessment on responsible investment in agriculture and food systems (RAI) in Sierra Leone. While the assessment was specifically focused on identifying current factors that would enable RAI in Sierra Leone, it recognises that this assessment (RAI) is complementary to a country land governance and agricultural investment assessment currently underway. It also recognises that this assessment builds on FAO's on-going technical support to Sierra Leone, "Safeguarding Land Tenure Rights in the Context of Agricultural Investment" and on national food security and food systems. Given this background, 55 stakeholders, some of whom have had previous engagement in the process, were purposively selected to participate in the assessment either as key informants (KIs) or focus group discussants (FGDs). In Freetown, 14 government stakeholders, across strategic national and regulatory institutions and two private sector agriculture suppliers (seeds, fertilizer and tools), were interviewed. A combined total of 30 community members, including landowners, family/smallholder farmers (both within and outside agricultural concessions but within the districts for triangulation purposes), participated in focus group discussions in Tonkolili, Bo and Kenema. The four agriculture investors (Miro, Sierra Tropical, Lizard Earth and Goldtree) were separately interviewed and finally, six low-level investor workers provided information regarding their work experiences with the companies. It should be noted that the four agricultural investors are testing the applicability of the 'Agribusiness Investment Approval Process (AIAP)', the new agribusiness approval process for Sierra Leone with the aim to explore and support capacity enhancement of communities, investors and government institutions responsible for agriculture, land, environment and investment. The AIAP pilot process also involves the contribution and participation of other key stakeholders including both government and civil society organizations through a technical working group (TWG) mechanism. The TWG members include FAO, Welthungerhilfe (WHH), Ministry of Lands, Housing and the Environment (MLHE), Ministry of Agriculture and Forestry (MAF), Environment Protection Agency (EPA), Solidaridad, Transparency International, Human Rights Commission of SL, Green Scenery, Namati, Network Movement for Justice and Development (NMJD). Local authorities, decentralized governance structures at district level, academic and professional partners also play crucial roles.

Although the assessment was conducted largely using qualitative methods (focus group discussions and face-to-face interviews with key informants (KIs), quantitative techniques were also used to establish baselines. For this purpose, a separate assessment matrix (see annex 1), was used to tease out and measure stakeholder opinion and satisfaction/dissatisfaction on impact variables such as: employment creation, land access, access to market, infrastructure, food security, education, technology transfer, access to finance and assessment of RAI enabling factors (legal and institutional) in Sierra Leone.

Overall, findings on the impact of the four AIAP pilot investors suggest the emergence of responsible agricultural investment in Sierra Leone. The investors and the host communities of their investment were observed to be satisfied with this new investment approach and all the parties interviewed consider this investment model as a win-win opportunity.

Assessment findings revealed critical challenges affecting the three main protagonists of agricultural investment in Sierra Leone areas follows:

- i. **Family and other small-scale producers operating along agricultural supply chains:** are faced with difficulties to access finance, declining soil fertility, inadequate government support, limited agronomic knowledge and skills, challenges accessing improved planting materials, tools, limited entrepreneurial and planning skills and difficulties to access markets;
- ii. **Foreign direct investors/large-scale farmers:** consistently pointed to the challenges associated with land acquisition, the long and bureaucratic investment approval processes and the uncertainties caused by lack of clarity and inconsistencies in the implementation of some policies including difficulties caused by high inflation rates and foreign currency controls;
- iii. **The government of Sierra Leone (GoSL):** change to the current colonial land tenure system has political costs for any government who dares to do so without the full support of landowning families in rural Sierra Leone. In addition to this socio-political impasse, government agricultural extension services and/or ability to link local farmers to innovative production skills is extremely low. Key agricultural and investment institutions suffer from an acute lack of financial resources and low technical capacity to regulate and coordinate agricultural investment activities. In addition, the impact of climate change is already apparent and cuts across all levels of agricultural investments at a time when government capacity is limited to respond to drastic environmental challenges.

This suggests that sustainable investment growth is dependent upon a number of critical factors including effective implementation of policy measures by the government, diversification of the agricultural sector, strategic capacity support across all players along the investment value-chain with particular emphasis on improving both smallholder capacity on productivity and infrastructure to enhance agribusiness development and commercialization.

Assessment conclusions and recommendations are therefore based on the outcomes of discussions with stakeholders, analysis of data derived from literature reviews and similar studies: (*The Practice of Responsible Investment Principles in Large-scale Agricultural Investment by the World Bank (2014)*, *Making the Most of Agricultural Investment (Lorenzo Cotula et al, 2010)* and *Impact Study of Two Agricultural Investment on Local Communities (Victor Kabba, TS, 2019)*, *Thematic Report on Agriculture (Mathew Gboku et al, 2015)*, *The Commercialisation of Agriculture in Sierra Leone: Options for the Legal and Regulatory Framework (Beatrice Chaytor, 2017)*, *National Agriculture Transformation (NAT Plan, 2023)*, *National Development and Mid-term Development Strategy (MAF, 2018)* and data points from the assessment matrix.

The assessment concludes with the following recommendations:

- i. The development of the draft AIAP by GoSL/SLIEPA and sector partners is a good starting point to develop, along with other stakeholders, a standard “blue-print methodology” for responsible larger-scale agricultural investment (RAI) in Sierra Leone. In line with the aspirations of investors and other stakeholders, GoSL should consider finalising and aligning the AIAP initiative with the SLIEPA Act, by building SLIEPA’s capacity to assume a one-stop-shop role in agricultural investment with a presence in every district and sufficient funding for its implementation;
- ii. Given the difficulties associated with land access for both foreign and local investors, including other land users especially women and youth, GoSL and the Ministry of Lands should expedite the current National Land Policy into law which articulates strategic land management and acquisition options;
- iii. Once the Land Policy becomes law, the GoSL, through the Ministry of Lands and other stakeholders, should consider developing guidelines and providing technical trainings to host communities on land acquisition processes and lease management;
- iv. The GoSL should consider adopting “E-Governance” in agricultural investment. A well-resourced online service, hosted by SLIEPA, to access reliable agriculture related investment information with clear step-by-step description of investment procedures like where to go and who to contact, what fees and how to pay. An online application portal could also be created for investment applications. This online service could serve a dual function - as framework that fastens procedures and as a good introductory tool for investors prior to visiting Sierra Leone and host communities.
- v. Similarly, GoSL and partners should consider the development of an agriculture land-based roster where information on both occupied and available land for agricultural investment is made available. Such a roster could also serve as a good monitoring tool which is especially necessary for curbing and monitoring dubious land deals.
- vi. Laws should be replaced when they become obsolete and/or not fulfilling the objectives for which they were enacted. For this reason the GoSL should consider reviewing and/or replacing policies and regulations such as CAP 182 of the Produce Marketing Board 1946, and The Cooperative Act 1977 or Decree No 2 (1996) which governs the Sierra Leone Standards Bureau to reflect and meet current investment trends.
- vii. Similarly, the EPA Act (2008/10) and its regulations, while relatively new and mostly relevant, should be reviewed with the goal of striking a right balance between its environmental stewardship mandate and its revenue mobilization interest. In particular, the EPA assessment matrix is not suitable for smallholder agricultural investors. The time involved for ESIA processing and payments should be made fairer and investors should be treated on a case-by-case basis by: investment size, duration and potential impact of the investment on the environment. A community-focused and human rights approach in the context of RAI and national food security should be integrated in the new EPA assessment matrix.

- viii. Also, EPA's environmental impact assessment activities should be coordinated systematically with the work of The National Platform for Disaster Risk Reduction and Climate Change Adaptation (created in 2011). They conduct impact assessment in areas vulnerable to fires, pest infestation as well as a range of other socio-natural and man-made hazards such as mudslides, storms, and transport accidents to mitigate investment negative impacts and risks.
- ix. Large-scale operators should consider building social capital over and above their current employment of community members and outgrower schemes. Here exists an opportunity to expand and sustain their own investments by organizing women and youth from their host communities into agricultural cooperatives or SMEs and empower them with skills and knowledge along their agriculture investment value-chain (cultivation/development, maintenance, processing, value-addition, distribution and marketing). Rather than continue to suffer the nuisance surrounding the multitude of foreign direct investment challenges, companies could assume the role of market facilitator supervising and controlling their investments through a cadre of competent local SMEs who will continue producing and supplying the original investors the very products they seek in Sierra Leone. To break the monopoly around the vital service of land surveys, mapping and property demarcation in host communities, jobless women and youth with basic literacy could be introduced to innovative technologies such as trainings in GPS mapping and surveys.
- x. Notwithstanding the government's expressed willingness and availability of reasonable laws and institutions, the lack and/or limited coordination within and between government agencies was cited as a critical issue prolonging investment decision-making in the agriculture sector. Assessment findings suggest that the adoption and implementation of RAI Principles, as already witnessed in on-going FAO supported land tenure governance activities, will enhance interministerial decision-making in the agriculture and fishery investment sectors in Sierra Leone.
- xi. Partner CSOs should consider supporting two critical issues to enhance the enabling environment of RAI. The first critical issue is to provide capacity development support to current and potential host communities on land rights awareness, especially the rights of women and other vulnerable groups whose land rights are at particular risk of being violated, including by stronger members of their families. The second issue is related to impact assessment. CSOs should consider building the capacity of farmers and host communities, those who could directly be affected by investment in agriculture, to participate in assessing and monitoring impact. Farmers and their communities should be capable and involved in designing and defining baseline data and indicators to measure potential investment impacts on their economy, society, environment and culture.

Assessment rationales

Global demand for cash and food crops continue to correspond with incremental investment in agriculture in Sierra Leone. The increase in agricultural investment is largely welcomed by the government and numerous other stakeholders because of its potential to enhance food security and create jobs after decades of chronic underperformance of the country's agriculture sector. For others, this resurgence of investment in agriculture is fraught with uncertainty. In recent years, some investments involving large-scale land acquisition in different parts of the country have raised serious concerns over the possible negative impacts on both the environment and on local people who have been using such lands. For example, the way and manner how land is acquired for large-scale agricultural investment continues to be contentious and in some instances, borders on the threat of conflict in many rural communities. Similarly, despite the prevalence of family and small-scale producers in the sector, there is currently limited literature and comprehensive analysis on the capacities of small-scale producers and SMEs. Agricultural investors lack an understanding of the challenges in this category, particularly when it comes to the situation of women and youth in agricultural investment. Interventions aimed at addressing issues of local land use and large-scale land acquisition for agricultural investment are limited. In sum, the study is meant to ***assess the enabling environment for RAI in Sierra Leone*** and provide an independent assessment of the social, economic, cultural and environmental impacts of agricultural investments. Given this background, FAO, WHH and an *ad hoc* technical working committee (TWG) comprised of MLHE, MAF, EPA, Solidaridad, Transparency International, Human Rights Commission of SL, Green Scenery, Namati, Network Movement for Justice and Development resolved to generate a body of evidence-based data to identify policy and institutional frameworks that would enable responsible agricultural investment in Sierra Leone. Data from this assessment will also be used for stakeholder capacity development and guide stakeholders (government, investors, communities and other development partners) on desirable forms of agricultural investment in Sierra Leone.

Assessment objective

The key objective of the assessment was to conduct a baseline study on the enabling environment for RAI in Sierra Leone. The achievement of this objective will provide material to support the development of advocacy strategies and stakeholder capacity development on RAI and provide a guide to facilitate future learning on RAI.

Methodology

Participatory qualitative methods, (focus group discussions and face-to-face interviews with key informants (KIs), are mostly suited for this kind of assessments and/or studies of this nature. This approach is suitable because any form of agricultural investment, whether it be family, smallholders, SMEs or large-sale, impacts both on people's livelihoods and land with its attendant imperatives (ownership, access and control). The participatory assessments (PA) approach was selected because of the poverty profile of the communities where agricultural activities take place, as an appropriate contextual data collection method. In other words, this approach is an appropriate method when soliciting local people's perceptions and understanding of the multiple dimensions of agricultural livelihoods. With this approach, it was easy to picture the social, cultural, economic and political environment of the study population including issues of power imbalances (inequalities), risks and vulnerabilities-especially among women and youth farmers in the context of rural Sierra Leone (Laderchi, 2001). This approach also allowed the use of quantitative tools to identify and establish a baseline around stakeholders satisfaction/dissatisfaction on impact variables such as: employment creation, land access, access to market, infrastructure, food security, education, technology transfer, access to finance and assessment of RAI enabling factors (legal and institutional) in Sierra Leone. The approach is also aligned with the RAI conceptual framework which recognizes responsible agricultural investment as a key enabler of food security and has the potential to progressively protect human rights in host agricultural investment communities in Sierra Leone.

Limitations

The assessment was conducted in December 2019 which is normally a 'winding down' period for Christmas in many government-run institutions (MDAs) in Sierra Leone. This was also a period of key personnel changes in some government offices (e.g. the former Minister of Agriculture and other senior officers had just been replaced by new ones in the MAF) causing institutional memory gaps on past RAI related engagements in some MDAs. Also the livelihood situation of households in the host communities may have been different from what it was during past periods of the year. This together with time constraints, affected findings related to variables such as: employment, land access, access to market, infrastructure and food security. The greatest constraint however, is difficulty to obtain reliable and accurate data on current large-scale investments and their performance in Sierra Leone. Some government institutions charged with responsibility to regulate agricultural investment are seriously underfunded and lack facilities and/or expertise to maintain comprehensive data on investments. Some agencies also alluded to the possibility of some investors by-passing official investment channels, preferring direct dealings with local land owners.



1. What is Responsible Investment in Agriculture and Food Systems (RAI):

1.1. Definition of RAI

Responsible Investment in Agriculture and Food Systems (RAI) is a set of ten principles that apply to all types and sizes of agricultural investment including fisheries, forests and livestock (www.fao.org/csf/rai). As a soft law instrument, they are globally applicable and include actions to address a range of environmental, social and economic issues. The RAI Principles were developed through an inclusive international and intergovernmental multi-stakeholder process in the UN Committee on World Food Security (CFS). Endorsed by the CFS in 2014, it represents the most comprehensive international guidance instrument for agricultural investments. It has a broad scope, covering all kinds of investments in agricultural value chains and food systems, and it encompasses all stakeholders that are involved in, benefit from, or are affected by agricultural investments. The CFS RAI build on existing instruments including the **Voluntary Guidelines on the Responsible Governance of Tenure (VGGT)**, the **Voluntary Guidelines on the Right to Food**, and others.

1.2. The CFS RAI 10 Principles

Table 1 below contains the 10 RAI Principles endorsed by the CFS in 2014. The key elements of the CFS RAI Principles are consistent with the principles of implementation described in the VGGT in terms of: human dignity, equity and justice, gender equality, holistic and sustainable approach, and involves consultation and participation, especially in land negotiations for women and youth, the rule of law, transparency, accountability and provides for continuous improvement. Responsible agricultural investment is about respect and non-infringement on the human rights of others and addresses diverse human rights impacts, among other things. The Principles safeguard against the dispossession of legitimate tenure rights and environmental damage. Although the Principles are voluntary, they should be interpreted consistently with existing obligations under national legal systems, their institutions and international laws.

Table 1: RAI Principles and key elements

Principle 1:	RAI contribute to Food Security and Nutrition, income generation and poverty reduction.
Key elements of the Principle	Increase production and productivity, processing, market functionality, retailing and consumption.
Principle 2:	RAI contributes to Sustainable and Inclusive Economic Development and the Eradication of Poverty.
Key elements of the Principle	Respect for rights at work, creating new-decent jobs, support OHS, inclusive of rural development, provision of Public Goods and Services, improving incomes, fair access to market opportunities, coordination, partnerships and promotion of sustainable patterns of consumption.
Principle 3:	RAI Fosters Gender and Women's Empowerment.
Key elements of the Principle	Advance women's equal tenure rights, access to productive land, natural resources, finance, tools, extension services/education/capacity trainings, markets and information, adopt proactive measures to enhance women's participation in land governance decision-making and avoid discrimination on the basis of gender.
Principle 4:	RAI Engages and Empowers Youth.
Key elements of the Principle	Advance youth access to productive land, natural resources, inputs, tools, extension, financial services, education/capacity training and markets, promote access to innovation and new technologies.
Principle 5:	RAI Respects Tenure of Land, Fisheries and Forests, and Access to Water.
Key elements of the Principle	Follow Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries, and forests in the context of national food security (chapter 12), Voluntary Guidelines on Securing Sustainable Small-Scale Fisheries in the context of national food security and Poverty Eradication.
Principle 6:	RAI Conserves and Sustainably Manages Natural Resources, Increases Resilience and Reduces Disaster Risks.
Key elements of the Principle	Prevent and/or minimises negative impacts on air, soil, water, forests, biodiversity and genetic resources. Promote climate change adaptation and increase resilience of agriculture and food systems, particularly of smallholders, promote integration of scientific, traditional and best practice knowledge and technologies through different approaches and encourage stakeholders to take measures to reduce greenhouse emissions.
Principle 7:	RAI Respects Cultural Heritage and Traditional Knowledge and Supports Diversity and Innovation.
Key elements of the Principle	Respect cultural heritage sites and recognise the role of indigenous people and local communities in agriculture and food systems. Recognises the contribution of farmers (family and smallholders) in conserving and making available genetic resources (seeds), promote fair and equitable sharing of benefits arising from utilisation of genetic resources, promote the use of locally adapted technologies and practices, research and development.

Principle 8:	RAI Promotes Safe and Healthy Agriculture and Food Systems.
Key elements of the Principle	Enable consumer choice by promoting availability and accessibility of safe, quality, nutritious and diverse food that is culturally acceptable, reduce risk to public health across agriculture and food systems and improve management of agricultural inputs and outputs.
Principle 9:	RAI Incorporates Inclusive and Transparent Governance Structures, Processes, and Grievance Mechanisms.
Key elements of the Principle	Respect rule of law, recognises power imbalances, engages, consults and seeks the support of those who could directly be affected by investment in agriculture (especially indigenous and vulnerable groups), respect legitimate tenure rights (VGGT), promote access to transparent and effective mediation, grievance and dispute resolution mechanisms.
Principle 10:	RAI Assesses and Addresses impacts and Promotes Accountability.
Key elements of the Principle	Apply transparent and participatory mechanisms to assess potential economic, social, environmental and cultural impacts, measures to prevent potential negative impacts. Define baseline data and indicators to measure impacts & promote accountability of each actor.

1.3. Baseline description of the current situation of investment in relation to the 10 RAI Principles

Principle 1: RAI contributes to Food Security and Nutrition, income generation and poverty reduction (Increase production and productivity, processing, market functionality, retailing and consumption):

Generally, baseline findings on this Principle suggest that despite enormous opportunities, the fortunes and performance of family or smallholder farmers representing 85.4 percent, (out of the national agricultural households (57.9 percent), has not improved. Data obtained indicates that nearly all agricultural activities at this level are subsistence-driven, performed in family settings occupying small plots of land averaging 1.5ha. In some districts, women are conspicuously absent in tree crop farming. Hunger and malnutrition were observed among village stakeholders and approximately 80 percent of basic foodstuffs consumed in Sierra Leone are imported from abroad.

 **Principle achievement:** The principle will be met if family and smallholder farmers have secure, long-term and secured access to fertile and productive land of more than 1.5 ha, adopt improved, qualified and affordable farming methods, have diversified farming and processing systems, have access to genetically and culturally appropriate plating material, can access finance and markets and participate in tree crop farming.

Principle 2: RAI contributes to Sustainable and Inclusive Economic Development and the Eradication of Poverty (Respect for rights at work; creating new decent jobs; supports occupational health and safety (OHS), is inclusive of rural development; provision of Public Goods and Services; improves incomes; fair access to market opportunities; coordination, partnerships and promotion of sustainable patterns of consumption):

Good practices in relation to the second RAI Principle are emerging. The four pilot investors testing the applicability of the AIAP now employ women and youth from their host/concession communities. They provide inputs to local farmers to create fire-belt corridors, create buffer zones to preserve some genetic material and ensure wild life corridors. All are supporting the creation of public goods and services (water wells, health facilities, education) with Miro widely acknowledged by local communities for improving local road infrastructure, all are committed to implement highly appreciated outgrower schemes. All now have recruited outgrower managers to promote out grower schemes.

 **Principle achievement:** The approach adopted by Lizard Earth is a 'desired baseline target' because of its sustainable and far-reaching potential in the creation of decent jobs. The Principle will be met if LE's or similar approaches are widely applied by large scale investors in Sierra Leone.

Principle 3: RAI Fosters Gender and Women's Empowerment (Advance women's equal tenure rights, access to productive land, natural resources, finance, tools, extension services/education/capacity trainings, markets and information, adopt proactive measures to enhance women's participation in land governance decision-making and avoid discrimination on the basis of gender):

Women's participation in tree crop agriculture was observed as extremely low. In Sierra Leone, their contribution in agriculture is generally regarded as complementary to men, thus have differential access to productive assets. Women are significantly marginalised in land governance decision-making.

 **Principle achievement:** Women should have equal tenure rights, able to access productive land, finance, tools, trainings, extension services, and be able to participate in land and agricultural investment decision-making processes.

Principle 4: RAI Engages and Empowers Youth (Advance youth access to productive land, natural resources, inputs, tools, extension, financial services, education/capacity training and markets, promote access to innovation and new technologies):

Data suggest that the situation of youth (locally defined to be 18–35 years old) is not very different from that of women. While youth (males and females) are primary suppliers of labour, their participation in agricultural investment is easily predictable and dictated by a number of factors including limited agronomic, technical and management experience. Cultural norms designate the role of girls as complementary to boys and the lack of equipment to mitigate the labour-intensive nature of agriculture is a major cause for the disproportionate participation of girls and women in agricultural investment and in tree crop farming.

At the same time, youth face a series of barriers that limit their capacity to invest in their own businesses. The lack of collateral is a major barrier for youth to access credits and financial services. Conversely, this limits the capacity of youth to independently own land (except when the father has passed away in the case of male youth). Currently, only few youth led-SMEs in agriculture exist and nearly all existing youth led-SMEs in agriculture keep no financial or operational records. The youth are poorly organized and have limited experience in land-lease negotiations.

 **Principle achievement:** Youth are properly organized and their views relating to agricultural investment are taken seriously. They are able to access productive land, their organizations are seen as investment opportunities and they have links to large-scale operations and markets Youth organizations profit from skills transfer and best investment practices. They are trained with agronomic, technical and management skills including establishment of a targeted-youth credit fund (as in the case of the *Kenyan youth start-up funding mechanism*).

Principle 5: RAI Respects Tenure of Land, Fisheries and Forests, and Access to Water (Follow Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries, and Forests in the context of national food security (chapter 12), Voluntary Guidelines on Securing Sustainable Small-Scale Fisheries in the context of national food security and Poverty Eradication):

The land tenure system is largely guided by customary law and practice. The system is problematic and fraught with risks for all levels of investments. The majority of current land concessions in terms of size of land and period of occupation are controversial because they are not in line with the provisions contained in the National Land Policy which should not exceed 5 000 ha and 50 years tenure. Some large-scale investors have been accused of land grabbing by communities. The current land lease fees of USD 12 per annum per ha is viewed as cheap and unrealistic.

 **Principle achievement:** Existence of clear land tenure laws, communities are fully aware of Guidelines and the Guidelines are adopted as a 'blueprint' for agricultural investment land transactions.

Principle 6: RAI Conserves and Sustainably Manages Natural Resources, Increase Resilience and Reduce Disaster Risks (Prevent and/or minimises negative impacts on air, soil, water, forests, biodiversity and genetic resources, promote climate change adaptation and increase resilience of agriculture and food systems, particularly of stallholders, promote integration of scientific, traditional and best practice knowledge and technologies through different approaches and encourage stakeholders to take measures to reduce greenhouse emissions):

Throughout Sierra Leone, the practice of slash-and-burn and shifting cultivation were observed as the prevalent farming methods used for food crop production by family and other small-scale farmers in host communities. In slash-and-burn farming, fertiliser and pesticide use are almost completely absent. Annual shifts and the clearing of significant tracts of upland ecologies for new farm sights coupled with extensive burning has direct impact on vegetation cover and affects natural wildlife habits with possible climate change effects.

 **Principle achievement:** Farmers have access to innovative farming technologies leading to low impact on local environments. Large-scale farmers can only use agro-chemicals that are compatible to local environmental conditions, agricultural wastes are properly disposed, slash-and-burn farming methods are integrated with scientific and best-practice methods.

Principle 7: RAI Respects Cultural Heritage and Traditional Knowledge and Support Diversity and Innovation (Respect cultural heritage sites and recognise the role of indigenous people and local communities in agriculture and food systems. Recognise the contribution of farmers (family and smallholders) in conserving and making genetic resources (seeds) available, promote fair and equitable sharing of benefits stemming from the utilisation of genetic resources, promote the use of locally adapted technologies and practices, research and development):

Agricultural investment and local livelihood activities are conducted away from cultural heritage sites. Data obtained indicate that agricultural investment activities have neither impeded cultural practices in the assessment communities nor have such investments used cultural resources, knowledge, innovations, or practices of local communities embodying traditional lifestyles for commercial purposes. However, while the role and contribution of

indigenous people and farmers in agriculture and food systems are generally recognised, some local people reported tensions related to fair and equitable benefit sharing. Investment companies, however, complained about 'unrealistic community expectations' for jobs and creation of local infrastructure. Isolated incidents for forceful conscription of local company workers into secret societies (Poro for men and Bondo for girls) were reported by some company staff.

 **Principle achievement:** Positive and respectful relationships between communities and companies exist and both parties are able to share cultural heritage resources such as water. Companies support positive cultural local needs (preservation of water sources, sanitation, education and feeder roads), and engage in regular dialogue and information sharing regarding the result of investments. Awareness of and enforcement of national human rights policies will protect agricultural workers in some rural areas especially those with tendencies to forcefully conscript workers into secret societies (Poro and Bondo societies).

Principle 8: RAI Promotes Safe and Healthy Agriculture and Food Systems (Enables consumer choice by promoting availability and accessibility of safe, quality, nutritious and diverse food that is culturally acceptable, that reduces risk to public health across agriculture and food systems and improves management of agricultural inputs and outputs):

Discussions with various stakeholders from national to community level indicate that consumer choices are limited due to a number of factors. Agricultural production including food crops and animal products is mostly done on subsistence level - with little or no application of hazardous chemicals. Moreover, dependence on rain-fed agriculture and the lack or limited availability of processing and value-addition facilities increases post-harvest losses among family and smallholder farmers - reducing the availability and accessibility of food. Some food items are only available at a particular season which contributes to - unbalanced diets and malnutrition among vulnerable groups especially children and old people in rural settlements.

 **Principle achievement:** Farmers and food system workers are able to process and add value to food products, affordable irrigation systems are available, diversified and quality food crops are significantly available, competent regulatory systems are available to certify that food systems are healthy and safe.



Principle 9: RAI Incorporates Inclusive and Transparent Governance Structures, Processes, and Grievance Mechanisms (Respect rule of law, recognises power imbalances, engages, consults and seeks the support of those who could directly be affected by investment in agriculture (especially indigenous and vulnerable groups), respects legitimate tenure rights (VGGT), promote access to transparent and effective mediation, grievance and dispute resolution mechanisms):

Awareness of rights, especially the rights of women who bear the greatest costs/burden (loss of cooking wood fuel, loss of medicinal material/herbs or contamination of water sources) of agricultural investments is extremely low in the assessment communities. Data analyzed indicate three main grievance redress mechanisms currently available for local and international agricultural investors in the assessment areas. The first and most commonly used mechanism by all levels of investors (small and large-scale) for land right issues are customary courts. These courts are presided over by local chiefs. The decisions of some chiefs, however, were reported as arbitrary and prone to corruption, and chiefs have limited understanding of judicial processes and their mandates. The second mechanism is comprised of “ad hoc committees” such as Village Area Land Based Committees which are piloted in four sites by Solidaridad under a contractual agreement with FAO. These committees were found to be

proactive and if properly trained, they represent significant social capital to sustain the resolution of land and agricultural investment conflicts in remote communities. The third grievance redress mechanism identified are the formal (legal) courts. Legal courts in Sierra Leone are seriously under-resourced, they are complex, difficult and expensive to access especially by local farmers and smallholders and some districts do not have a resident judge. However, the leasehold rights of agribusiness investors were found to be protected by wide-ranging guarantees against expropriation as cited in the IPA. To date, no claims appear to have been brought against the GoSL pursuant to these provisions under the IPA.

 **Principle achievement:** Presence of transparent, accessible, user-friendly and effective grievance mechanisms at all levels (national, district and chiefdom). A widespread awareness among local farmers and landowners of where to go to obtain fair grievance outcomes. In addition to the above, identified conflict resolution mechanisms, RAI implementation could be an appropriate medium to mainstream inclusive consultations for all agricultural investment stakeholders including the integration of EPA and relevant other national consultative mechanisms in Sierra Leone. The emergence and popularisation of VGGT and RAI Principles is an effective strategy to prevent and/or mitigate the occurrence of agricultural investment related conflicts.

Principle 10: RAI Assesses and Addresses Impacts and Promotes Accountability (Apply transparent and participatory mechanisms to assess potential economic, social, environmental and cultural impacts, measures to prevent potential negative impacts and define baseline data and indicators to measure impacts and promoting accountability of each actor):

Currently, the EPA is the focal institution with legal mandate to assess potential, on-going or post-agricultural investment impacts on economic, social, environment and culture of host communities. The Agency conducts screening and audits to verify concessions and classify impacts into categories (A, B, C) and determine mitigation plans and payment prior to the issuing of environmental licenses. While the communities that will be impacted by agricultural investment are often consulted and to some degree involved in the assessment, the language and process are significantly complex and potentially disempowering for community stakeholders who are mostly illiterate. Discussions with senior EPA personnel revealed that EPA's current assessment matrix is not particularly suitable for the assessment of family/smallholder agricultural investments. This issue will be considered during the EPA Act review, currently underway.

 **Principle achievement:** An opportunity exists for RAI partners to engage with the EPA and integrate human rights approach when assessing potential agricultural investment in line with RAI Principles, by ensuring capacity for farmers and host communities so that this category of stakeholders are adequately able to be involved in designing and defining baseline data and indicators to measure potential, on-going and post-investment impacts on their economy, society, environment and culture.

1.4. The context and relevance of RAI in Sierra Leone

In addition to its bountiful endowment with marine and mineral resources, agriculture is an indigenous activity in Sierra Leone and the backbone of the Sierra Leonean economy. The sector is estimated to contribute 60.7 percent of national GDP according to World Bank and OECD statistics (World Factbook, 2019). Agriculture employs around two-thirds of the national workforce. World Bank and OECD estimate of the sector's contribution to the country's GDP is consistent with recent government data. As of December 2019, a total of 54 medium and large-scale agricultural investors (see list of agricultural investors in appendix B) were present in Sierra Leone with a total land lease of 74 000 hectares and of this, over 22 300 hectares are already established and coming into production (SLIEPA statistics, December 2019). This represents a 100 percent increase compared to immediate post-war years, 17 years ago. Accordingly, statistics obtained from CAPP, (the country's association of commercial large and medium-scale agricultural investors), suggest significant investment capital flow in the country's agriculture sector amounting to more than USD 800 million during the last ten years (2009-2019), and providing 11 560 jobs of which more than 30 percent are women (CAPP, 2019).

This is not surprising, as the country's land resources are broad, with 75 percent of total land area suitable and available for cultivation. Currently, only 15 percent is cultivated. Of the cultivated land, only 20 percent is devoted to cash crops: mainly coffee, cocoa and oil palm, representing 2.5 percent of overall arable land (PHC, 2015). Sierra Leone lies within the natural range of the African agro-forest belt with favorable conditions for agricultural activities (some of the best soils in the region, good rain fall, in-land water and river systems, a tropical climate with temperatures ranging from 21 ° to 32 ° C with a mean daily temperature of 25 ° C).

Fisheries are part of the national agricultural sector although lesser known as a critical source of untapped wealth. Fisheries are a key source of exports and are believed to make up at least 12 percent of the country's GDP, while providing livelihoods for over 500 000 people out of a population of 1.8 m people in coastal and semi-coastal areas (Smith, H, 2019). This sub-sector, along with rice farming and other commodities, is a central focus for governmental plans in the development of large-scale commercial agri-businesses, that targets both regional and international markets. As part of this focus, the GoSL is currently reforming the licensing system of fisheries and is seeking investors in the fisheries sector. According to the Tony Blair Institute for Global Change, if the sector is sustainably managed, fish has the potential to become Sierra Leone's second export after minerals and 50 000 more jobs could be created for youth in the next 5 years (Herbert Smith Freehills, 2019).

As stated above, the causes for incremental agricultural investment in Sierra Leone may not be too different from those identified and advanced by recent studies on the subject such as *The Practice of Responsible Investment Principles in Large-scale Agricultural Investment by the World Bank (2014)*, *Making the Most of Agricultural Investment (Lorenzo Cotula et*

al, 2010) and Impact Study of Two Agricultural Investment on Local Communities (Victor Kabba, TS, 2019). All of these studies point to an increased global demand for agricultural products after the peak of world economic disruption in 2008. Demand, since then, is largely driven by rising consumption of edible crops, animal feed and personal care products. However, the ensuing increase in agricultural investment may have negative effects, inas the lack of proper participation and consultation of host communities and equally the lack of respect for legitimate tenure rights, sometimes referred to as “land grabbing” . Other explanations associate the increase in agricultural investment in Sierra Leone to policy constrains happening elsewhere including fractures in bilateral and multilateral trade agreements (WTO, USA-China trade conflicts). For others, tree crop expansion in Brazil, the Philipines, Malaysia and Indonesia have been constrained by concerns over deforestation in those part of the world. For some others, the increase in agricultural investment is due to declining agricultural subsidies for the United States of America and European Union farmers all of which, drives up prices for agricultural commodities and companies forced to invest in Europe, Asia and Latin America now seek new fields in Africa. BProducers in Sierra Leone have favored access to both markets in the European Union through a programme known as ‘Everything but Arms Initiative (EBA)’ and the United States of America through the ‘Africa Growth Opportunity Act’ (AGOA), a fact not widely known and not fully taken advantage of by local farmers.

Increases in agricultural investment in Sierra Leone are driven by both local and regional demographic growth. This is highlighted here because of the opportunities for both foreign investors as well as for Sierra Leoneans in the diaspora who may be considering returning home and invest in the agriculture sector. According to the results of the 2015 population and household census (PHC), Sierra Leone has a demographic profile of a very young population- 40.9 percent of the total population is less than 15 years old and only 3.5 percent are 65 years and above. There are slightly more women than men by 2.2 percent, with a national growth rate of 3.2 percent per annum. National population distribution is as follows: 59 percent of the population lives in rural areas while 41 percent live in urban centers. The working age population (15-64 years) is 55.6 percent. As would be expected, the percentage of the population that has never attended school in rural areas stands at 32.7 percent and is almost three times more than those in the urban areas (11.5 percent)-indicating that this segment of the population may be dependent on land for their livelihoods.

Population trends in the four AIAP pilot areas (table 2) reflect national population dynamics in terms of a very young population and high growth rate. What this indicates is that the population of Sierra Leone and by implication, the population of pilot areas will double approximately every 34 years. Currently estimated at 7 092 113, the population of Sierra Leone is expected to reach 12.4 million people by 2050. The same will happen in the four AIAP pilot communities. Beyond the country, the growth of the Mano River Union (MRU) (Côte d’Ivoire, Guinea, Liberia and Sierra Leone) needs to be considered both in terms of demand for agricultural commodities and also potential markets within a planned free-

trade area (the Africa Continental Free Trade Area (ACFTA) 2020 of which Sierra Leone is already a signatory member). The current MRU population is estimated to be 47.9 million persons but is expected to reach 88.6 million by 2050. Within the ECOWAS region, the market potential is even larger, especially when considering the population of Nigeria, currently approximated at 140.8 million and is projected to grow to 289 million by 2050. This tremendous population growth in the region will present many opportunities for new agricultural investments because regional markets will need to expand, especially in commodities such as rice, coffee, cocoa, cashew, fruits and palm oil. However, this growth will also put stress on natural systems, increase competition for land and water resources in rural areas – a trend which has already manifested itself in Sierra Leone.

Table 2: Population characteristics of study districts

District	Total	Male	Female	Working Population (Age 15-67)
Kailahun	526 379	260 586	265 793	140 750
Bo	575 478	280 569	294 909	152 925
Tonkolili	531 435	263 152	268 283	132 457
Port Loko	615 376	294 954	320 422	147 928
Grand Total	2 245 668	1 099 261	1 149 407	574 060

It is therefore appropriate and welcoming that in Sierra Leone, a technical working group (TWG) comprised of the FAO, MLHE, MAF, EPA, Solidaridad, WHH, Transparency International, Human Rights Commission of SL, Green Scenery, Namati, Network Movement for Justice and Development, has been promoting awareness of and encouraging other stakeholders to adopt best-practice agricultural investment. The TWG has engaged the government and other stakeholders which has resulted in the following key outcomes: establishment of a VGGT Secretariat housed in the Ministry of Lands, Housing the Environment (MLHE) and support to SLIEPA. This has led to the drafting of an AIAP instrument which is currently being shared with district-level stakeholders throughout the country.

2. The assessment and key findings



This section of the report begins with a description of ‘the investors and their roles’ in the context of RAI and deals with key findings in relation to both the role and impact of agricultural investment on four main agribusiness players as follows:

- The investors, stakeholders and their roles
- The role of the government and findings on the enabling environment for RAI in Sierra Leone
- Findings on family/small-scale farmers
- Findings on SMEs
- Findings on large-scale agricultural investors

The chapter concludes with discussions on identified risks inherent in the current context.

2.1. The Investors, stakeholders and their roles

Investors, in the context of RAI, go beyond conventional definitions. While small-scale subsistence farmers currently dominate the sector, insights from the assessment indicate that investors originating from the likes of the four AIAP pilot farmers (Miro (forestry), Sierra Tropical (pineapples), Lizard Earth (cocoa) and Goldtree (oil palm)), are utilising significant amounts of land, money and expertise to SME-led agricultural initiatives. These are owned by Sierra Leoneans (and some few outside entrepreneurs), down to the family/household farmer in the village who operate an average land size of 1.5ha and using subsistence (slash-and-burn) labour intensive methods to eke out a living. Although family or household farmers may not have access to finance, they are nonetheless, investors because they spend their little incomes, energies and livelihood skills to complete farming cycles. In the process, they produce food to meet the nutritional needs of their families and meet other needs (health, education). Similarly, the work of farmers would be impeded or by extension, national food security and nutrition outcomes, would be difficult to achieve without the contribution of the blacksmith and other aggregators who manufacture hand tools. The role of agro-input suppliers is also crucial, as are the roles of petty traders and transporters. Equally, the role of land-owning families cannot be ignored because access to land plays a crucial role in all of this. The government, through its NAT 2023 and related frameworks, is identifying strategies, opportunities and incentives for agricultural investment, including investments in production, processing and marketing of domestically produced agricultural products (cash and food products such as rice, Sierra Leone’s staple food), as well as livestock-rearing and slaughter facilities to cater for the increasing demand for meat.

Finally, without the commitment of the government to formulate, regulate and implement appropriate and enabling agricultural related laws and policies much could not be achieved in relation to investment, national food security and nutrition. Scenarios like these were all observed during the baseline assessment suggesting that RAI is an integrated and multi-faceted concept and that the implementation of the Principles require a broad-spectrum stakeholder approach. For this purpose, table 2 below provides a summary list of identified stakeholders and their corresponding roles.

Table 3: RAI stakeholders and their roles

Stakeholder	Enablers and champions	Role
1. GoSL	MTI, SLIEPA, SMEDA, CAC, MLHE, MoH, MLGRD, SLCCIA, MAF, SLARI, EPA, SL Standards Bureau, SLPNC, PMB, Statistics Sierra Leone (SSL), Parliament, Attorney General's Office, Law Reform Commission, HRC	MDAs have policy, regulatory, enforcement and monitoring interests.
2. Inter-governmental and regional bodies	AU, ECOWAS, MRU,	To promote regional economic growth and stability.
3. Financial institutions	WB, IMF, Africa Development Bank (ADB), Islamic Development Bank (IDB)	Key provider of credits and grants to the government.
4. Multi-lateral organizations	WTO, FAO/UN.	To enhance international trade, stability and a balanced, sustainable and more equitable world economy.
5. INGOs	WHH	Support development and civil society capacity development.
6. Bilateral/Development donors, Foundations and Funds	DfID, USAD, GIZ, Irish Aid, EU, IFAD,	Support the development aspirations of government and local NGOs.
7. National commercial banks and micro-credit financial institutions (MFIs)	Some commercial banks and MFIs	Providing banking services and credit to viable agricultural investments.
8. Research and Universities	USL/SLARI	Provision of agricultural investment evidence-based data.
9. Large-scale agriculture investors	Lizard Earth, Miro, Sierra Tropical, Goldtree and others	Provide investment finance, jobs and markets.
10. Farmers (all categories including fisheries & livestock) and their organizations	Family, smallholders, SMEs, large-scale	Critical actors for food security, food systems, nutrition and employment in the context of Sierra Leone.

11. Suppliers of agricultural material and equipment fabricators (irrigation, fertilisers, tools, storage, tractor/power tiller rentals)	FINIC, Seed Tech International (SL)	Promote food quality and economic development.
12. Aggregators (processing and value-addition cottage industries across a wide range of food and agricultural chains are emerging in different parts of the country)	Seed Tech International (Makeni) Lion Mountain (Bo)	Promote food quality and economic development.
13. Trader Unions, Women and Youth Associations	Local petty traders and their associations through weekly open markets creates the largest market for food crops and other agricultural products in Sierra Leone.	Their associations could be engaged by RAI to improve their performance and internal market opportunities.
14. Host communities	Paramount chiefs, district councils and landowning families.	Critical stakeholders on land management and agricultural investment enablers.
15. End-users and consumers and their organizations	End-users and consumers are critical stakeholders for RAI.	As in the case of Traders, their organizations could be engaged by RAI to ensure sustainable consumption of agricultural products.

2.2 The role of the government and findings on the enabling environment for RAI in Sierra Leone

The government of Sierra Leone (GoSL), through the Ministry of Agriculture and Forestry (MAF), plays the important role of promoting relevant laws and policies to govern and regulate the agricultural sector. Discussions with both senior government personnel and a broad-spectrum of other stakeholders indicate that significant laws and policies co-exists with significant political willingness at most levels of government to enable large-scale agricultural investment in Sierra Leone. Also, in Sierra Leone, institutions exist to engage with and enable the adoption and applicability of RAI Principles and related best-practices. Where necessary, and depending on the merits of a particular agribusiness project, the Government of Sierra Leone is prepared to take a head lease, that is a lease granted by a freeholder, on provincial lands. GoSL would then sub-lease to foreign investors in order to mitigate risks (www.sliepa.org). Government officials interviewed made mention of the availability of wide-ranging investment incentives and facilitation assistance from SLIEPA. Both foreign and domestic investors who meet the following minimum thresholds would benefit accordingly as follows:



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- Irrigating at least 500 hectares or cultivating at least 2 500 hectares of land or investing at least USD 1 million in livestock and livestock products; or
- a domestic investor irrigating at least 100 hectares or cultivating at least 500 hectares of land or investing at least USD 0.5 million in livestock and livestock products will be exempted from corporate income tax plus, 50 percent exemption from withholding taxes on dividends paid by agribusiness companies,
- complete exemption from import duty on farm machinery, agro-processing equipment, agro-chemicals and other key inputs specifically for the project;
- 3-year exemption from import duty on any other plant and equipment;
- reduced rate of 3 percent import duty on any other raw materials,
- 100 percent loss carry forward can be used in any year,
- 125 percent tax deduction for expenses on Research & Development, training and export promotion and,
- 3-year income tax exemption for skilled expatriate staff, where bilateral treaties permit.

It seems, however, that the merits of the above wide ranging benefits are nearly inaccessible to family and smallholder farmers. Although significant in every sense, this category of farmers including women and youth are more likely targeted through generic and ad hoc government articulated programmes such as smallholder commercialisation programs

(SCP) and development of rural agricultural infrastructure (irrigation, swamps development, rehabilitation of feeder roads, modernisation of storage and processing facilities).

Meanwhile, table 4 below presents the most strategically placed institutions and legislative frameworks identified to enable RAI implementation in Sierra Leone. The list is by no means exhaustive. It is also important to note that some of the provisions contained in a few of these laws, such as aspects of the MTI Act and the CAC, overlap, are repetitive if not outright contradictory. While all the laws, regulations and policies contained in table 4 have something to do with agriculture and investment, there are some that investors should investigate further. These have a greater impact on their investment's structuring and commercial viability and they include: the Investment Promotion Act (2004/11), the Local Content Act (LCA, 2016), the Environment Protection Act 2008/10, the Business Registration Act 2007 and Labour laws. The ministries, departments and agencies (MDAs) created by these legal instruments are critical institutions for engagement.

Under both the SLIEPA Act and the LCA for instance, agribusiness investors are required to establish and support outgrower schemes for small-holder farmers and help build the capacity of small and medium scale agriculture entrepreneurs in rural areas. The SLIEPA regulation also indicates that agribusiness investors are "expected" to make corporate social responsibility (CSR) contributions to local communities as part of the negotiation of land leases. These may include community capacity building projects, infrastructure development and/or rehabilitation of water sources. There are no legal requirements or consequences for failure to make such contributions. Also, the working conditions for agricultural workers in Sierra Leone are regulated by law. Agricultural workers are free to belong to labour unions and they can enter into collective bargaining agreements (CBA) with their employers on matters related to wages. Similarly, before initiating any agribusiness and/or fisheries project, investors are required, pursuant to the relevant environmental laws, to undertake an environmental, social and health impact assessment (ESHIA). Investors must inform affected communities of the results of the assessment and address any community concerns or objections to an investment project through community consultative meetings and community sensitisation programmes. Although the EPA has broad responsibility for ensuring private-sector compliance with environmental regulations in Sierra Leone, it does not however, provide full human rights protection. Thus, RAI and other best-practice international guidelines play a crucial role.

The draft National Land Policy, (while not legally binding if violated), provides strategic guidelines on land and water rights. The NAT 2023 strategy is the overarching government policy for the agriculture sector and it currently focuses on providing better quality and wider access to inputs and infrastructure, and improving storage and processing facilities to increase productivity, achieve food security and expand exports. It aims to utilise research, innovation and linkages between local farmers and investors to drive these developments.

Table 4: Institutions and legislative frameworks

Institutions	Legislative frameworks (policies, regulations and guidelines and related international best-practice laws)
<p>MTI, SLIEPA, SMEDA, CAC, MLHE, MoH, MLGRD, SLCCAI, MAF, SLARI, EPA, SL Standards Bureau, SLPMC, PMB, EPA, Statistics Sierra Leone (SSL), Parliament, Attorney General's Office, Law Reform Commission, HRC, NRA</p>	<p>National</p> <p>The National Agriculture Act (the law governing agriculture & fisheries, production, processing and marketing). The Investment Promotion Act (2004/11: stipulates conditions for investment in agriculture and related sectors including conditions to be fulfilled for exportation). Local Content Act 2016 (requires foreign owned investment to support and build the capacity of local entrepreneurs including the hiring of local labour and purchase of local resources). Draft AIAP Policy (a proposal towards an enhanced agribusiness approval process). National Land Policy (NLP: a Cabinet approved policy and in the process of becoming law to improve current cumbersome land tenure systems with clearer provisions of size, duration of lease and fees). MTI Act (trade related laws & policies). National Protected Areas Authority Act (the main law for the protection of national parks and forests of high habitat and biodiversity value). EPA Act 2008/10 (the main objective is to prevent adverse effects on the environment including social and cultural effects due to economic activities such as agricultural and mining activities). NRA Act (on taxes). Corporate Affairs Commission Act (CAC: key requirements and facilitation of business registrations). Local Government Act 2004 (decentralisation and devolution of key government functions and thus, certain decisions related to investment are taken at local level) . Produce Marketing Board Cap 182 1946 (has provisions related to the marketing of agricultural products). The Cooperative Act 1977 (has legal provisions for the formation of agricultural cooperatives and the creation of group bank accounts and membership shares). Decree #2 1996 (governs SL Standards Bureau provisions of food standards and enforceable consumer safety provisions). Sierra Leone labour laws (safeguards the rights of workers on issues of worker unionisation, health & safety, sick and general leave, industrial injury compensation and the right for workers to enter into collective bargaining agreements (CBA)).</p> <p>Policies and policy statements: National Development Plan 2018, SLPP manifesto, NAT Plan 2023 (these are instruments and implementing strategies mostly based on government priorities).</p> <p>Sub-regional and international Laws, policies, treaties, agreements</p> <p>WTO (international trade laws and protocols), ILO (provides best standard labour laws ratified by governments), MRU Trade agreement (a regional trade agreement where Sierra Leone is a member), ECOWAS (regional economic and market agreement), AU Declarations on Agriculture (member states are committed to allocate at least 10 percent their national budget to agriculture), ACFTA (a market, customs & excise union that will become effective in 2020).</p> <p>Voluntary or aspirational instruments:</p> <p>VGGT Voluntary Guidelines, RAI, RSPO (Palm oil)</p> <p>Other laws</p> <p>AGOA (US), EBA (EU)</p>

According to the assessment results, a number of policy gaps were identified with implications to fully enable responsible agricultural investment in Sierra Leone. In the case of small and medium farm entrepreneurs, the current provisions in the EPA assessment matrix is not particularly suitable for the assessment of family/smallholder agricultural farmers (investors) on the basis of a blanket and relatively high cost for environmental licenses, irrespective of the size and nature of the investment (see EPA Act part v). It is important that this shortcoming is addressed during the review of the EPA Act, which is currently underway. As pointed out in section 2.1 above, agricultural policies appear more generous to large-scale and semi-large scale agricultural investors than the family/smallholder farmers who dominate the sector. Further, the lack of a comprehensive land law to replace current traditional laws and practices in land acquisition and management represent a major policy gap. Consistent with preliminary work carried out by FAO Sierra Leone, crop compensation policies are another important issue in the context of land-based investment. Current laws and policies stipulate land leasing fee at USD 12 dollars per hectare (which is considered ridiculously low) and there are no clear-cut lease periods. In most cases, the process lacks transparency which creates tensions between chiefs, members of landowning families or between communities. Similarly, the involvement of local chiefs and land-owning families in the land leasing process was described by investors as problematic and risky. In addition, both foreign and local investors are of the opinion that the laws and regulatory institutions governing investment and the agriculture sector are too many and their mandates and roles sometimes overlap. Intergovernmental agency coordination was also pointed out as weak and a major cause of unnecessary delays in the approval process. It is therefore appropriate that the GoSL considers ways in which land tenure in rural areas can be simplified and modernised. In the future, government-owned land in rural areas may be made available for large-scale investment. In addition, the MTNDP will set out plans for the establishment of an autonomous National Land Commission to oversee land management.

2.3. Findings on family and small-scale farmers

According to data obtained from focus group discussions, family or smallholder farmers by far dominate the country's agriculture sector. They represent 85.4 percent out of the national agricultural households of 57.9 percent (HPC, 2015). This category of farmers is engaged in food crop farming. Using 2015 estimates, food crop farmers cultivated a combined total of 3 244 214 ha of arable land, producing 761.07 metric tons of food crops in the following order: upland and lowland rice, cassava, sweet potatoes, groundnut and maize. Tree or export crop farmers involved in the production of cocoa, coffee, oil palm, citrus and cashew crops are the second largest group in the country's agriculture sector. In 2015, a total of 110.6 metric tons of tree crops were produced on 3 164 472 ha of land. Vegetable production for the same period accounted for the use of 79 742 ha of arable land

while 539 304 households were involved in livestock production and 245 957 households were involved in fishery activities. 73.6 percent of agricultural households are involved in animal husbandry and 33.6 percent are engaged in fishing activities (Statistics Sierra Leone, 2015).

Meanwhile and despite government and donor best efforts, data obtained during the assessment indicate that nearly all agricultural activities at this level are subsistence-driven, carried out in family settings - occupying small plots of land averaging 1.5 ha.

Accordingly, several initiatives and activities have been launched to realise government's poverty reduction vision. Some of such initiatives include the establishment of Agro-Business Centers (ABCs), the implementation of the Smallholder Commercialisation Program (SCP)/Global Agriculture Food Security Program (GAFSP), the development of irrigable swamps, the rehabilitation and modernisation of storage and processing facilities and the rehabilitation and construction of research centers and private sector promotion - all focusing on policies and legislation to encourage sustainable domestic investments in the agricultural and fisheries sector.

In addition, to improve the situation of family and small-scale farmers, nine notable donor-funded projects were launched and some are still on-going. Donor funded projects are mainly involved in the construction, rehabilitation and maintenance of feeder roads. For instance, the Islamic Development Bank (IDB) supported the Rural Infrastructure Development Project (555.5 km), the Pro-Poor Growth for Peace Consolidation Programme (229.3 km), and the Diversified Food Production Project (9.3 km). The African Development Bank financed the Social Action Support Project (63.1 km), and the Agricultural Sector Rehabilitation Project (410 km). The World Bank is financing the Rural and Private Sector Development Project (500 km) and the Infrastructure Development Project (400 km). IFAD is financing the Rehabilitation and Community-Based Poverty Reduction Project (45 km), and the European Union is funding the Rural Roads Project (647.3 km). All of these activities are coordinated through the SCP in the Ministry of Agriculture and Forestry to enhance linkages among FBOs, traders, inputs dealers and other private actors working in along the agricultural value chain.

Consistent with the assessment findings on family/smallholders farmers, Ministry personnel admitted that successful outcomes for this category will be difficult to achieve without addressing a myriad of challenges. These include lack of expertise; declining soil fertility; low technological inputs; poor agriculture infrastructure; lack of capacity for processing and preserving produce; problems of input and output marketing; limited availability of financial services - especially rural and microfinance; land titling and land tenure problems; uncompetitive tax structures; and weak coordinating mechanisms.

Family farmers reported similar challenges like those mentioned by the Ministry as the key factors affecting their performance in the agriculture sector including lack of reliable production and market information or access to innovative production technologies and

machinery. Farmers were quick to point out the risks of depending on a rain-fed agriculture (production of food crops in the dry season is almost impossible and rain fall patterns are changing) despite the existence of 9 major river systems. Mechanisation and technical innovation in family and smallholder agricultural activities were observed to be extremely low. Instead, food crop farmers engage in labour-intensive shifting cultivation and slash-and-burn agricultural practices with direct negative impact on vegetation cover and natural habitats. Although land appears to be readily available in most rural areas, tenure insecurity and control of land was singled out as a major inhibiting factor of success in the agriculture sector, especially in the case of women. Poor farmer organization, lack of partnership-based production models, limited access to markets, lack of risk-protection for farmers and ambiguities in policy frameworks form part of the challenges faced by family or small-sale farmers. As would be expected, some women are largely excluded from tree-crop farming and other lucrative levels of the agriculture value chain. This is consistent with data reviewed and discussions conducted at national level where it was emphasized that 42.2 percent of all agricultural households in Sierra Leone are male headed households compared to only 15.7 percent female headed households.

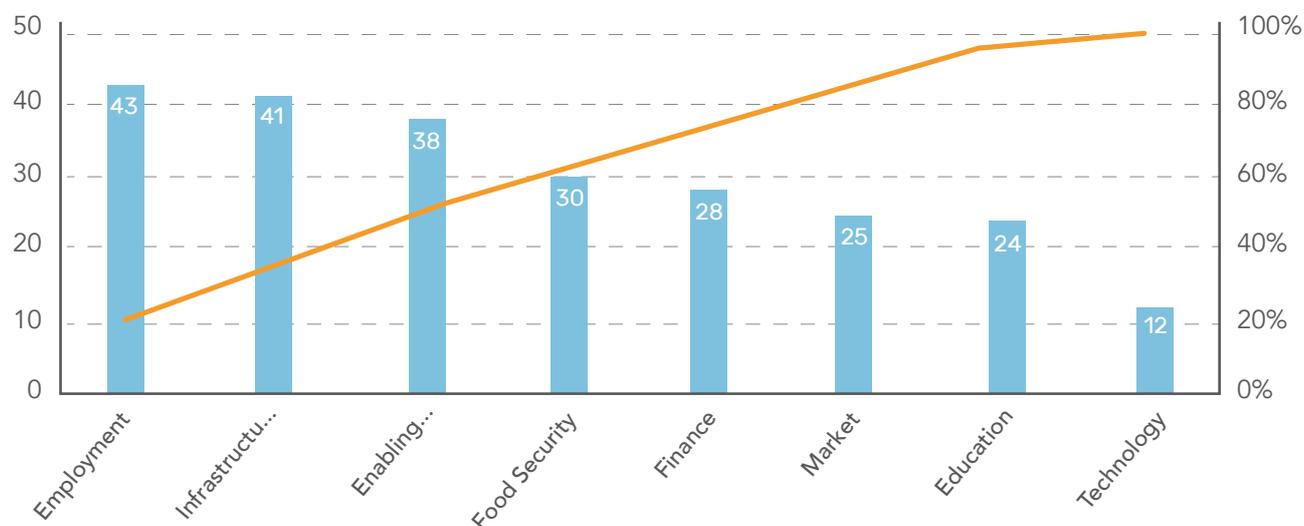
2.4. Findings on small-medium enterprises SMEs

Assessment results suggest, that those farms which are slightly above the family level farmer, operating farm sizes averaging 5 ha and incorporating elements of business practices can, for purposes of this report, be termed as Findings on small medium enterprises (SMEs). They are mostly indigenous Sierra Leonean farmers and operate within family circles on mostly on inherited family land. Like the family farmer above, they too have a share of poor organization with limited entrepreneurial capacity and as such, have difficulty taking full advantage of opportunities to scale up their investment in agriculture. Whether operating in family groupings, farmer associations, unions or cooperatives – SMEs have limited organizational and management skills to run and achieve their desired objectives. In addition to limited capacity and financial resources, SMEs/cooperatives are confronted with the same production challenges. These are limited or non-availability of improved planting materials or high yielding crop varieties, declining soil fertility, limited research information and access to modern or innovative production technologies and mechanisation. They also depend on the vagaries of a rain-fed agriculture. They have little or no access to processing equipment or developed markets. Like family or smallholder farmers above, their products are subjected to unpredictable markets and consumption patterns. It is relatively difficult to find women or youth-led SMEs in the agriculture sector. Some respondents reported that SMEs face stiff competition from well-resourced large-scale investors.

2.5. Findings on large-scale agricultural investors

Although the agricultural sector is dominated by family and smallholder farmers, the investment climate for large-scale agricultural operations are particularly attractive. The GoSL aims to increase public funding for agricultural projects to 10 percent of its budget over the next two years while encouraging additional private sector investment alongside the over USD 200 million of funding which has been sourced from the World Bank, FAO, European Union and other international and regional organizations. A number of commercial agricultural companies have been operating in Sierra Leone producing (or in the process of producing), cocoa, coffee, bio fuels and energy, palm oil, timber, rice, sorghum, agricultural machinery contracting services, growing and canning pineapples and processing and manufacturing juice concentrates. A number of these commercial enterprises have organized themselves into a sector-specific organization called **CAPPA**. Membership is open to all commercial agri-business and processing companies.

Figure 1: People Satisfied with impact



Unlike family and SME farmers above, large-sale agricultural investment operations have well executed investment plans and possess significant logistics and financial resources. Unlike, SMEs/cooperatives, large-scale operations can afford to hire expert and technical services (lawyers or environmental specialists to conduct complex ESHIA) and are more likely better able to meet international and local regulatory requirements. They have extensive market linkages outside Sierra Leone. Assessment findings on this level of farmers using the four AIAP pilot investors on variables such as: employment creation, land access, access to market, infrastructure, food security, education, technology transfer, access to finance and assessment of RAI enabling factors (legal and institutional) reveal impressive successes (figure 1), which indicate the emergence of good practices in relation to RAI

Principles in Sierra Leone. Most of these investors engage in regular meetings with their host communities to discuss investment progress and flag issues of concern to either the investors or community members. Investor employment of women and youth from their host/concession communities was pointed out as creating the greatest impact. All four are supporting the creation of public goods and services especially social infrastructural development (water wells, health facilities, education) with Miro widely acknowledged by local communities for improving local road infrastructure. The investors provide inputs for local farmers to create fire-belt corridors, demarcate conservation plots and create buffer zones within their concessions to preserve native and genetic material and ensure wildlife corridors. Lease rents are transparently paid to the bank accounts of land leasing families and besides the lease payments, the four investors earmark about 10 percent revenue from their annual net profit to be paid into a special community bank account to address wider community development needs. The four investors are all committed to implement highly anticipated outgrower schemes and in the process, enhance downstream job opportunities for women and youth and thus, contribute to inclusive economic development in and around their investment communities. Overall, communities and stakeholders were observed to be very satisfied with this new investment approach and all of the parties consider this investment model as a win-win opportunity.

However, these findings contrast sharply with an earlier period (2015/16) prior to FAO's land governance support to the government and the establishment of an ad hoc TWG to raise awareness on best-practice agricultural investment. Back then, community concerns were rife and some large-scale agricultural investors were accused of engaging in 'land grabbing' by both local communities and national civil society organizations (MADAM/SILNORF, 2015 Report).

Assessment findings further reveal that large-scale agricultural investors, like family farmers above, are faced with significant challenges affecting their investment in Sierra Leone. Consistently, they point out the following variables:

1. Customary-based land acquisition is problematic and time consuming. Some people who claim to be landowners are at best 'landholders or caretakers' because their decisions and consent to lease land are often overturned by powerful family members who may be living outside the community or the country. Because land is not titled, lacks precise measurements or proper demarcation ownership is easily contestable between family members or between villages and poses significant delays and investment risks.
2. Because of the current land tenure system, a time consuming and expensive monopoly to survey potential concessions has inadvertently emerged. Some investors were of the opinion that at least 2-3 years is needed to facilitate a land lease because you have to "know your customer and the context" to minimise land related risks.
3. Investment establishment at national level has also not gone without experimentation. For a start, there are too many MDAs to deal with and many of them have overlapping

mandates. The current approval process is bureaucratic and long. Hopefully this will change when the new AIAP is fully adopted and aligned with the SLIEPA Act.

4. Investors are concerned about the blanket ESIA charges to the EPA irrespective of the nature and size of investment.
5. While taxation and associated royalty payments may appear relatively favorable compared to other countries, holdups in the quay and payments for import/export services are relatively high.
6. Clarity is needed regarding discussions to adopt the Ghana Cocoa Board model which, if adopted, will centralise the commercialisation of cocoa and other export products.
7. High inflation rates, foreign currency controls in favor of the SLL (spend dollars to invest and get SLL in return) and difficulty accessing accurate and timely information contribute to a climate of 'unpredictability and uncertainties' when investing in agriculture in Sierra Leone. There is also need for the government to review fiscal policies because it appears the banks and other financial services may be setting rates arbitrarily.

2.6. Risks inherent in the current context

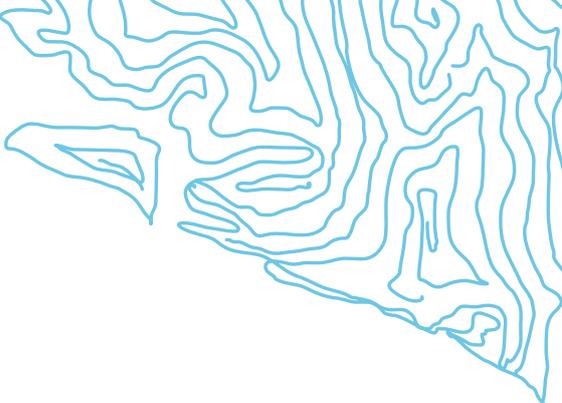
- a. Despite the numerous opportunities for investment in Sierra Leone, a number of risks are inherent and some of such risks have significant potential to negatively impact the environment, health, social, economy and cultural life of host communities as well as the interests of investors and thus, repeating the call for RAI to mitigate potential negative impact. According to assessment data, the following are key risks that require a concerted government, donor and civil society collaboration to mitigate - country context is still largely dynamic and politically fragile (political tensions) and corruption is pervasive.
- b. Without appropriate laws to spell out fair compensation with redress mechanisms, current customary-based land management and acquisition processes represent significant investment risk and borders on conflict and security. In addition to land issues, large-scale agricultural investors are also concerned about the high cost of annual environmental licenses, cumbersome and costly importation and exportation processes, poor clarity in some legislative instruments, lack of transparency in some government dealings, poor access to markets, poor access to finance and commercial agri-businesses prone to criticism by some CSO's and NGO's (CAPP, 2019).
- c. Despite assurances from the Ministry of Agriculture, Sierra Leone's agriculture is vulnerable to climatic hazards such as droughts, floods and changing rainfall patterns and discussions with family/smallholder farmers indicate that these threats are already

being experienced by local people and are widely expected to increase as a result of climate change

- d. The cost of 'doing business' in Sierra Leone is relatively high and government policy measures to make Sierra Leone an agricultural investment hub will be seriously undermined without infrastructural development - especially with regard to roads and electricity in agricultural communities.
- e. Poverty is widespread and manifests itself in many forms including food insecurity which is pervasive in investment host communities. wAround half of the population is believed to lack access to sufficient nutritious food to live a healthy life. Poverty expressed in food insecurity is a trigger for insurrection disrupting both community life and investment activities.
- f. Fiscal policy inconsistencies together with high inflation rates, foreign currency controls in favor of the SLL (spend dollars to invest and get SLL in return) and difficulty to access accurate and timely information contribute to a climate of unpredictability and uncertainties.



3. Conclusions



Analysis of assessment data illustrate a number of important results and are discussed here under the sub-headings of opportunities and *threats* as follows:

Opportunities:

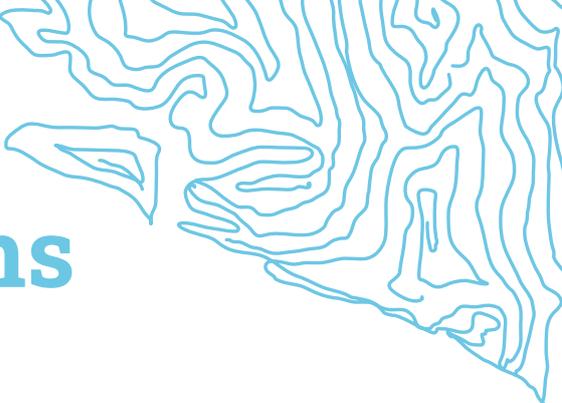
- a. As one investor put it “the case for investing in agriculture in Sierra Leone is highly compelling”. To start with, the country’s land resources are broad, with 75 percent of total land area suitable and available for cultivation and of this, only 15 percent is cultivated. Of the cultivated land, only 20 percent is devoted to cash crops: mainly coffee, cocoa and oil palm, representing 2.5 percent of overall arable land.
- b. There is political willingness for investment. Where necessary, and depending on the merits of a particular agribusiness project, the Government of Sierra Leone is prepared to take a head lease on provincial lands and sub-lease to foreign investors in order to mitigate risks. Government officials interviewed made mention of the availability of wide-ranging investment incentives and facilitation assistance from SLIEPA. Foreign investors as well as domestic ones who meets minimum investment thresholds can benefit from a wide-ranging tax and fiscal exemptions.
- c. Also, significant national legislation, corresponding policies/regulations and institutions exist to engage with and enable the adoption and applicability of RAI Principles and related best-practices in Sierra Leone. In sum, Sierra Leone has an investor-friendly approach. One hundred percent foreign ownership is permitted in most sectors of the economy.
- d. The Local Content Act, which created the Local Content Agency (LCA) in 2016, ensures that there is sufficient linkage between the local economy and foreign companies or enterprises. Under the LCA, agribusiness investors are required to establish and support outgrower schemes for small-holder farmers to build the capacity of small and medium scale agriculture in rural areas in particular. Investors are “expected” to make social contributions to local communities as part of the negotiation of land leases.
- e. The Multi-stakeholder AIAP, when aligned with existing legislation or transformed into a regulation, will be a critical impetus for the emergence and consolidation of best-practice investment in agriculture. RAI principles will add value to these and thus, secure the potential for Sierra Leone to be an agricultural investment hub in the sub-region.

Threats:

Political fragility and corruption, a weak land tenure system based on customary law, climate change, widespread poverty and malnutrition, uncertainties emanating from fiscal policy inconsistencies and low labour capacity represent real threats.



4. Recommendations



- i. The development of the draft AIAP by GoSL/SLIEPA and sector partners is a good starting point to develop, together with other stakeholders, a standard “blue-print methodology” for responsible agricultural investment (RAI) in Sierra Leone. In line with the aspirations of investors and other stakeholders, GoSL should consider finalising and aligning the AIAP initiative with the SLIEPA Act and build SLIEPA’s capacity to assume a one-stop-shop role in agricultural investment with presence in every district and sufficient funding for its implementation;
- ii. Given the difficulties associated with land access for both foreign and local investors, including other land users especially women and youth, GoSL and the Ministry of Lands should expedite the completion and passing into law the current National Land Policy which articulates strategic land management and acquisition options.
- iii. Once the Land Policy becomes law, the GoSL, through the Ministry of Lands and other stakeholders, should consider developing guidelines and providing technical trainings to host communities on land acquisition processes and lease management;
- iv. The GoSL should consider adopting “E-Governance” in agricultural investment. a well-resourced online service hosted by SLIEPA, to access reliable agriculture related investment information - with clear step-by-step description of investment procedures, where to go and who to contact, what fees and how to pay and create an online application portal where investment applications could be completed. This could also serve a dual function of being an expeditious framework and a good introductory tool for investors prior to visiting Sierra Leone and host communities.
- v. Similarly, GoSL and partners should consider the development of an agriculture land-based cadaster where information on both occupied and available land for agricultural investment is made available. Such a cadaster could also serve as a good monitoring tool which is especially necessary for curbing and monitoring dubious land deals.
- vi. Laws should stop to be laws when they become obsolete and/or not fulfilling the objectives for which they were enacted.-The GoSL should consider reviewing and/or replacing policies and regulations such as CAP 182 of the Produce Marketing Board 1946, The Cooperative Act 1977 or Decree No 2 (1996) which governs the Sierra Leone Standards Bureau, to reflect and meet current investment trends.
- vii. Similarly, the EPA Act (2008/10) and its regulations, while relatively new and mostly relevant, should be reviewed with an aim of striking the right balance between its environmental stewardship mandate and its revenue mobilisation interest. In particular, the EPA assessment matrix is not suitable for smallholder agricultural investors and the time involved for ESIA processing. Payments should be made fairer and investors treated on a case-by-case basis: investment size, duration and potential impact of the investment on the environment should also be considered. A community-focused and human rights approach in the context of RAI and national food securities should be integrated in the new EPA assessment matrix.

- viii. Also, EPA's environmental impact assessment activities should systematically be coordinated with the work of The National Platform for Disaster Risk Reduction and Climate Change Adaptation (created in 2011). They conduct impact assessment in areas vulnerable to fires, pest infestation as well as a range of other socio-natural and man-made hazards such as mudslides, storms, and transport accidents, to mitigate investment negative impacts and risks.
- ix. Large-scale operators should consider building social capital over and above their current employment of community members and outgrower schemes. There exists an opportunity to expand and sustain their own investments by organizing women and youth from their host communities into agricultural cooperatives or SMEs and empower them with skills and knowledge along their agriculture investment value-chain (cultivation/development, maintenance, processing, value-addition, distribution and marketing). Rather than continue to suffer the nuisance surrounding the multitude of foreign direct investment challenges, companies could assume the role of market facilitation, supervising and controlling their investments through a cadre of competent local SMEs who will continue producing and supplying the original investors the very products they seek in Sierra Leone. To break the monopoly around the vital service of land surveys, mapping and property demarcation in host communities, jobless women and youth with basic literacy could be introduced to innovative technologies such as trainings in GPS mapping and surveys.
- x. Notwithstanding the government's expressed willingness and availability of reasonable laws and institutions, the lack and/or limited coordination within and between government agencies was cited as a critical issue prolonging investment decision-making in the agriculture sector. Assessment findings suggest that the adoption and implementation of RAI Principles, as already witnessed in on-going FAO supported land tenure governance activities, will enhance interministerial decision-making in the agriculture and fishery investment sectors in Sierra Leone.
- xi. Partner CSOs should consider supporting two critical issues to enhance the enabling environment of RAI. The first critical issue is to provide capacity development support to current and potential host communities on land rights awareness, especially the rights of women and other vulnerable groups whose land rights are at particular risk of being violated, including by stronger members of their families. The second issue is related to impact assessment. CSOs should consider building the capacity of farmers and host communities—those who could directly be affected by investment in agriculture to effectively participate in assessing and monitoring impact. Farmers and their communities should be capable and involved in designing and defining baseline data and indicators to measure potential investment impacts on their economy, society, environment and culture.

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