

FRIENDS OF THE EARTH - GHANA

Non Governmental Environmental Organization

Location: 4 Adamafo Close
East Legon
Opposite Emmanuel Eye Clinic

Bankers: Standard Chartered Bank Limited
SG-SSB Bank Limited



Private Mail Bag
General Post Office
Accra, Ghana

Tel: (233-21) 512311, 512312
Fax: (233-21) 512313
Cable: FOEGHANA

E-mail: foeghana@africaonline.com.gh
foe@ghana.com

EU Commission
Building BERL
1049 Brussels
Belgium

6 February 2017

Dear Mr. Jean Claude Juncker, President

Re: Impacts of the EU's biofuel policy on livelihoods and the environment in Ghana

We, Friends of the Earth-Ghana, would like to set out some deep concerns we have regarding the impacts of European and other foreign investments in Ghana for biofuel and biomass production for export.

Currently there are around 40 primary investment companies in Ghana¹, each with at least one partner (the majority of primary and secondary investors are foreign), that have leased land in Ghana for large-scale agricultural production including biodiesel crops, biomass plantations and food crops. Almost half of these are European companies², the majority of which have invested in non-food agricultural crops. Of the lands under foreign leasehold, close to 34,000ha are currently in production, almost a million hectares are under leasehold contract, while close to 3 million ha is the total area of intended contract size. Many of these companies are producing plant oils for biofuels, and any of them could be producing it to fulfil European demand created by EU biofuel policies. The EU companies investing in Ghana have around 7,500ha under production, close to 100,000ha in total contracts, and almost 217,000ha of intended total contract sizes. At least one company has already abandoned its project, which had 50,000ha in contract and 120,000ha intended. It is not known whether or not this land has reverted to local community use but, regardless, the damage to farmers' and communities' livelihoods was already done once the land was put into foreign hands.

The negative impacts of these large-scale land leases are very worrying. The most serious is loss of land by farmers who rely on their land for their food security and income. Farmers in Ghana have user rights to the lands, but they usually do not own it. This makes their tenure very insecure. Community chiefs and traditional authorities, who hold the land in trust for their communities, have the power to reallocate community lands, often without any consultation with affected farmers. The

¹ The data here have been estimated from the Land Matrix website, which appears to be a reliable source of information on companies involved and countries affected: <http://landmatrix.org> Even so, not all – e.g. SIAT Group (Belgium) with around 15,000ha – are included.

² Examples include: SIAT Group (Belgium), Smart Oils and Agroils (Italy), Form Ghana Ltd (Netherlands), Symboil Ghana Ltd and Biotic Oil Company Ltd (Germany), DOS Palm Oil Production Ghana Ltd, Volta Red and Formako Company Ltd (UK), Kwanim-GDK Ltd (Denmark), Plantations Socfinaf Ghana Ltd (Luxembourg) and SIAT Group (Belgium).

outcome is that traditional authorities have agreed large scale land deals with foreign companies, and farmers have lost their fertile lands with little or no compensation, and inadequate time to seek replacement lands. Sometimes they are not even given time to harvest their crops. Companies have been known to clear land at night to avoid detection, even before leases have been agreed. Farmers have sometimes been able to negotiate compensation, but this is far below the cost of leasing other lands. They are forced on to lands that are marginal and unproductive due to poor soil fertility, and usually the plots are smaller. Farmers have adapted by cropping more intensively on their remaining lands and by shortening the fallow periods. The outcome is loss of soil fertility, land degradation and reduced crop yields causing food insecurity and falling household incomes. The monocrop plantations have replaced food security farms that were producing a wide diversity of food security crops. We are often led to believe that the foreign companies have leased land previously unused; the reality is that these lands were either in diverse food crop production or were resting during a fallow period to rebuild soil fertility.

As recently as 2016, the Belgium company SIAT Group evicted communities from lands it is developing for oil palm plantations near Kade in Ghana's Eastern Region. Compensation has been pitiful and communities continue to fight for a fair deal. Meanwhile the company was recently awarded its RSPO Certificate for Sustainable Palm Oil production, as if people and their livelihoods do not matter to sustainability.

Large tracts of these leased lands are in forested areas. Communities, especially women, rely heavily on the resources their forests provide including food, medicines, construction materials, and income-generating resources such as dawadawa and shea nuts. Loss of access to the forests when they are cut down or transferred to private control has damaging impacts on the livelihoods, food security, incomes and welfare of some of Ghana's poorest people. Those who rely on charcoal making during the dry season, mostly women, are similarly affected as access to fuelwood becomes increasingly difficult. Water is also diverted to plantations, even jatropha that was thought to thrive in dry marginal lands. The burden on women – whose role it is to provide water for their families – increases as they struggle to find enough for use in their homes and on farms. Tensions between communities, private investors and traditional authorities can run high as communities lose trust on their traditional authorities, and private investors take away their lands and deny access to the resources communities rely on.

The foreign companies make many promises to the traditional authorities and communities, but these are rarely fulfilled. They promise schools, health clinics, roads and water boreholes. Some communities have benefited from water boreholes but little else. Communities have also been promised jobs on the farms and plantations, and in some instances many temporary jobs have been provided. This has increased income security and stability for those employed. However the jobs are usually short-term for land preparation and planting, after which very few people are required to maintain the farms and plantations. One plantation of 100ha, for example, reduced its employees from 50 to 4 within just four years³. When consultations do take place, these promises can easily persuade communities that the foreign investments will bring many benefits and so they support the projects. They soon realise that believing them was a big mistake.

Of equal concern is that these foreign companies appear to act outside of any real scrutiny from either government or communities. As such, the benefits for Ghana are further reduced. The companies seemingly avoid official processes of carrying out an Environmental Impact Assessment

³Schoneveld, G.C., Laura A. German, L.A., and Eric Nutakor, E. *PAPER SUMMARY - Towards Sustainable Biofuel Development: Assessing the Local Impacts of Large-Scale Foreign Land Acquisitions in Ghana*, prepared for the World Bank Land Governance Conference, 26-27 April, 2010

to gain an environmental permit from Ghana's Environmental Protection Agency, and avoid registration with the Ghana Investment Promotion Council (GIPC), from which all foreign companies must gain approval⁴. It appears they go directly to traditional authorities, negotiate their deals and move in. Government and communities have no avenue to ensure the investments bring environmental, economic and social benefits. It is not known whether these foreign companies pay their respective dues to the Ghana government or not.

Some of these companies have abandoned their projects, such as the UK company Jatropha Africa, which leased 50,000ha of community lands and abandoned the project in 2014. When a company leaves, the lands are left idle. Even if communities are able to regain access to the lands they were farming before Jatropha Africa arrived, the land has been irreversibly changed. Farmers rely on natural markers such as trees or termite mounds to indicate farm boundaries. These are all removed when the companies prepare the land for planting, so farmers are unable to clearly identify where their lands begin and end. This can cause animosity and conflict between farmers and communities.

In terms of climate change impacts, it is also now established fact that producing and using biofuels from vegetable oils such as palm oil, soy oil and rapeseed oil, are far more damaging to the climate than fossil fuels.

Because of the devastating consequences for communities when companies lease large tracts of land for biofuel and biomass production, Friends of the Earth Ghana respectfully requests that:

- The EU's energy policies focus on truly renewable energy generation options such as wind and solar power, and NOT biomass or biofuels
- The EU abandons its current biofuel policy, and does not encourage biodiesel or biomass use in its sustainable energy policies; promotion of such fuels will encourage investment by EU and other foreign companies in Ghana and other southern countries where foreign companies believe ample land is easily available. In fact that land is in productive use or is being allowed to regain soil fertility for the coming years' food production
- The EU abandons blending mandates for biofuels and cancels the billions of Euros the EU pays for biofuel production each year through public subsidies and tax releases etc.

We thank you for hearing our concerns and hope that you will account for them when discussing and finalising the EU sustainable energy policies.



for:

Dr. Theo Anderson

Director Friends of the Earth Ghana
