



PRESCO PLC

SOCIAL IMPACT SSESMENT (SIA) OF THE OBARETIN ESTATE AT IKPOBA-OKHA LOCAL GOVERNMENT AREA, EDO STATE, NIGERIA



FINAL REPORT

AUGUST 2017

Social Impact Assessment (SIA) of the Obaretin Estate at Ikpoba-Okha Local Government Area, Edo State, Nigeria

Final Report

Prepared by

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EXECUTIVE SUMMARY

This SIA study involves the processes of analyzing, monitoring and managing the experienced, likely and unintended, both positive and negative social consequences, and the social change processes that may result from the operations of the Obaretin Estate of Presco Plc. Its primary purpose is to bring about a more sustainable and equitable biophysical and human environment. The assessed communities are eight (8) in number, all in Ikpoba-Okha Local Government Area (IOLGA) of Edo state, Nigeria. Quantitative and qualitative data gathering were the two main methodologies adopted for the study.

In accordance to the guidelines, the SIA engaged all relevant stakeholders in consultations and public hearings through Focus Group Discussion (FGD); provided a detailed description and analysis of the social diagnostic situation as a basis for development, mitigation and future monitoring, also provided an assessment based on collected data to identify both positive and negative social impacts. The assessment as well focused on the optimization of positive impacts and mitigation of negative impacts from the plantation activities throughout the project lifetime; and finally development of a Social Management Plan.

From the SIA study it can be concluded that there has been potential and significant impacts by the presence of Presco Plc towards social sustainability for Obaretin estate communities. The immediate activities that have had an impact on social sustainability are the recruitment of workers for plantation development such as land clearing and nursery and capacity/skill development programmes for the youths. As per the company's plans, the immediate impact of recruitments would be experienced by the thousands of people and hundreds of households residing in the nearby communities. At the moment the impact is not limited to only employment at the nursery, which was established in the plantation but include the company's corporate social responsibility (CSR), which is acknowledged by community stakeholders.

The result of situation analysis in relation to the assessed communities can be summarized as that all the communities are dominated by Benin ethnicity with similar culture in the way of greetings, marriage, tradition and other norms and values and they tend to be more bonded by the common interests they share as farmers. Although the whole eight communities are indigenous landlord Benin communities there are other migrant ethnicity such as the Urhobo, Itsekiri, Akwa-Ibom, Hausa, Yoruba, Igbo etc, that have lived and are integrated into these community values, norms and beliefs over time.

Specifically the impacts are categorized as construction, operation and decommissioning phases. The first two phases are of importance to this study. The key social issues associated with the construction and operation phases include:-

1. Potential positive impacts

- a. Creation of employment and business opportunities including skills development and on-site training.
- b. The works associated with these phases were undertaken by contractors and included the establishment of the access roads, services and erection of workers buildings; in addition to nursery development and plantation establishment. Another operation phase activity was the building of an automated integrated mill. The majority of the low-skilled and a portion of the semi-skilled employment opportunities accrued to members of the local communities. This represents a significant social benefit in an area characterized by high un-employment levels and limited employment opportunities.

The sector of the local economy that has benefited from the Obaretin Estate operations is the local service industry. The opportunities for the local service sector would be linked to accommodation, catering, cleaning, transport and security etc. This created opportunities for local hotels and restaurants. In addition, a proportion of the total income accruing to workers over the short period construction phase was likely to be spent in local economy.

2. Potential negative impacts

- a. Influx of workers employed on the project and associated cultural dilution, social vices, such as drug abuse, prostitution and stealing.
- b. Increased risk of stock theft, poaching and damage to farm infrastructure associated with construction workers.
- c. Impact of heavy vehicles including damage to roads, safety, noise and dust
- d. Loss of farmland and established crops and plantation associated with nursery development and construction related activities to field establishment.

The following social management and mitigation measures have been proposed for adoption and implementation to address the significant potential social impacts in order to make the project socially acceptable and beneficial:

- Develop and implement robust community engagement plan
- Avoidance of further displacement of communities and people.
- Identification, demarcation and appropriate management of traditional conservation areas and other high conservation values in the landscape.
- Prevention of pollution of water resources.
- Sustenance of corporate social services to communities.
- Provision of healthcare and HIV prevention services.
- Design and implement a time bound community development framework for all the communities.

Finally, the social impact assessment was detailed, participatory and comprehensive. The management plans have included the findings of the SIA assessment. The SIA findings have adjudged Presco Plc as a good neighbor and partner in progress by most communities that hold the stake. The *Odionwere* of Obayator II rhetorically said “*We are in good relationship with Presco Plc*”.

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8.0 PROPOSED SOCIAL MANAGEMENT AND MONITORING PLAN

Table 23: The proposed social management and monitoring plan

Main Issues/Concerns	Management Objective	Management Action	Timeline	Monitoring Measures
Compensation issues	Review the compensation process with each community leadership	Signed FPIC Agreement is cross-checked.	Continuation of project development	FPIC Agreement and implementation
Restiveness and Conflicts triggers	Achievement of peace and security of lives and property in the communities	Include communities in Grievance and Conflict Resolution Mechanism; Establish joint Presco-Community Conflict Resolution Committee	Throughout project life	Incidents, tensions, grievances
Protection of Social-Cultural Values	Reduce social-cultural breaches and violation of customs and traditions	Include community orientation in code of conduct for all employees	Throughout project's life	Incidents, violations, reports
Coordinated CSR	Assist each community to conduct Sustainable Livelihood Assessment with facilitation of 5years Development Plan	Establish joint Presco-Estate Development Board	All stages of project development	Implementation of yearly business plan
Community Health and Safety	Reduction of health and safety hazards in the communities	Establish and implement a robust community health and safety policy	Throughout project life	Illnesses; Incidents; Accidents; Fatalities
Presentation of SIA findings to an enlarged Stakeholders' Forum	Closing existing gaps and achieving stakeholders' buy-in	Review existing management plan to accommodate opinions and comments arising from the enlarged Stakeholders' Forum	After presentation of draft SIA Report, before issuing Final SIA Report	Implementation of Management Plan

9.0 Remarks and Conclusion

Based upon the findings, the Obaretin estate of Presco Plc showed generally positive social consequences in the assessed communities. However, there are considerable adverse social impacts enumerated by community stakeholders and perceived by the study team, which require urgent attention and mitigation measures.

A good number of issues and concerns of the communities would appear to have derived from their wrong perception and misunderstanding of the Estate operations. The lack or ineffective community engagement mechanisms of the company has also helped to widen the communication and education gaps. Suffice it to say that a robust community and stakeholder engagement mechanism of the company will help to mitigate some of the negative social impacts.

Some management and mitigation measures have been suggested for adoption and implementation to address the significant social impacts in order to make the plantation socially suitable and favorable. These include:

- Develop and implement a robust community engagement plan
- Identification, demarcation and appropriate management of traditional conservation areas and other high conservation values in the landscape.
- Prevention of pollution of water resources.
- Corporate social services to communities including facilitation of five years development plan for each community.
- Provision of regular healthcare services and HIV prevention.
- Diligent implementation of social impact monitoring plan

Economic growth and prosperity are central to long-term poverty alleviation for social sustainability. The Presco Plc's oil palm project represents one of the most effective avenues for poverty alleviation in all the assessed communities provided adequate and prompt mitigation measures against experienced/envisaged adverse social impacts are implemented. The project has been and also has the prospects of consolidating the social benefits associated with the operation when Presco Plc has taken the necessary steps to mitigate or eliminate the current adverse impacts.

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