



## **PRESCO PLC**

### **SOCIAL IMPACT ASSESSMENT (SIA) OF OLOGBO ESTATE AT IKPOBA-OKHA LOCAL GOVERNMENT AREA, EDO STATE, NIGERIA**



## **FINAL REPORT**

**AUGUST 2017**

# **Social Impact Assessment (SIA) of Ologbo Estate at Ikpoba-Okha Local Government Area, Edo State, Nigeria**

## **Final Report**

Prepared by

**EXTRACT**

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## EXECUTIVE SUMMARY

This is a social and economic impact assessment report of the Ologbo oil palm estate of Presco Plc. The socio-economic impact assessment is part of the requirements of the RSPO (ref: Criteria 6.1 & 7.1 RSPO Principles & Criteria). The social impact assessment report is a key component of the Environmental and Social Impact Assessment (ESIA) carried out according to the principles of public participation. The report provides the socio-economic background of the assessed communities of the Ologbo estate project, identifies its impact and proffers suggestions on their avoidance and mitigation measures in the cases of negative impacts, enumerates their avoidance or where avoidance is not possible, their mitigation.

The study involved the processes of analyzing, monitoring and managing the likely and unintended, both positive and negative social consequences, of the oil palm development and the social change processes that may result from it, at the construction, operation and decommissioning phases. Its primary purpose is to bring about a more sustainable and equitable biophysical and human environment. The quantitative and qualitative data gathering was the two main methodologies adopted for the study. The quantitative method facilitated the collection of data for describing population composition or characteristics of the communities around the project area. The qualitative data helped the assessors to see the worldview of the people under study. It was designed to understand the broader psychological, social, political or economic perceptions and views the focus of this study.

The result of situation analysis in relation to the assessed communities can be summarized as that five out of the seven communities (Imasabor, Iyanomor, Ogbekpen, Oghobaye and Ologbo Central) are dominated by Bini 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. While the remaining two communities (Ikara and Ikaye) are dominated by Itsekiri 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 seven communities are indigenous host communities there are other migrant ethnicity such as the Urhobo, 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. 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. In spite of this social benefit some

stakeholders see it as a drop in the ocean. Hon. Dudu Williams of Ikaye asserted that “By catchment area there has been no provision for employment of skilled and professionals till now”.

- c. The sector of the local economy that is most likely to have benefited from the Ologbo oil palm estate development and operation is the local service industry. The potential 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 as confirmed by Oghobaye Community’s Secretary. In addition, a proportion of the total wage bill earned by construction workers over the construction phase was likely to have been spent in the local economy. The injection of funds to the local economy is a continuous exercise in the operation phase even to decommissioning.
- d. All the assessed communities have witnessed great impact through Presco’s CSR in the area of improved accessibility, human capital development such as educational support, scholarship; and basic services like provision of boreholes between 2004 and 2016. The women group of Ogbekpen showered encomiums with dancing to Presco Plc for the provision of electricity that is about to be commissioned.

## **2. Potential negative impacts**

- a. Pressure on available social infrastructures due to increase in population because many Presco workers with their families are living in Ologbo as asserted.
- b. Loss of farmland without alternatives leading to increase in underemployment
- c. Agro-chemicals used for oil palm production seepage into surrounding rivers of Ogba, Orhionmwon and streams
- d. Emergence of strange sickness and diseases as asserted by Ikaye Community secretary
- e. Increase in social vices due to influx of strangers
- f. Economic displacement of private farmers

The decommissioning of oil palm plantation typically involves the replacement of the existing old trees with improved Tenera. Since in 2002, Presco Plc acquired 6,000 hectares from Edo state government and another 1,500 hectares from other parties making a total of 7,500 hectares in the Ologbo Estate. Other subsequent acquisitions in Ologbo forest bring the estate to a concession of 12,000 hectares; the replanting phase would likely takes place in the 25-30 years after planting. This phase is therefore likely to create additional, construction type jobs, as opposed to the jobs losses typically associated with decommissioning.

Based upon the findings, the Ologbo oil palm estate development project 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 in order for Presco Plc to achieve social security in the project area.

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## 8.0 Proposed Social Management and Monitoring Plan

The proposed social management and monitoring plan is summarized in Table 27 below.

**Table 27: 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	Engage and explain to the communities that compensation was done by the government for the first phase of the project.  Assist communities to present legitimate claims to the government	As soon as possible	Agitation, grievances during community engagement
Knowledge about project and plans for the communities	To achieve buy-in and cooperation of communities	Include project information in community engagement	Throughout project life	Grievances, tensions, petitions
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
Restoration of Livelihoods	Assist displaced farmers to relocate and re-establish	Design resettlement and livelihood	All stages of project development	Implementation of plan

	their livelihoods	restoration plan		
Coordinated CSR	Assist each community to conduct Sustainable Livelihood Assessment with facilitation of 5years Development Plan	Establish joint Estate-Community Development Committee	All stages of project development	Implementation and annual review of community development plan
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 Social Management Plan

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## 9.0 Remarks

Based upon the findings, the Ologbo Estate operations showed generally positive social impacts in the assessed communities. However, there are adverse social impacts enumerated by community stakeholders and observed by the study team, which require attention and mitigation measures in order for Ologbo Estate to achieve social security in the project area.

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

- Review existing MoU and/or initiate FPIC Agreement with the communities
- Improved community engagement plan
- Ensuring attractive social package for the indigenes most especially those who have lost their farmlands.
- Implement Corporate Social Responsibility (CSR) that is, community driven development.
- Provision of healthcare services and HIV prevention.
- Diligent implementation of social impact management plan

## 10.0 Conclusion

Economic growth and prosperity are central to long-term poverty alleviation for social and environmental 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 providing employment for thousands of unskilled and semi-skilled people but this can only be achieved when Presco Plc has sustained the present social security to operate in the area.