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DELIVERABLES 2: A GENDER RESPONSIVE OUT-GROWER SCHEME PLAN - ACCEPTED BY THE LEGAL
ADVISOR TO THE PRESIDENT, MINISTRY OF STATE FOR PRESIDENTIAL AFFAIRS (OFFICE OF THE
PRESIDENT)

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Acronyms

AfDB	African Development Bank
CEDAW	Convention on the Elimination of all Forms of Discrimination Against Women
CNA	Community Needs Assessment
CSO	Civil Society Organization
CSPO	Certified Sustainable Palm Oil
DFI	Development Finance Institution
EPO	Equatorial Palm Oil
EU	European Union
FAO	Food and Agriculture Organization
FFB	Fresh Fruit Bunches
FMO	Netherlands Development Finance Company
FPIC	Free Prior Informed Consent
GCA	Gross Concession Area
GoL	Government of Liberia
GROW	Support to the Development of Markets and Value Chains in Agriculture in Liberia
GVL	Golden Veroleum Liberia
Ha	Hectare
HCS	High Carbon Stock
HCV	High Conservation Value
IDH	IDH Sustainable Trade Initiative
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IIED	International Institute for Environment and Development
IMCC	Inter-Ministerial Concessions Committee
LAC	Liberia Agriculture Company
LLA	Liberia Land Authority
LEITI	Liberia Extractive Industries Transparency Initiative
LOPM	Liberian Oil Palm Management Company
MOPP	Maryland Oil Palm Plantations
MoU	Memorandum of Understanding
MOA	Ministry of Agriculture
MOGCSP	Ministry of Gender, Children and Social Protection
NBC	National Bureau of Concessions
NIC	National Investment Commission
NICFI	Norway's International Climate and Forest Initiative
OECD	Organization for Economic Co-operation and Development
OPOSITC	Oil Palm Out-Grower Scheme Implementation Technical Committee
PAC	Project Affected Communities
RSPO	Roundtable on Sustainable Palm Oil
SDPL	Sime Darby Plantations Liberia
SDC	Swiss Agency for Development and Cooperation
SHARP	Smallholder Acceleration through Responsible Production and Sourcing
tph	Tones per hour
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNPBSO	United Nations Peace Building Support Office
US	United States

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USAID
WB

U.S. Agency for International Development
World Bank

1. Summary

Liberia's oil palm industry is in the fledgling stage. Sime Darby Plantations Liberia (SDPL) and Golden Veroleum (GVL), for instance, together have concession agreements¹ with the Government of Liberia (GoL) to develop a total of 420,000 hectares of commercial oil palm plantations in the country, subject to the parallel development of 84,000 hectares of outgrower oil palm plantations for the benefit of local rural communities. The agreement requires that these outgrowers are supported by the two companies with inputs, training, technical and management assistance while also providing a guaranteed market for the oil palm fruit. GoL has the responsibility for raising funds for this outgrower development.²

The oil palm outgrower scheme, as laid out in concession agreements, can provide enormous benefits through rural investment, employment and cash profits to finance long term development by the communities themselves. The structure and operation of the proposed scheme is pioneering in that it is local private sector, commercially feasible, sustainable agriculture with strong community ownership that is driving development rather than externally driven interventions and promotes decentralization. While the estate and outgrower developments appear viable and can spawn a large industry in a country with a large land resource and yet limited commercial agriculture, there are various risks associated with the initiative. Generally,

- Large scale smallholder models remain untested in Liberia;
- Financial returns are slow and therefore uncertain;
- It is an agreement between unequal parties: companies, government bodies or individual entrepreneurs on the one hand and economically weaker farmers on the other;
- International pricing of palm oil and especially of Fresh Fruit Bunches (FFB) through an, as yet, unquantified FFB price formula;
- Yield expectations are high by West African standards, the premium being justified by long term management by professional oil palm companies, but there is abundant evidence that low sunshine hours (average 33% sunshine in Liberia compared to 54% in the major producing regions) and seasonal soil moisture deficit limit oil palm yield in much of West Africa.³

Major community risks include:

- Land acquisition is a major challenge in the expansion of oil palm concession plantations and the implementation of the program, as well as access to inputs;
- Inter-communal land disputes prevail where multiple communities sometimes claim the same tract of land. This is complicated by communities' inadequate awareness of the Land Rights Act (LRA);
- Skills shortage and extension services: communities have virtually no financial or management skills to bring to the new farming enterprises that they will be creating;
- Risks of violent protests/conflict: land concession disputes/conflicts have been managed largely in a peaceful manner, others have not, and extreme cases have involved injury, hostage-taking and/or death;

¹ For these and other concession agreements, see: Liberia Extractive Industries Transparency Initiative (LEITI), Concessions, Contracts and Agreement." Available at www.leiti.org.lr/contracts-and-concessions.html

² LEITI, *ibid*; Concession Agreement between GVL and GoL, Article 15.3 Outgrowers' program – 40,000 ha for Outgrowers' Program, Concession Agreement between GoL and SDPL, Article 15.2 Outgrowers' Program – 44,000 ha for Outgrowers' Program.

³ Beveridge, A. Lockwood, R. Azmi, R. and Sutton, A. (2016) Feasibility Review of a Proposal to Establish a Liberian Oil Palm Outgrower Scheme. *GROW Liberia*

- Serious environmental pollution.⁴

Women constitute 93 per cent of food crop production and 76 per cent of labor for cash crop production, 80 per cent of the agricultural labor force and 85 per cent of all marketing and trading.⁵ While men face similar problems, these are exacerbated for women, who are primarily responsible for their families' food security. Key risks include:

- Rural women, who rely on their customary lands for their survival, cultures, and livelihoods, are often cut off from the decision-making processes that affect them;
- Failure of companies to seek their free, prior and informed consent (FPIC) before commencing operations in their communities;
- Loss of access to land (for agricultural purposes) and forest resources, with negative spillover effects for household food security;
- Insufficient jobs or compensation to make up for the loss of their lands and traditional livelihood activities. Where compensation is provided, it is typically channelled through women's husbands, sons, brothers, or fathers.⁶

Hence a pilot scheme was proposed in 2016, led by IDH-The Sustainable Trade Initiative (IDH).⁷ Not only did the pilot scheme have to identify and mitigate these risks but it had to prove the model in terms of its ability to meet outgrower communities' expectations and generate jobs and a satisfactory income after all costs have been met. While the operating assumptions did indicate that the scheme could meet these expectations, the high-risk nature of the pilot scheme demanded a funding mechanism where financial liability of the farming communities was minimal.

Set against these risks was a high degree of development value, as already indicated:⁸

- job creation, about 13,000 jobs in the SDPL and GVL concession affected areas (see Table 2);
- pioneering a practical operating and financing model for outgrowers in Liberia;
- providing stability and rural incomes in a post-conflict, fragile social environment (benefitting almost 34,000 community residents with income, improving the lives of about 180,000 dependents);

⁴World Bank Justice for the Poor Program/United Nations Development Programme/United Nations Peace Building Support Office (2015) *Citizen Engagement in Liberia's Natural Resource Concessions: improving equity and mitigating conflict*. For example, in 2014 in Grand Cape Mount County where SDPL operates, some unknown persons set fire to the plantation destroying more than 6,000 trees. A strike by aggrieved community members of the Salala Rubber Corporation (SRC) in 2014 degenerated into vandalism of company facilities and properties. On 12 April 2015, the Second Judicial Circuit in Grand Bassa County sentenced 12 Nimba citizens to 10 years' imprisonment after they were found guilty of vandalising and looting Arcelor Mittal Liberia (AML) properties on 3 and 4 July 2014 during a riot.

⁵ Government of Liberia (April 2018) *Smallholder Agriculture Transformation and Revitalization Project: gender analysis report*. Available at: <https://moa.gov.lr/doc/GENDER%20ANALYSIS%20REPORT%20-%20FINAL.pdf>

⁶ AgDevCo (March 2018) *Gender Lens Investing: The Case for Empowering Women. Practical findings for the investment community*. Available at https://www.agdevco.com/uploads/Case%20Studies%20-%202018/AgDevCo_Gender%20report_A5_AW_digital.pdf; Osorio, M. and Gallina, A. (2018) *Gender Opportunities and Constraints in Land-related Agricultural Investments: A synthesis report*. FAO. Available at <http://www.fao.org/3/ca0182en/CA0182EN.pdf>

⁷ In December 2019, the Liberia Revenue Authority reported that IDH has been evading taxes. The impact on its operations is, as yet, unclear.

⁸ There is a huge body of literature on the profitability of outgrower's schemes. See the following links: van Gent, R. (2010) *Outgrower Best Practices, Field Reporting, Appraisal and Monitoring, and Notes on Commercial and Social Dimensions of Outgrower Arrangements*. Food and Agriculture Organization (FAO). Available at: www.fao.org/uploads/media/Outgrower%20Best%20Practices.pdf; International Finance Corporation (2019) *Working with Smallholders: A Handbook for Firms Building Sustainable Supply Chains*. Available at <https://openknowledge.worldbank.org/handle/10986/29764>; Paglietti, L. and Sabri, R. (March 2012) *Outgrower schemes: advantages of different business models for sustainable crop intensification Ghana case studies*. FAO Note No1. Available at: http://www.fao.org/fileadmin/user_upload/tci/docs/LN1-Ghana_Outgrower%20schemes.pdf;

- Estimated US\$150 million export per year;
- Ca. US\$38 Million in tax revenue.⁹

Development of the outgrower plantations was to take place in two phases with a first proving phase of 3,200 hectares. 48 Communities had been heavily involved with the development of concept and operating plan through the FPIC process and a formal, independent, Community Needs Assessment (CNA). GVL worked closely with 27 communities in its concession area in south-eastern Liberia and SDL with 21 communities in its concession areas in western Liberia. Specifically, the CNA sought to: i) identify the challenges, risk factors and production concerns within these local communities, and ii) identify and outline community concerns and production challenges regarding various types of smallholder/out-grower production arrangements and organizational structures.¹⁰ In the case of the eastern pilot plantations were to be a component of the GVL nucleus/outgrower business and the western pilot plantations a component of the SDPL nucleus/outgrower business.

This revised report is a key deliverable for the UN joint project: ‘Sustaining Peace through strengthening land administration and dispute resolution mechanism project,’ which is anchored on contextual realities, designed to respond to the evident needs of the Government and was endorsed, specifically, by the Liberia Land Authority (LLA) for example. The report recommends a gender-responsive out-grower scheme plan, thereby identifying the drivers of success or failure in existing plans and highlight the elements that contribute to mutually-beneficial outcomes for project-affected communities and concession companies.

Objectives

The outgrower plan provides practical guidance to GoL, private sector, civil society and communities for ensuring a strong gender lens throughout the design and implementation of all outgrower programs. More specifically, it promotes a gender-responsive approach, which means identifying, taking account of, and making central to all components the potential gender differential in interests, experiences, opportunities, and ability to exercise the full spectrum of land rights, from mere access to decision-making power. Its core purpose is to enable the Government to apply an approach that ensures that both outgrower plan processes and actual implementation – the entire value chain – account for existing gender inequalities, seek out opportunities to redress such inequalities, and result in outcomes that endeavor to benefit men and women equally. With this purpose in mind, the outgrower plan calls for gender-equitable actions as a means to achieve gender equality, as enshrined in international, regional, and national legal documents, including the UN Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) to which Liberia is signatory, and the Sustainable Development Goals (SDGs), to which the country is committed. Gender equity means taking proactive measures to compensate for historical disadvantages of women, especially in Liberia – e.g., their exclusion from the use, control, ownership, management, and decision-making in relation to land and natural resources – and to overcome existing social, political, economic, and institutional realities that may disfavor women in the context of land rights.¹¹ The end goal, however, is gender equality as a fundamental human right.

⁹ GROW Liberia (April 2016) *Oil Palm Community Needs Assessment: Communities and Smallholder Farmers in the Concession Areas of Sime Darby and Golden Veroleum*. Conducted by Subah Belleh Associates.

¹⁰ Grow, *ibid*.

¹¹ See, e.g., ACIDI/VOCA (2012) *Gender Analysis, Assessment and Audit Toolkit*. Available at: [http://acddivoca.org/sites/default/files/attach/legacy/site/Lookup/ACDI-VOCA-Gender-Analysis-Manual/\\$file/ACDIVOCA-Gender-Analysis-Manual.pdf](http://acddivoca.org/sites/default/files/attach/legacy/site/Lookup/ACDI-VOCA-Gender-Analysis-Manual/$file/ACDIVOCA-Gender-Analysis-Manual.pdf)

1. Background

1.1 Understanding the context

GoL, as part of post-conflict efforts towards economic recovery, identified concessions generally, and agriculture concessions in particular, as a leading contributor to the national economic transformation agenda and so between 2009 and 2010, signed concession agreements with four multinational oil palm companies: GVL, Maryland Oil Palm Plantation (MOPP), Equatorial Palm Oil (EPO), and SDPL.¹² As of 2013, the U.S. Agency for International Development (USAID) estimated that over 50 percent of Liberia's land, land that is invariably already used, owned or occupied by Liberian rural communities, had been conceded to foreign investors. Liberian civil society groups estimate that nearly ten percent of the country's land has been awarded to just three agricultural companies: SDPL, GVL, and EPO. Palm oil concessions have been particularly attractive to investors, as Liberia holds approximately 40 percent of West Africa's remaining rainforest and enjoys an ideal climate for palm oil production.¹³

As part of the concession agreements, the Government and multinational oil palm companies will have to develop a hectare of land as an outgrower scheme/ program for every 5 hectares of land cultivated by these companies. With the four concessions, a total of about 125,400ha of land is to be developed as an out-grower program with the distribution as follows:

Table 1:¹⁴ Oil palm concessions

	Oil Palm Concession Company	Size of Concession (ha)	Size of Outgrower (ha)
	GVL	200,000	40,000
	SDPL	220,000	44,000
	EPO	169,000	35,000
	MOPP	17,000	6,400
	Total	606,000	125,400

The concession agreements of SDPL and GVL commit these companies and the Government to establish and develop one fifth of their planted area as an out growers' program where the Government is specifically required to provide 84,000 hectares of land outside the concession areas, but within the two Gross Concession Areas to be selected by the company and free of any encumbrances. Furthermore, the Government is required to select, along with GVL and SDPL, qualified outgrowers and establish procedures for managing and mitigating environmental and social issues that may arise as a result of the outgrower program. For its part, GVL and SDPL "*shall develop and exercise exclusive management of the land designated for the out growers' program on a cost recovery basis for the benefits of the out growers as shareholders in organized cooperatives.*" It further stated that the companies shall have exclusive rights to, and commit to, purchasing the produce harvested from the outgrower's

¹² Although SDPL sold to Mano Manufacturing Company (MANCO) on 1 January 2020, transitional arrangements are expected to last for 12 months. No changes were made to the concession agreement, which was signed for 63 years in 2009 between SDPL and the Government of Liberia. Available at: <https://malaysia.news.yahoo.com/sime-darby-sells-loss-making-125838750.html>? MANCO has inadequate experience in managing upstream assets, community conflicts or conservation challenges and will be relying heavily on SDPL support during the transitional period.

¹³ International Finance Corporation (2008) *Review of the Palm Oil Sector in Liberia*.

¹⁴ Collated from LEITI, *ibid*.

program.¹⁵ The agreements make clear that GVL and SDPL are under no obligation to provide or raise funds for the implementation of the scheme. **The Government of Liberia is required to mobilize the financial resources through international financial institutions such as the World Bank or other development funds for the companies to implement the out growers' scheme.** Although GVL and SDPL have expressed openness and receptiveness to advance the out-grower program, **the Liberian government has made little progress in mobilizing development finance for the Oil Palm Out Grower Scheme.** There is yet to be consensus on the most appropriate palm oil outgrower scheme structure and model for Liberia. The concession agreements reserve to the multinational companies the sole right to establish mills in the concession areas.

Table 2: Proposed Pilot Project Areas¹⁶

Concessionaire	County	District	Location	Area ¹⁷
Sime Darby	Grand Cape Mount	Garwula	PAC	600ha
	Grand Cape Mount	Garwula	Zodua	900ha
GVL	Grand Kru	Trenbo	Sorroken	500ha
	Sinoe	Kpayan	Tartweh	700ha
	Sinoe	Kpayan	Numopoh	500ha
Total				3,200ha

1.2 Outgrower and smallholder definitions

It is important to define the terms 'out grower' and 'smallholder' as used in this report. The Organisation for Economic Co-operation and Development (OECD) broadly defines outgrower schemes, also known as contract farming, as binding arrangements through which a firm ensures its supply of agricultural products by individual or groups of farmers. In other words, ad hoc trade agreements are being replaced by coordinated commercial relations between producers, processors, and traders leading to vertical integration of the agricultural value chain.¹⁸

A report on a feasibility study, on behalf of GROW Liberia and the National Bureau of Concessions (NBC), also quoted the Food and Agriculture Organization of the United Nations (FAO) as stating that outgrower arrangements between growers (or cooperatives) and processors may be characterized as partnerships in which growers are largely responsible for production, with company assurance or guarantee they will purchase the product; partnerships in which the company is largely responsible for production, paying landholders market prices; land lease agreements in which landholders have little involvement in plantation management; and land lease agreements with additional benefits for landholders.¹⁹

¹⁵ LEITI *ibid.* Concession Agreement between GVL and GoL, Section 15.3 Outgrowers' program; Concession Agreement between GoL and SDPL, Section 15.2 Outgrowers' Program

¹⁶ GROW, *ibid.*

¹⁷ Subject to community discussions, agreement and land assessments.

¹⁸ Felgenhauer, K. and Wolter, D. (2009) *Outgrower Schemes – Why Big Multinationals Link up with African Smallholders*. Paris. OECD. Available at: www.oecd.org/dev/41302136.pdf

¹⁹ Beveridge, A. Lockwood, R. Azmi, R. and Sutton, A. (2016) Feasibility Review of a Proposal to Establish a Liberian Oil Palm Outgrower Scheme. *GROW Liberia/NBC*

An International Institute for Environment and Development/FAO/International Fund for Agricultural Development (IIED/FAO/IFAD) report describes the term ‘smallholder’ broadly, equivalent to family farmer, and captures the huge diversity of farming systems that are mostly based on family labor: *“The term smallholder refers to their limited resource endowments relative to other farmers in the sector. Thus, the definition of smallholders differs between countries and between agro-ecological zones. In favorable areas with high population densities they often cultivate less than 1ha of land, whereas they may cultivate 10ha or more in semi-arid areas or manage 10 head of livestock. The term “local communities” would include not only smallholders but also rural people not engaged in agriculture.”*²⁰

The Roundtable on Sustainable Palm Oil (RSPO) definition is consistent with the above: *“Farmers growing oil palm, sometimes along with subsistence production of other crops, where the family provides the majority of labour and the farm provides the principal source of income and where the planted area of oil palm is usually below 50 hectares in size.”*²¹

The term ‘outgrower’s’ is used universally in a gender-neutral way, meaning that it does not differentiate between male outgrowers and female outgrowers. The consequence of that is, when using the term ‘outgrower’s’, the audience has little understanding of any gender disparity. The use of gender-neutral terms often leads to data which is not gender-disaggregated and prevents identification of any gender disparity.

2. Contextualizing Outgrower in Liberia: challenges to the sector and smallholder participation

To recap, in line with guidelines issued by the RSPO, the agreements between the GoL and the concessionaires stipulate that all concessionaires must:

- Implement an outgrower model within three years of signing the agreement;
- Identify suitable land and support outgrowers’ to access equipment, fertiliser and seedlings;
- Commit to purchase all smallholder produce provided it reached quality standards.

The GoL’s role, in collaboration with the concession holders, is to:

- Take the lead in identifying funding for the outgrower model;
- Allocate land to be managed by the concession holders;
- Identify suitable farmers to participate in the scheme;
- Provide extension services.

However, the GoL had completely stalled in fulfilling its obligations and little progress had been made in attracting investment and raising finance from Development Finance Institutions (DFIs) for the launch of community farms. There was no funding to develop a model or roadmap for the outgrower scheme (let alone finance the scheme itself) and government departments had failed to reach an agreement on which agency should oversee the design and implementation of the model.

Moreover, communities were expressing frustration with concession companies and the GoL due to limited consultation and engagement. The *citizen engagement processes* – the

²⁰ Lorenzo, C. and Vermeulen, S. (2010) Making the most of agricultural investment: A survey of business models that provide opportunities for smallholders. Technical Report. IIED, FAO, IFAD, Swiss Agency for Development and Cooperation (SDC).

²¹ www.rspo.org

mechanisms through which communities, investors and government press their interests, work out differences and manage tensions are largely ad hoc, inadequate and undermined by competing and vested interests. Much of the frustration of project-affected communities stems from a general lack of knowledge about and involvement with companies that are exploring or making investments in their communities. These concession agreements were negotiated in Monrovia with little or no consultation of local stakeholders. There is no systematic information for communities and local authorities who generally do not receive a copy of the concession agreement. Exclusion leads to exaggerated expectations, misinformation and feelings of insecurity amongst the affected communities and their leaders. Chief among complaints has been the loss of land, loss of livelihoods and food security, lack of jobs for resident community members, especially among the youth population, environmental impacts and inequity in the delivery and distribution of material benefits. The combination of lack of information and consultation, loss of livelihoods and land and unmet expectations has created strong resentments and has manifested itself in community disengagement and detachment, mistrust of the concessions, and an overall public scepticism of the oil palm development process.²²

Land tenure and land resources have been a source of conflict in the outgrower scheme. Companies are registered as “ratified concessionary agreements” where specific land areas are identified and coordinates submitted to the legislature, effectively granting a full title to the companies. On the other hand, the proposed outgrower pilot lands are just agreements by the communities to develop a community-owned palm plantation on lands that more often than not do not have titles. This, however, could be curtailed if companies assist the communities through the titling process using the regulations set by the LLA. Also, the LRA recognizes customary land and thereby makes it possible to gain full legal ownership rights. The LRA is clear; once regulations for its implementation are in place, including identification and demarcation of customary lands and community self-identification (a consultation process of determining nature of land ownership and identification and organization of a community, followed by the establishment of community land governance and management structures to manage access to community land and resources), communities will be informed about the procedures to access and manage land and skills training provided to facilitate the process.

Worse, concessions have also had a particularly negative impact on women. A study by Green Advocates International found that women “have been displaced and involuntarily resettled. Where compensation has been paid for land rights, such compensation has been channelled through their husbands, sons, brothers or fathers” (unless they had deeds).²³ Women have less access to outgrower’s program than men. The WB/United Nations Conference on Trade and Development’s (UNCTAD’s) review of 24 agricultural investments in developing countries concluded that “virtually all out-growers were men” - only 1.5 per cent were women.²⁴ Studies in Kenya, Uganda, Malawi and Senegal all found little or no female participation in various contract farming schemes.²⁵ In a sample of 59 contract farmers for French beans exported from Senegal, only one was a woman.²⁶ Olivier de Schutter notes that “unless the framework for

²² WB/UNDP/UNPBSO 2015, *ibid*.

²³ <https://landportal.org/library/resources/womens-land-rights-liberia-law-practice-and-future-reforms>

²⁴ World Bank/UNCTAD (2014) *The Practice of Responsible Investment Principles in Large-Scale Agricultural Investments: Implications for Corporate Performance and Impact on Local Communities*. Available at: <http://documents.worldbank.org/curated/en/135321468158370655/pdf/861750RAI0P1253560Box385174B00PUBLIC0.pdf>

²⁵ De Schutter, O. (2011) *The Right to Food*. UN Special Rapporteur on the Right to Food, UN General Assembly, 4 August. Available at: https://reliefweb.int/sites/reliefweb.int/files/resources/A_HRC_25_57_ENG.pdf

²⁶ Maertens, M. and J. Swinnen, (2009) *Are modern supply chains bearers of gender inequality?* Paper presented at the ILO-FAO workshop on Gender and rural employment: differentiated pathways out of poverty. Available at: <http://www.fao.org/3/i1638e/i1638e.pdf>

contract farming respects women's rights and is gender sensitive, it will undermine gender equality".²⁷ Another review of contract farming notes: "The consequences for women can be quite negative. Local men might allocate land for contract farming that was customarily used by women, or muscle in on crops that were previously a female domain. Often, women, and other less powerful household members such as young men, are excluded from community discussions about contract farming schemes and have less chance of registering and participating."²⁸ As a result, smallholder farmers are unable to deliver the volume and quality of produce that commercial buyers –retailers, processors and other agribusiness firms– require, which in turn limits the development of markets for agricultural produce.

2.1 Making the case for an outgrower scheme

With the help of a team of international experts, GROW developed an outgrower scheme operational model including guidelines for implementation and a corresponding financial plan. The completed model and plan were endorsed by Cabinet in August 2016 and accepted by concessions and the communities in which the scheme would have been piloted.²⁹ Operationalization slowed down pre- and post-2018 national elections. As a result, there is, currently, **no outgrower model in operation and no lesson to be learnt from a pilot.**

Under the Cabinet-approved model, the community would establish a cooperative and select the location of the outgrower farms as well as the individuals/ families who would be farmers in the outgrower scheme. These individuals/families then join the cooperative. In phase one of this model, the company (concessionaire) would develop and manage the outgrower plantation and raise the technical and organizational capacity of both the cooperative and the farmers. The cooperative would seek external financing. Phase two would shift to a joint management structure between the cooperative and company until the costs of establishment are fully repaid. In Phase three, the farm would be fully managed by the cooperative.

Criticisms of outgrower schemes often focus on the unequal power relationship between a company and farmers, the latter providing a form of cheap labour and the company passing over production risks to small-scale producers. Nonetheless, numerous studies identify outgrower programs as having the potential to make a major development impact across rural communities.³⁰ Developing an effective outgrower scheme and investing in smallholder farmers, especially women farmers, has the potential to transform agriculture in Liberia across the entire value chain, by creating jobs, increasing incomes, and boosting crop yields and productivity. When efficiently organized and managed, and thoroughly gendered, outgrower system reduces risk and uncertainty for both parties as compared to buying and selling crops on the open market.³¹

The advantages of outgrower schemes can be summarised as follows:

- Inputs and production services are often supplied by the company. This is usually done on credit through advances from the investor. Farmers can also use the contract agreement as collateral to arrange credit with a commercial bank in order to fund inputs;
- Outgrower schemes can introduce new technology and enable farmers to learn new skills;

²⁷ De Schutter 2011, Op.Cit.

²⁸ Smalley, S. (April 2013) *Plantations, Contract Farming and Commercial Farming Areas in Africa: A comparative review*. Available at: http://www.fao.org/uploads/media/FAC_Working_Paper_055.pdf

²⁹ GROW, July 2016.

³⁰ Felgenhauer, K, and Wolter, D. (2009) *ibid*.

³¹ Osorio, and Gallina, A. (2018) *Gender Opportunities and constraints in Land-related Agricultural investments*. FAO. Available at: <http://www.fao.org/3/ca0182en/CA0182EN.pdf>

- Farmers' price risk is often reduced as some contracts specify prices in advance;
- Such schemes can provide higher incomes;
- It can secure land tenure and increase the clarity over rights to land;
- Cash flow for farmers is reliable through a regular income or assured sales;
- Farmers can receive higher net returns than from traditional land uses;
- Contract farming can open up new markets which would otherwise be unavailable to small farmers.³²

Concessions looking to establish and maintain effective relationships with local communities (ca.25,000 smallholder households) through a gender-responsive outgrower scheme (discussed in 2.2) would significantly reduce tensions between the two parties and bring about economic benefits for both. The only long-term solution for the stability and continued benefits of smallholder oil palm production is for the government to effectively lead and collaborate with all stakeholders in oil palm, and to monitor the outcomes of concessions using out-grower model.

2.2. Why mainstream gender in an outgrower scheme?

In Liberia, the agricultural sector is an essential source of economic growth, employment, poverty reduction and food security. Because women play a vital role in agriculture, neglecting gender issues in agriculture can be costly, socially and economically. Despite contributing substantially to agricultural production in Liberia, female farmers face numerous constraints that limit their productivity and their inclusion in out grower schemes. It is crucial to ensure women participate in and benefit from out grower schemes, as this not only contributes to their well-being and that of their families but also brings commercial gains to agribusinesses. Empowering women and girls is not just necessary for their well-being, but also a means to broader agricultural development and food security, and it is economically sound. Studies show that, if women farmers were given the same access to resources (such as land, finance and technology) as men, their agricultural yields could increase; national agricultural output could rise; and the number of malnourished people could be reduced.³³

According to an assessment study by the United Nations Mission in Liberia in 2015, targeted concession programmes, including community conflict management, and their gendered impact on affected communities, men revealed that the forest upon which they depended for their livelihood has been cleared without any reserve for communal use or just compensation. This has impacted food and cash crops, as well as other timber and non-timber forest plants such as natural palm, which served a dual purpose: income generation and house construction. Some said they felt emasculated. As heads of their families, they had previously provided for the needs for their families from their land and other forest products but were now dependent on purchasing food and other provisions at prohibitive cost from nearby cities, if they had low-level employment. Those who can are the few men who are employed by these companies, and contractors who benefit from the company's rice supplies. Most claimed to depend on financial support from their children in the cities, and remittances from families abroad. Also, crucial, was the issue of the destruction of sacred sites where rituals, burials and other important communal events were performed.³⁴

³² AgDevCo (April 2017) Smallholder Outgrower Schemes: principles of success. Available at: http://www.agdevco.com/uploads/images/news/AgDevCo_SDU_case%20study.pdf

³³ Government of Liberia, April 2018, *ibid*.

³⁴ UNMIL 2015/16 RBB Paper: *Assessment study on the impact of conflict on communities as a result*

Women in almost every part of rural Liberia carry the biggest burden of catering for their families. They depend largely on land and its resources for the survival of their households. In communities visited, women farm wetland rice, plant different vegetables, grow cassava, process palm oil, and plant cash crops like oranges and mangos. They play a decisive role in dietary diversity and are responsible for nutrition in the home. They also use the forest for their cultural and traditional Sandi schools for girls, and harvest herbs to take care of most of their traditional herbal needs. The women complained that the swampland on which they depended has been filled with soil for palm plantation, while companies, without fair compensation, have destroyed their cash crops. Subsequently, women, like men, engage less in farming, and have resorted to buying food and provisions from big towns on market days, the prices of which have now doubled, in some cases tripled, and in many cases, have become entirely unavailable in the communities. Also, payment for damaged crops was unfair. They received USD 6 for each mature crop and the consideration of mature trees, the quantity, and payment methods were left at the discretion of the company without community participation. Rivers have been dammed, polluted, or taken over by private companies, depriving women and young children of vital water sources for drinking, fishing, and washing. Water pumps have been provided in some cases, but often failed to work or are inadequate to serve the entire community. The companies failed to consult directly with women to obtain their consent for concessions on their land. Where consultations took place, they were exclusively with men. Women working for the companies engage in back-breaking labor with few benefits. Logging and plantation concessions involved long working hours, substandard working conditions, and little or no employee benefits. Many of them now depend on their children from the city to provide them with food or other relatives for remittances to sustain themselves. The poor condition of the roads creates clouds of dust during the dry season which enter houses, particularly, kitchens. Excessive exposure to dust and dirt inhalation has resulted in respiratory problems among children who are more susceptible.³⁵

Youths³⁶ - both male and female – informed that they primarily depended on gardening as a main source of income, to pay for their education and other needs. Loss of community land to concession operations, accompanied by high rates of unemployment, has disempowered the youth. Many reported feelings of hopelessness. Few of the young people in the communities are employed with the companies or working as daily hires, the females mostly as house help. Those who are not employed or currently in school are either idle in the communities, riding transport motorcycles (male), or are involved in illicit rubber tapping. Local officials informed of the increase in petty crimes and insecurity in communities, due to the high rate of youth unemployment.³⁷

Women, and youth, bearing in mind that the latter is not the focus of this report, would find it harder to participate in outgrower schemes in Liberia than men. Since men are largely designated as landowners, inequitable household relations mean that contracts would be signed with men who would obtain services provided by the concession company such as training, extension, pre-financing and inputs as well as payment for crop sales, over which women would have little say in how that income is spent, thus impacting on poverty reduction and

of concession development, based on two-month assessment of Equatorial Palm Oil (Grand Bassa County), Golden Veroleum Liberia (Sinoe County), Maryland Oil Palm Plantation (Maryland County) and SDL (Grand Cape Mount and Bomi Counties)

³⁵ UNMIL2015/16 *ibid*.

³⁶ Though mentioned, youths are not the focus of this report.

³⁷ See also, UNMIL (2016) *Analytical paper on targeted concession programmes, including community conflict management, and their impact on affected communities*, Monrovia, Liberia.

well-being among women and their households. Or that, men, rather than the whole household, would benefit from the income generated from the program. However, the LRA, seeks gender equality in land tenure security and equal or direct access to financial and social resources, which will alleviate women's poverty and promote their economic contribution to the household and nation.

Currently, wage employment opportunities, for example on nucleus estates and in processing, differ for women and men. This is due to socially determined gender roles which invariably influence employment patterns. Women workers are typically considered for casual work, obviously less paid, and when they occupy waged jobs in the concession company, their work is less remunerated, or they are under-represented in managerial and supervisory positions.³⁸

Promoting women's economic empowerment, through outgrower schemes in Liberia, is also justified on arguments of justice and equality, accountability and quality of life and economic growth. This is also enshrined in the African Charter on Human and People's Rights, to which Liberia is a signatory. Therefore, it is fair to improve opportunities for women in out grower schemes. Strengthening the role of women in agriculture and their inclusion in outgrower plans in Liberia could result in beneficial outcomes through increasing employment, generating income and could boost agricultural productivity and help close the gender gap.³⁹ Closing the gender gap in return would advance women's economic empowerment and contribute to strengthening their voice and participation in local governance and peacebuilding. These aspirations are reflected in the Sustainable Development Goals (SDGs), in particular goals 1, 2, 3, 4, 5, 8, 12, 13 & 15 which call for action for household food security, women's access to agriculture and productive resources, unpaid domestic labour, decision-making and empowerment, decent work and decent spaces for women, non-discrimination in access to training and gender equality in education.⁴⁰

3. Proposed Outgrower Plan

Effective involvement of women in all outgrower scheme in Liberia needs to take women's specific constraints (mentioned above) into consideration, including the gender gap in access to land, capital, assets, human capital, and other productive resources, which renders them vulnerable to food insecurity. Concession companies can play an instrumental role in closing the gap between men and women in the agribusiness sector by providing credit, technology and networks to women, creating stronger value chains and enhancing access to inputs (such as fertilizers) and labor to enhance the productivity of their land.⁴¹

A gender-responsive scheme should be both beneficial whilst offering opportunities for both women and men outgrowers equally. This may entail (temporarily) providing more opportunities to women, but it does not mean discriminating against men. These steps are intended to guide the development of a more inclusive outgrower scheme.

³⁸ UNMIL 15/16 ibid

³⁹ Government of Liberia, April 2018, ibid

⁴⁰ International Finance Corporation (2016), Investing in Women Along Agribusiness Value Chains

⁴¹ WB/FAO/IFAD (2009) Gender in Agriculture Sourcebook. Available at:

<http://siteresources.worldbank.org/INTGENAGRLIVSOUBOOK/Resources/CompleteBook.pdf>

1. National policy on inclusive outgrower schemes

The Government, through the National Investment Commission (NIC), should ensure that when screening investment proposals, provisions for gender equality and diversity are clearly outlined.

- Gender-related concerns are often superficially mentioned in key policy documents regulating agricultural investments and barely considered across the different stages of land transactions;
- Provisions for equal opportunities and treatment of women and men workers on nucleus estates, including observing the law with respect to the minimum wage, child labour, land laws, gender equality, and other provisions should be clearly spelt out;
- The Plan should ensure that the crops selected, and the business model developed help to support government policies in terms of working towards gender equality, improving women's rights regarding land tenure, and strengthening food security and healthy nutrition;
- Review of concession agreements should also call for enhanced gender provisions. The SPRC should request and negotiate with concession companies to include gender component before approval is granted for continued operations;
- Gender-focused criteria should be explicitly considered in environmental and social impact assessments;
- The Ministry of Gender Gender Children and Social Protection (MOGCSP) should be included on the Inter-Ministerial Concession Committee (IMCC). The IMCC includes the Ministers of Justice and Finance and Development Planning, and, chaired by the NIC, is statutorily responsible to bid, evaluate, award, and finalize concession agreements for GoL.

2. Assessing gender gaps

The first step for a concession company is to understand the gender gaps that may affect the program. Concession companies should conduct consultations, focusing more on identifying the different needs of women and men farmers, by organizing discussions with groups of women (married women and female heads of households) and men outgrowers, in separate groups. Guiding questions to ask during these discussions could include:

- How do women and men contribute differently to the production process?
- Do women and men have different access to land, finance, time, inputs, products and services when farming?
- To what extent do women and men take part in deciding about what to produce, how to use resources and how to spend income?

3. Land acquisition and tenure security

Gender issues must be systematically considered throughout the different stages of the land acquisition transactions. Community consultation processes and negotiation activities with investors to shape the terms of the land agreements must include women. The LRA assures parity in access, gender, and customary and private rights are equally recognized and secured. It provides opportunities for empowering rural communities by allowing them to manage their land and land-based resources so as to advance their economic growth and development. It clarifies the relationship between existing concessions and customary land ownership and reverses concession user rights back to the community upon expiration of the concession agreement period.

4. Promote gender equality in the governance of outgrower schemes

In agreements/contracts, the most important aspect is that roles and responsibilities of both parties are agreed upon in advance, transparent pricing mechanisms are set and that farmers, especially women, are able to effectively reap the benefits. It is also important to design accessible and mutually recognized dispute settlement mechanisms such as the County Peace Committee architecture and women's peace huts. Contracts should be provided in clear, easy to understand language and translated into locally spoken languages. They should be provided to individual women and men out growers, as well as producer organization committees/cooperatives. Separate contracts should be provided for men and women in a household who meet the criteria and wish to join the scheme.

5. Increase women farmer membership of outgrower schemes

The membership of women, although not the focus of this report, and youth, as own-account members in out grower schemes is usually very low, even though they may conduct much of the work on family farms and as hired laborers. Women members should be pro-actively recruited to cooperatives, allowed to create women-only cooperatives, and women and women's groups should be allowed to become contracted members in the scheme. Female-headed households should be targeted. Female-headed households are often constrained in time and resources and are less likely to join outgrower schemes. Yet these women farmers often have more decision-making power regarding their produce and the use of income (compared to women in male-headed households).⁴²

Moreover, women and men could be paid separately, ideally electronically, directly into their own bank accounts (or mobile money to their individual phones), ensuring both husband and wife are aware of their proceed amount. It is well recognized that women typically spend a larger fraction of income on food for the household, childcare, education and health. If the payment is in cash, both must be present during the payment process.⁴³

6. Strengthen women farmer's access to and control over productive assets

Access to, and control over, land is a typical requirement for entering out grower arrangements. As the LRA is implemented, women's long-term land rights and tenure security will be guaranteed as well as their greater participation in land-related local land management committees such as Community Land Development and Management Committees (CLDMCs). Concession companies should ensure women and men are both directly informed about inputs, fertilisers, technologies, credit and other products and services. One way to do this is to use female staff to communicate with outgrowers and use women's groups in outgrower communities (e.g. a savings group) to share the information. Bearing in mind that most women often cannot travel very far from their communities, concession companies should be encouraged to bring their products and services closer to women.

7. Inclusive training and capacity development

Ensuring that women have full access to the company's training and extension services will improve women's technical skills, knowledge, and confidence (e.g. training in financial management and loan applications for female small farmers and entrepreneurs in the agricultural sector), and specific market-access programmes. This will contribute towards improving the productivity and quality of out-grower crops as well as their other crops. Training women will also enable them to manage the farm effectively in their husband's

⁴² AgDevCo (2017) *Successful Models to empower women in outgrower schemes*. Available at: https://www.agdevco.com/uploads/reports/SDU_Gender_Case%20Study_AW_digital_Jan%202018.pdf

⁴³ This may be difficult to implement at the beginning, but it should not preclude a test case.

absence or illness. There are several ways to ensure that women and men benefit equally from training, extension services, demo plots and technical information. If the attendance of women to trainings is not equal to that of men, it is recommended to find out why women are not attending and what could be done to improve this. The training methods and materials used should match prevailing literacy levels. For example, women and men must be trained in good agronomic practices, so that they may not improperly pick or store oil palm fruits so that they are damaged. Thus, it is in the interest of agribusinesses to increase women's training opportunities and improve productivity, product quality and supply chain stability. Also, tensions may emerge around payments to men for work carried out by women and the decision to allocate land under the contractual requirements which may not take into account setting aside land for 'women crops.'

8. Scale up and professionalise women's crops

Women can be directly empowered if the yields or quality of crops managed by them improves, or if they receive a better price for their products. Concession companies can turn these challenges into opportunities by addressing constraints of women, such as limited access to inputs, technologies, and other productive resources.

9. Promote gender equality in value chains

Companies can identify women's and men's roles in the value chain using tools such as gender-sensitive value chain mapping and activities and resources profiles. Value chains describe the full range of activities that are required to bring a product or service from conception, through the different phases of production and delivery to final customers. This helps to understand how gender inequalities affect issues like productivity and efficiency, and consequently, develop targeted interventions to increase women's participation and the benefits they receive from it. Improving women's participation in agricultural value chains can help ensure the flow of quality goods, improve the efficiency of business, develop the market opportunities that women represent as buyers and suppliers, target niche markets such as fair trade, ensure the dignity of work and economic equity for all, and lead to broad-based economic growth.

10. Improve market access for women

Market access for women is crucial. A value chain approach, as indicated above, will identify opportunities for women's broader participation in markets. In the case of oil palm, this would involve working to see who the potential buyers are, identifying the specific markets, a specific quality and quantity of the product, delivered in a reliable and continuous way. Key to this is ensuring women farmers know what markets there are for products, what kinds of activities are required along the supply chain, and what standard and volume of product is required within what time frame. Furthermore, a strong gender corporate policy can be part of a company's corporate social responsibility strategy and branding and advertising.

11. Support men to support women

Men and boys are embedded in wider structures that condition their behaviour and which can make them hostile to women's inclusion in out grower schemes. They must be supported as they begin to confront and question cultural norms at home, in the community, at work, and presented by the media, which shape their psychological and social identities.

12. Monitoring and Review

It is vital that all agreements signed under the outgrower scheme have a provision for review and modifications. This is necessary as it would give communities time to observe the development and to identify issues that might require changes.

4. Conclusion

Well-designed gender responsive outgrower schemes can offer women important opportunities because they can help them overcome gender-based constraints and broader imperfections in output and input supply markets. In sum, potential benefits of a gender-inclusive outgrower schemes include:

- improved product quality and supply chain reliability – women are known to learn new techniques quickly and to better adhere to instructions received during training;
- more sustainable commercial relationships - women typically have higher repayment rates in credit arrangements;
- improved customer loyalty and premium pricing in some markets due to positive branding and reputation as a gender-inclusive business.⁴⁴

This report has focused on exploring how to make outgrower programs in Liberia gender-responsive and identified the challenges they face. Outgrower programs have the potential to realise significant development impact. The following recommendations are aimed at both Government, concession companies and development programmes funding outgrower programs. They act as a guide as to how to design and implement gender-sensitive outgrower schemes, and to help development programmes better identify, fund, and assist outgrower programs.

Based on these conclusions, the consultant recommends that:

1. The Government kickstarts the stalled outgrower plan by:
 - reaffirming the importance of the outgrower scheme implementation with oil palm concessionaires from 2020 onwards;
 - Reviewing said outgrower plan to determine relevance or ‘fit-for-purpose’ from 2020;
 - Dialogue with concession companies on scaling up investments in community oil palm farms in concessions from 2020 onwards;
 - Bringing in external investment from DFIs from 2021 onwards;
 - GoL and partner to raise a 30 Million Liberian outgrower guarantee fund, to scale up investments in community oil palm farms in concessions from 2022 onwards;
 - Make available 20% of investment as capitalized guarantee for the first pilot outgrower schemes, about USD6 M, by 2022.⁴⁵
2. Government and concession companies should understand and engage with the barriers which women face in engaging with outgrower programs from design to implementation, and monitoring. As discussed earlier, an under-reported feature of outgrower projects is the extent that women are excluded. There are complex reasons underpinning this exclusion, including lack of access to land, reliance on patriarchal power structures, and traditional beliefs that contractual relationships are formed with the male head of household. There is no single reason, as the type of barrier will vary by type of outgrower program, as well as the operating environment, that is, the prevailing community. Government, concession companies and DFIs need to recognise the extent to which women in Liberia are excluded in those programs and understand the underlying reasons. Without recognition and understanding the underlying causes,

⁴⁴ Agdevco 2017, *ibid*.

⁴⁵ IDH (2017) *Liberia Oil Palm Outgrowers Scheme*. Concept Note. Available at: https://www.idhsustainabletrade.com/uploaded/2017/08/160715-GROW-Liberia_LTS_Concept-Note_FINAL.pdf

attempts to address female exclusion in outgrower program will not be successful. As a first step, this requires gender-disaggregated assessment of beneficiaries. Secondly, DFIs need to highlight the gender disparity to concession companies, and work with them from inception to develop specific strategies to address this. This could include contracts co-signed by both male and female head of household and running training sessions for women.

3. The Government, led by the Ministry of Gender Gender Children and Social Protection (MOGCSP) in 2020, needs to develop a gender-sensitive policy framework for the Liberian oil palm sector by building on existing information.⁴⁶
4. The framework is endorsed by all stakeholders and introduced to the IMCC as an integral part of concession agreements/contracts, co-led by MOGCSP and Ministry of Agriculture (MOA) in 2020.
5. The Ministries of Agriculture, Internal Affairs, GOCSP and the LLA should all form part of a steering committee that would draft a standard contract to be used as a guide in developing the contract farming framework by 2021.
6. The National Oil Palm Platform of Liberia (NOPPOL) contextualizes the interpretation of the RSPO principles and criteria in Liberia. For instance, what constitutes a High Conservation Value 1 (HCV) in a different locality might be considered as an HCV 3 in the Liberian context and hence the need for the national interpretation in 2021.
7. Prior to the implementation of a pilot phase, the government, and civil society embark on comprehensive and gender responsive community needs assessment to gather information about community concerns and expectations from 2021.⁴⁷
8. It is also extremely important for the outgrower scheme managers – concession companies – to match the financing of the pilot scheme to the risk of underperformance of farms caused by the Liberian climatic conditions which are beyond the control of the out growers, such that out growers effectively re-pay loans granted them for the development of the oil palm farms by 2022.
9. The concession company must focus on training at the outset, and tailored extension services further into implementation. Implementing extension services successfully is crucial to outgrower schemes. This training should also be gender-sensitive, in that women farmers will also benefit substantially from incremental training that focuses on best farming practices.
10. Gender inequality in households affects the management and business performance of the outgrower farm. Where possible therefore, promote farming as a family business.

⁴⁶ Bearing in mind the current political realities, the MoA may have the technical expertise to develop the policy framework, but not the gender capabilities. This is where the MoGCSP comes in. Moreover, the current minister (MoGCSP) is politically strong, stronger in fact than the new Minister of Agriculture, to lead the advocacy.

⁴⁷ Even though some work has been done in this area, depending on the pilot areas, a new CNA may be required, or needs may have shifted.

Trainings for the family are non-confrontational and train spouses in joint planning and sharing of workloads, information on production, practices and marketing.

11. Monitoring is crucial to the success of outgrower programs throughout. Government should encourage the use of technology or adoption of farmer cooperatives to aid monitoring. Maintaining a close connection helps with maintaining yield and produce quality and can deter side-selling. It also builds up trust and loyalty between company and outgrower, which can lead to larger extensions of credit and higher prices.

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