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Biofuels, development and sustainability in sub-Saharan Africa

About this research

In sub-Saharan Africa, biofuels have been hailed as a new form of green capitalism. But are they really able to deliver 'win-win' outcomes for communities, governments and companies, mitigate climate change and promote 'pro poor' development? At a time of global recession and soaring food prices, the large scale diversion of land from the production of food crops to the production of 'feedstocks' for biofuels processors has placed the industries' 'sustainability' at the centre of controversy.

Qualitative research carried out by Dr Roy Maconachie (University of Bath) and Dr Elizabeth Fortin (University of Bristol) explores corporate strategies to promote biofuel sustainability. It focuses on Sierra Leone, and considers the importance of global, national and local agendas in the development of its emerging biofuel sector.

EU policies sustaining markets for alternative fuels have promoted the production of biofuels in Africa. Such production is further buttressed by views that poverty in developing countries will be best alleviated by the provision of employment opportunities in rural areas. The research considers how these agendas, rather than local concerns, have influenced national environment-development policies and corporate social responsibility (CSR) strategies. Finally, it looks at the implications of biofuels production for local sustainability. The research informs key policy debates relating to: a) CSR and community development; and b) land investment and 'green' development in sub-Saharan Africa.

Key findings

Drawing upon the detailed case study of Sierra Leone, the key findings are as follows:

- For a wide range of stakeholders involved in biofuel projects, the pursuit of 'sustainability' is crucial, but there are varying interpretations of its meaning.
- Differences in interpretations of sustainability are shaped by conflicting agendas, which has increasingly resulted in mounting tension between different groups (e.g. government, communities and companies).
- Biofuel companies must comply with a variety of sustainability standards involving a variety of stakeholders, but such compliance is pursued primarily to protect both the business and its investors from financial and social risks.
- Government is primarily concerned with nurturing an environment that puts agribusiness at the centre of the country's development trajectory in order to attract future bioenergy investors.
- For communities living in and around biofuel project areas, the sustainability of the company's operations depends upon their impact on key livelihood concerns, such as: the terms of land use, the nature of employment and food security.
- Global sustainability standards and the implementation of 'corporate community development initiatives' within CSR agendas have failed to resolve the unequal power relations between different actors.

Research context

In recent years, biofuel production in sub-Saharan Africa has reached unprecedented levels. It has been hailed as a panacea for mitigating climate change, reducing the developed world's dependence on fossil fuels, and providing employment and other direct and indirect economic benefits for poor countries. However, the large scale acquisition of farm land for biofuels production is increasingly being dubbed as 'land grabbing', because of its link with increased food prices and hunger, incidences of land conflict and rising CO₂ emissions.

In response to these concerns, multinational companies engaged in biofuel production have adopted comprehensive corporate social responsibility (CSR) strategies, which have at their core claims to ensure the environmental and social sustainability of their operations. But can this growing sector really be considered 'sustainable'? Post-war Sierra Leone, provides a demanding case study in which to ask this question. Despite facing acute food insecurity within the country, the government is pursuing a liberalised path to development that includes the promotion of foreign direct investment in biofuel production. Indeed, the country's largest agricultural investment to date has been to grow sugarcane for the production of biofuel for export to the EU.

Research findings

All stakeholders in the biofuels investment – the company, the government, and the affected communities – agree that sustainability is crucial. However, important questions need to be asked about the interpretation of 'sustainability' by different groups, and what this ultimately means for policy and practice.



The perspective of the company:

The biofuels company profiled in this research claims a strong commitment to socially and environmentally responsible business practices. However, analysis suggests this commitment is principally driven by a concern to avoid financial/social risks, and ensure its compliance with EU sustainability criteria in order to access regulated EU markets. This focus determines the issues that are considered by the company to encompass 'sustainability', and why. For example, the reputational risk that its practices may be perceived to exacerbate food insecurity and poverty.

The perspective of government:

The present APC government of Sierra Leone interprets and understands the 'sustainability' of the company's operations to be associated with delivering development via agrarian transition and the growth of a new wage economy. Accordingly, it has established the Sierra Leone Investment and Export Promotion Agency to offer opportunities and incentives (tax holidays and flexible labour regulation) for foreign investors to make use of so-called 'unused' or 'under-utilised' land.

The perspective of affected communities:

For local communities the sustainability of the company's operations is judged in relation to the extent to which it adversely impacts upon their livelihoods. And if it does so, whether they have been left with adequate alternative livelihood strategies (including access to income, food and the environmental resources upon which they depend).

The specific findings of the research are as follows:

- While 'sustainability' has been pursued by both the government and the company, the actual experience of affected communities has been of increasing poverty and food insecurity.
- The government designating large areas of land as 'idle', 'unused' or 'under-utilised' discounts the success of smallholder agriculture in Sierra Leone which is heavily reliant on farmers leaving farms fallow for many years in order to recover soil fertility after a period of cultivation. Moreover, this fallow land remains vital in providing essential livelihood resources for poor communities and maintaining biodiversity.

- The negotiation of leases and the compensation of land owners does not fully take into account land access rights and fallow periods which are determined by customary law.
- Legal compensation relating to land rights does not cover one of the most critical sustainability concerns for local people: the impact of agribusiness activity on soil and water quality.
- As a component of its CSR agenda, the company has implemented a 'Farmer Development Programme' through which equipment has been provided to those who have been displaced. Nevertheless, such equipment has not only been unsuitable for the soil conditions, but in the first year also arrived too late for the planting season – a grave lapse in a context of extreme food insecurity.
- Local people have often been willing to relinquish access to land, but only in anticipation of secure work and a decent living wage. The employment offered, however, has predominantly been unskilled and temporary (often less than 3 months), and salaries paid have been insufficient to live on.

Policy implications

- 1) Stakeholders working towards 'sustainability' need to better appreciate that there exists a disconnect between company and government interpretations of 'sustainability' and local people's interpretations.
- 2) CSR sustainability objectives are not the same as, and are therefore never substitutes for, national policy or regulation, and multi-lateral standards.
- 3) Policy makers and standards setters who champion sustainability, as well as auditors certifying companies' compliance with sustainability standards, should better recognise local contextualised development needs. These needs must be ensured in sustainability outcomes (i.e. the results of government development policy, or CSR programmes, or the adoption of sustainability standards).

Methodology and research aims

This research is based upon ethnographic and participatory fieldwork undertaken in Sierra Leone, and is complemented by key informant interviews with biofuel company officials in Sierra Leone and Switzerland. The 'actor-oriented' approach incorporates an interest in understanding how different perspectives, obligations and power relationships across different scales (global, national and local) have shaped decision-making around biofuel sustainability. Interviews and focus group discussions were carried out with biofuel company staff, politicians, policymakers and NGOs in Freetown and Makeni. Focus group discussions and semi-structured interviews were also carried out with stakeholders in four biofuel-affected communities.



Contact the researcher:

For more information about this research please contact:

Dr Roy Maconachie
Department of Social and Policy Sciences
University of Bath
Email: r.maconachie@bath.ac.uk
www.bath.ac.uk/sps/staff/roy-maconachie

Dr Elizabeth Fortin
University of Bristol Law School
University of Bristol
Email: e.fortin@bristol.ac.uk
www.bristol.ac.uk/law/people/elizabeth-r-fortin

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