

ENVIRONMENTAL AND SOCIAL IMPACT STATEMENT REPORT ON
PLANTATIONS SOCFINAF GHANA LTD PROPOSED 18,000 HECTARES OF
RUBBER & OIL PALM PLANTATIONS PROJECT LOCATED NEAR DABOASE
IN THE MPOHOR-WASSA EAST DISTRICT OF THE WESTERN REGION

(FINAL REVISION)



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February, 2015*

EXECUTIVE SUMMARY

SOCFINAF SA is a Luxembourg-based holding company with direct and indirect interests in rubber and palm oil production plantations. The Company holds stakes in plantations in Liberia, Nigeria, Ivory Coast, Cameroon, Democratic Republic of Congo and Kenya, as well as in Indonesia and Cambodia. SOCFINAF is controlled by SOCFIN and through its subsidiaries, manages a portfolio of investments focused on the exploitation of tropical plantations of oil palm and rubber trees located in Africa.

Plantations SOCFINAF Ghana Ltd is registered and incorporated under the companies' code of 1963 in Ghana on the 25th September, 2012 and given the certificate to commence business the same month. The company is a branch of the SOCFIN Group in the world and the operating investor for the diversified Subri Industrial Plantations. The company intends to convert 18,000 hectares of the Subri River forest reserve into economic rubber and oil palm plantations.

Rubber (*Hevea Brasiliensis*) is known to thrive well in the tropical regions of Sub-Saharan Africa and is therefore largely cultivated in countries including Liberia, Nigeria, Sierra Leone, Ghana, Cote d'Ivoire and Cameroun. Oil palm on the, other hand is a native species in many West African countries and part of the culture of local people. It is a source of foodstuff (cooking oil, margarine, sweets) and medicines, its sap is used to make palm wine, and its fibres are also used for various purposes. In recent times, large scale monoculture oil palm plantations are being developed for the extraction of palm oil (from the flesh of the oil palm fruits) and palm kernel oil (from its kernel or seeds) for production of edible and industrial oils.

The company has successfully acquired the diversified Subri Industrial Plantations and has submitted a notice of intent to apply for the environmental authorization of this project to the regulating authorities, Environmental Protection Agency of Ghana by registration of the intention through the submission of various documents including Environmental Scoping Reports.

Plantations SOCFINAF Gh. Ltd acting in compliance with EPA directives entailed in the Environmental Impact Assessment Regulations 1999, LI 1652 and its subsequent amendments (2002) LI 1703 and (2011) LI 1986 is conducting this ESIA as per the requirements of these regulations. This follows the submission and approval of the

Environmental Scoping Report and Draft EIA earlier submitted to the agency for review and approval. The implementation of the project will result in several socio-economic benefits to the people of the project area.

The objective of this ESIA is to ensure that the potential impacts from the development of 18,000 hectares of rubber and oil palm plantations and related activities undertaken by Plantations SOCFINAF Gh. Ltd are identified; their significance assessed, and appropriate mitigation measures are proposed to minimize or eliminate such impacts during the project implementation phases.

The ESIA was mainly prepared to assess the impacts and provide the mitigation measures for the following activities:

- Land preparation phase using simple tools and manual methods
- Slashing of vegetative cover and cutting of branches and stems using chainsaws.
- Preparation of nurseries and transplanting activities
- Maintenance of young plantations
- Exploitation of mature rubber and oil palm trees and subsequent transport to processing factory.

This document also presents a detailed and comprehensive environmental and social baseline data which will provide the environmental and social management process with key baseline information when identifying adverse impacts. The information contains data on the Subri River Forest Reserve bio-physical environmental features such as its ecosystems, geology, hydrology in terms of surface water resources, major and sensitive wetlands, flora and fauna. On social baselines the report discusses the main features of the Mpohor- Wassa East District's demography, public health features and poverty.

A number of legislations, policies and instruments are available to support environmental management and the Environmental and Social Impact Assessment process in Ghana as detailed in Section 1.6. These and other sectorial legislations are the key instruments that cover environmental management in all the sectors of development. These legislations and policies are outlined below.

- ❖ Environmental Protection Agency, 1994, Act 490
- ❖ Environmental Assessment Regulations, 1999 LI 1652 & (Amendment) 2002 LI 1703, 2011 LI 1986 Procedures
- ❖ Ghana's Environmental Policies
- ❖ Buffer Zone Policy for managing river basins in Ghana
- ❖ The 1992 Constitution of the Republic of Ghana
- ❖ Factories, Offices and Shops Act, 1970 (Act 328)
- ❖ The Labour Law, 2003 Act 651
- ❖ The Workmen's Compensation Law, 1987 (PNDCL 187)
- ❖ Forest and Wild life Policy, 1994
- ❖ Economic Plants Protection Act 1979, AFRCDC 47
- ❖ Water Resources Commission Act 1996 Act 522
- ❖ Water Use Regulations, 2001 LI 1692
- ❖ Control and Prevention of Bush Fires 1990, Act 999
- ❖ Wild Animal Preservation Act 1961 Act 43
- ❖ Lands Compensation, 1962 Act 125
- ❖ World Bank Safeguards' Policies and Principles
 - Environmental Assessment (OP 4.01);
 - Involuntary Resettlement (OP/BP 4.12);
 - Forestry (OP/BP 4.36);
 - Management of Cultural Property (OPN 11.03);
 - Conservation of Natural Habitats (OP 4.04);
 - Safety of Dams (OP/BP 4.37); and
 - Indigenous People (OD 4.20).

Public involvement and consultations are important components in projects such as the proposed 18,000 hectares of rubber and oil palm plantations development by the investor in order to ensure that information is properly conveyed and that cooperation and acceptance from the public is secured. Public participation should also aim to increase general environmental and social awareness among the public and various stakeholders in regards to the proposed project and thereby addressing their concerns.

The typical elements that are affected by the project's activities in the impact assessment are classified into two categories: the social environment and the physical environment. The social environment includes social concerns such as human resources, services, human attitude and adaptation that could have influences on social characteristics of surrounding communities. The physical environment is concerned with potential contamination of surface and/or groundwater, air emissions, noise, visual intrusions, biodiversity, traffic, waste management, and soil contamination all of which could lead to alterations in the abiotic and biotic environment.

Potential impacts from the main activities of the proposed project have been described. Impacts are measured based on their type as they could extend to directly or indirectly affect the whole project. Light purple and light orange reflects if the impact is positive or negative, duration emphasizes if the impact is permanent or temporary within the project time duration, severity reflects the possible changes/losses, probability is the likelihood of an impact occurring, reversibility is the potential of reversing a particular impact from occurring and magnitude is the power of the impact on a certain component. The significance of impacts on each parameter is the result of the different assessed factors which has been summarized as $E + D + S + P + R$. There are both negative and positive impacts associated with the project. These impacts are outlined below based on their significance as high, medium and low impacts.

Positive Impacts

- Increase in local economic activities and rural development
- Increase in local wage earning opportunities
- Provisions of social infrastructure through corporate social responsibility projects,
- Participation of communities in viable economic activity
- Credit incentive to farmers
- Provision of goods and services through social responsibility projects
- Reduction in flooding downstream of plantation
- Protection of natural vegetation and ecosystem
- Sequestration of Carbon Dioxide

Negative Impacts

- Water pollution from use of pesticides and fertilizers
- Increase of surface runoffs
- Higher sedimentation loads in rivers and siltation
- Reduction in biodiversity through the removal of vegetative cover and replacement by monoculture rubber and oil palm plants
- Destruction of unique endangered ecosystems and species
- Poorly planned roads, buildings and other utilities services

The project design, implementation and operation will result in several medium impacts both positive and negative as listed below. The mitigation measures and monitoring plan recommended for the project activities are to serve as general environmental and social management guidelines.

Two monitoring activities will be initiated by Plantations SOCFINAF Gh. Ltd to ensure the environmental soundness of the project. The first is compliance monitoring, and the second is impact detection monitoring. Compliance monitoring provides for the control of PSGL operation, while impact detection monitoring relates to detecting the impact of the operation on the environment. It is the responsibility of the Plantation and Forest Managers and the management of PSGL involved in the project with appropriate support from third parties to ensure the implementation of the monitoring plan.

The proposed monitoring plan for PSGL must be implemented in its entirety in order to

- properly assess the performance and effectiveness of the adopted mitigation measures,
- identify the extent of environmental impacts predicted,
- determine project compliance with regulatory requirements and to assist in adopting remedial action and further mitigation measures if found to be necessary.

The monitoring plan is based on the specific impact areas that are identified and includes a detailed description of the monitoring parameters, methods, phases, location, frequency and cost. For certain parameters, sampling and analysis are necessary to assess the extent of the impact, while for other parameters surveys; visual inspection and photographic documentation

by experienced personnel are required.

A summary of the monitoring parameters with corresponding location and frequency is presented in Table 6-1. These plans must be updated and refined during the design phase and prior to initiating the construction activities.

In conclusion, the development of the 18,000 hectare rubber and oil palm plantation proposed by Plantations SOCFINAF Ghana Limited has a series of environmental impacts as identified in this Environmental, Social Impact Assessment statement as well as important socio-economic benefits to the communities. The management is cognizant of the necessary measures to mitigate the environmental impacts of the project and will put in place the necessary action plans.