COMMERCIAL AGRICULTURE DEVELOPMENT PROJECT
CROSS RIVER STATE
(World Bank Assisted)

ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN
(ESMP) FOR ABASE EYENWAM MPCS

SUB-PROJECT TYPE: - PALM OIL EXTRACTION TECHNOLOGY:

SECTOR: OIL PALM VALUE CHAIN

LOCATION OF SUB-PROJECT: IKOT ENE VILLAGE, AKPABUYO LOCAL GOVERNMENT AREA, CROSS RIVER STATE

JULY, 2012
PALM OIL EXTRACTION TECHNOLOGY
EXECUTIVE SUMMARY

The Commercial Agriculture Development Project (CADP), established by the World Bank in 2007 was intended to increase agricultural productivity through the introduction of improved technologies, creation of a conducive investment climate and provision of infrastructure to small and medium-scale commercial agricultural cooperative groups along value chain index in its component 1. The project is equally providing support to benefiting states through network of Farm Access Roads and Rural Energy in its component 2; project management, monitoring and evaluation and institutional capacity strengthening as its component 3.

Oil palm has always been an important tree crop that has remained an integral part of the lives and cultures of millions of persons in West Africa in general and the forest belt of Nigeria in particular. In most communities in south eastern Nigeria, ownership of plots of oil palm is a measure of the wealth of individuals and families. Its cultivation is therefore an economically-significant activity. No single activity that all strata in society have access to holds as much potential to enhance socio-economic fortunes in these parts of Nigeria as does Oil Palm value chain. The CADP’s support could therefore be catalytic in reviving dwindling economic fortunes in the Oil Palm producing areas where most of the project beneficiaries are smallholders with a significant proportion made up of women and youth groups involved in processing and marketing.

Abase Eyenwam Farmers Multi-purpose Co-operative Society is one of such oil palm Commodity Interest Group (CIG) with over thirty (30) years of cognate experience in the oil palm value chain sector. The eleven (11) member CIG is located in Ikot Ene village in Akpabuyo Local Government Area of Cross River State. The CIG had suffered persistent huge economic losses arising from crude traditional oil palm processing facilities and their attendant environmental pollution and degradation associated mostly, with poor handling and management of sludge and effluents and environmental degradation based issues over the years. The CIG’s drive to participate in the CADP intervention traced to the several consultations held in the state during the project take-off especially during the 10 months IFC’s moratorium on oil palm and the CADP supervision missions held in the state.

The CADP intervention to support the above CIG is in the procurement of a 4metric tone/day processing mill of Fresh Fruit Bunches (FFB), which has high processing efficiency capable of generating about 0.8mt of palm oil (800 liters of palm oil daily), is expected to rejuvenate business activities within the area. However, some critical challenges are envisaged in areas of waste generation especially sludge and effluents from milling operations, site suitability for mill location,
noise management, atmospheric pollution, accident during operations, soil contamination arising from spillage, and child labour related issues which need to be pertinently addressed.

Mitigations, mechanisms, laws, conventions and policies instruments at state, national and international levels have been identified and put in place to address environmental and social based issues in oil palm processing, thereby allaying potential environmental and social consequences that might arise in the course of the investment, especially oil palm sludge and effluents. CADP support to the CIG is therefore anchored on the new IFC’s framework for engagement in the oil palm sector (The Four Pillars) as guiding principles to prevent environmental degradation and abuse associated with oil palm investment. Below are the IFC’s four pillars guiding the investment.

(i) Investment would be in existing smallholder oil palm plantations: Significant portion of the planned investment would be on already existing smallholder plantations in communities with a view to making them more productive. To this end, funding would go into the replacing of old and unproductive palms trees with improved species that are more productive, early maturing and pest resistant. In addition, part of the funds would be expended on acquisition of more environmental friendly processing technologies;

(ii) New plantations would be on only degraded land: The strategy not only indicates zero tolerance for encroachment into forests but goes a step further to encourage the rehabilitation of degraded land by investment. To this end, the State has also passed and is effectively enforcing the law banning logging on the pristine forest. In addition, community forest protection and compliance committees have been setup and provide community policing of the forest regulatory and governance reforms;

(iii) Environmental and social management plan: The strategy also considered how waste generated from the oil palm processing especially effluents would be managed in accordance to international best practices. In this regard, environmental and social management plan is included in the strategy. In addition, part of the funds requested by the farmers will help in addressing potential environmental and social issues that may result from the project’s activities with a view to mitigating them to acceptable limits; and

(iv) Consultation with stakeholders and NGOs participation in project monitoring: Participation by non state actors and independent observers such as NGOs and CSOs is in the monitoring of the proposed activities in the oil palm sector and the implementation of the oil palm strategy is the fourth pillar.

A highly crafted scientific waste management technology with high processing efficiency to attain zero waste tolerance of oil palm effluents will be technologically crafted into the sanitary sludge pit and recycled into other viable economic and industrial uses, will be installed to prevent any form of environmental degradation.

CADP is a category B project. It has minimal adverse environmental and social effects which are site specific and remediation in the event of any adverse outcome, can be readily designed.

The Project triggered three safeguards policies of the World Bank which are: (a) Environmental Assessment- OP 4.01; (b) Pest Management- OP 4.09 and (c) Involuntary Resettlement- OP 4.12.
Similarly, corresponding safeguards instruments were prepared to mitigate the effects of the triggered policies during project design which are - Environmental and Social Management Framework (ESMF), Integrated Pest Management (IPM), Resettlement Policy Framework (RPF) including the Environmental and Social Management Plans –ESMPs designed to support compliance to best practices by Abase Eyewem Palm Oil Processing CIG.

Implementation arrangements, roles and responsibilities have been defined for the implementation stakeholders. Institutions such as the Cross River State Ministry of Environment, Cross River State Environmental Protection Agency, Civil Societies Organizations, CADP have been identified for monitoring, enforcement of compliance to best practices, while The World Bank has oversight functions and building capacity for the proponent. The cost for implementing the mitigation measures have been carefully defined and highlighted.

A number of key stakeholders were consulted, which includes members of the CIG directly implementing the sub-project, Project Facilitators, and other key staff from the Cross River State Commercial Agriculture Development Office principal officers from CADA who are directly involved and are affected by the project. Similarly, other stakeholders (secondary beneficiaries) not directly involved in the project but are affected by the project and who were consulted include, community leaders, government officials from the State Ministries of Agriculture and Environment, the State Forestry Commission, Cross River National Park as well as a cross section of the civil society (CSOs) and non-governmental organizations (NGOs).

➢ The specific methods adopted in these consultations included, but not limited to the following:

  o Community meetings
  o Focus Group Discussions
  o One-on-one engagement with affected persons – In-depth interview and Key Informant interview
  o Advocacy visits and consultations with the relevant Ministries, Departments and Agencies (MDAs), and CSOs/NGOs

The cost for implementing the Environmental and Social Management Plan (ESMP) for Abase Eyenwam Farmers for the 4MT oil palm processing facility is estimated at about Eight Hundred and Eight Hundred Thousand Naira (₦880,000.00) only.
CHAPTER ONE

BACKGROUND:

Commercial Agriculture Development Project (CADP) Background

As articulated in the National Economic Empowerment and Development Strategy (NEEDS) document, Nigeria is seeking options to diversify into non oil sources of growth that will take the country away from over dependence on oil. The agricultural sector is seen as a second best option viable, having been recognized as second largest revenue earning for the country, not minding the long years of neglect by the government. It is now one of the pillars of the present government’s ‘Economic Transformation’ agenda! Development of commercial agriculture affords a short to medium term opportunity to increase employment and reduce, particularly, rural poverty and make growth sustainable.

In 2007, World Bank (WB) reported that agriculture employed about two-thirds of Nigeria’s total labour force, contributed 42.2% of Gross Domestic Products (GDP), and provided 88% of non-oil earnings.

The establishment of the Commercial Agriculture Development Project (CADP) by World Bank in 2007 was intended to increase agricultural productivity through the introduction of improved technologies, creation of a conducive investment climate and provision of infrastructure to the small and medium agricultural farmers in the five participating states namely: Cross River, Enugu, Kaduna, Kano and Lagos states respectively.

The Project (CADP) is currently promoting private sector driven agricultural on value chain development approach to enhance accelerated agricultural growth and value addition. The value chains across the participating states includes: cocoa, oil palm, rice, fruit trees, poultry production, dairy, aquaculture with maize and rice as staples in its component1.

Cross River State is among the five pilot states in Nigeria currently benefiting from the support of the project by the Federal Government of Nigeria and the World Bank in the operational value chains- cocoa, oil palm and rice. Farm Access roads and rural energy support to the state is also on-going to provide linkage to markets for small and medium scale commercial agriculture cooperatives currently benefiting from the CADP support, to
bring about the desired agricultural transformation and output as set out in the project development objective (PDO).

The need for Safeguard Instruments in the Project Implementation

The Project Development Objective (PDO) of the commercial agriculture development project is to strengthen agricultural production systems and facilitate access to market for targeted value chains among small and medium scale commercial farmers in the five participating states, including Cross River State. CADP is community-driven and the approach gives communities / farmers the liberty to design their plans and mobilize investment resources.

Historical Perspective of Oil Palm Value Chain support in Cross River State CADP

Oil Palm Value Chain currently supported by the Commercial Agriculture Development Project (CADP) with assistance from the World Bank, suffered a 10 month moratorium by the International Finance Cooperation (IFC) on grounds of associated poor environmental and social practices pending the existence of a sustainable strategy to safeguard the investment. In response to addressing this implementation challenge, the Cross River State Commercial Agriculture Development Project (SCADO) engaged the services of a consulting firm to prepare and facilitate the Cross River State Oil Palm Development Strategy Document which showed evidently that, there were laws and policies of government that favor sound environmental practices in Cross River State as opposed to the incidences in South East Asia (Indonesia) during the statewide Round Table On Sustainable Palm Oil (RSPO) tagged “1st Cross River State Oil Palm Forum” in Calabar on the 30th September, 2010 widely attended by government officials, commercial banks, representatives of civil societies organizations, market women, trade unions, farmers and the press to review issues on the moratorium and to proffer solutions to the problem. Issues and concerns were raised and the need to impress on the IFC to lift the moratorium placed on oil palm investment in the state. Further efforts by the Cross River State Commercial Agriculture was follow up by the Civil Society Consultative Groups Mission (CCG) from 15- 20th of November, 2010 held at Iyanni Hotel Ugep, Yakurr LGA, Cross River State. The meeting was attended by oil palm farmers, civil society organizations, community leaders, representatives of commercial banks, market women and trade unions assembled to address and formulate measures towards the lifting of the moratorium.

As a follow up to this, the State Commercial Agriculture Development Project In response to the Cross River State Oil Palm Strategy Report, the Senior Environmental Specialist of the World Bank- Dr Amos Abu carried out a Due Diligence Mission to the state from January 23-28th, 2011 to ratify
the Cross River State Oil Palm Strategy Document where series of meetings were held with government representative- Commissioners of Agriculture and Environment Forestry Commission, National Park Service, Oil Palm Investment Firms, Civil Societies Groups to gather data which led to the lifting of the moratorium on oil palm value chain in March, 2011 by the International Finance Cooperation.

OIL PALM AND SAFEGUARD PARAMETERS:
In line with the provisions of the Environmental and Social Management Framework (ESMF) and Environmental Assessment (EA) of CADP, and the recommendations of supervision missions, a number of projects site specific safeguard instruments are expected to be put in place that will ensure the sustainability of the results of the project.

The aim of this study therefore, is to provide technical environmental and social safeguards support to Cross River State CADP Project Management Units in preparing an Environmental and Social Management Plan for Abase Eyewam oil palm processing mill facility for disclosure.

The Environmental and Social Management Framework (ESMF)
The Federal and State Governments of Nigeria, and the World Bank in 2007 adopted an Environmental and Social Management Framework (ESMF). This framework is a mechanism to determine, as well as assess future potential environmental and social impacts of the Commercial Agriculture Development Project (CADP) and, subsequently set out mitigation, monitoring and institutional measures in the course of the implementation and operations of any proposed investments with an aim, either to eliminate their adverse environmental and social impacts, or offset them, or alternatively, to reduce these adverse impacts to acceptable levels.

The objectives of the ESMF are, inter alia:

- To establish clear procedures and methodologies for the environmental and social planning, review, approval and implementation of investments to be financed under the Project;
- To specify appropriate roles and responsibilities, and outline the necessary reporting procedures, for managing and monitoring environmental and social concerns related to Project investments;
- To determine the training, capacity building and technical assistance needed to successfully implement the provisions of the ESMF and;
- To establish the Project funding required to implement the ESMP requirements.
The ESMF prepared by the Federal Government of Nigeria in collaboration with the World Bank will establish a unified process for addressing all environmental and social safeguard issues throughout the different sub-projects’ implementation and project effectiveness. Effective implementation of an ESMF will ensure that both substantive concerns of the required World Bank Safeguards and the Nigeria’s National Environmental Policies are satisfactorily addressed.

In order to meet the above objectives of ESMF, sub-projects funded by the proposed project will follow environmental and social screening process using the National Environmental Impact Assessment (EIA) Guidelines and Procedures and the World Bank’s Safeguard Policies as stipulated in the Environmental Assessment Policy (OP/BP 4.01). The ESMF provides guidance on both main potential positive and negative impacts of potential environmental concerns likely to arise from the various project interventions proposed under the project. On the hand, mitigation measures for possible negative impacts are clearly spelt out in the ESMF.

**Objectives of the Environmental and Social Management Plan (ESMP)**

This environmental and social management plan seeks to effectively address, protect and reduce potential adverse environmental and social consequences from Abase Eyewam Oil Palm MPCs located at Ikot Ene, in Akpabuyo Local Government Area of Cross River State of Nigeria. – by developing detailed mitigation measures, monitoring plans, schedules, reporting procedures, roles and responsibilities of stakeholders. Throughout the project cycle, the ESMP must be reviewed to ensure environmental safeguard compliance.

The specific Objectives of ESMP are:

- Quick field verification to assess any relevant environmental concerns in the market and its surroundings;
- Appraise the project activities and determine any potential negative and positive impacts on the environment
- Identify sensitive components of the existing environment within the area and environs;
- Establish the existing state of the environment and identify sensitive components of the project areas and influence.
Approach and Methodology

In the establishment of Environmental and Social Management Plan for the Abase Eyewam MPCS (Oil Palm Processing) in Akpabuyo LGA in Cross River Southern Senatorial District; the following approaches were adopted:

a) Site reconnaissance visits were undertaken to determine existing conditions and activities on the proposed processing mill site. The visits were also used to assess the immediate environments of the sites;

b) Sites assessment studies, including environmental and social issues relevant to the project areas and the potential impacts of the existing activities on the environments;

c) Focus Group Studies, In-depth and Key informant interviews;

d) Consultations with relevant stakeholders
CHAPTER TWO

BIO-PHYSICAL AND SOCIO ECONOMIC CHARACTERISTICS:
Abase Eyewam Farmers Palm Oil Processing Mill is located in Ikot Ene along Ikponta Road in Akpabuyo Local Government Area of the state. The Community is adjoined with other farming communities who contribute to the economic viability of the community through commerce. The proposed project is situated on a degraded land adjoining other farming communities giving justification to the outcry for modern oil palm processing equipment to harnessed the economic wastages. The Cooperative is a pioneer oil palm business group that is providing economic leadership in the communities with large oil palm farm holdings but with very mean outcome due to poor and crude milling equipment. There are prospects for possible expansion to utilize the abundant degraded lands around the communities. Evidently, there are high level economic activities in the area in line with the favourable economic location of the town surrounded by the palm oil marketers from Calabar and other neighbouring towns. There are secondary, primary, and nursery schools in the area, a general hospital, clinics, churches and civic centres to bring about socio economic change and transformation.

POTENTIAL SIGNIFICANT ENVIRONMENTAL AND SOCIAL IMPACTS IDENTIFIED:
The following are the potential significant environmental and social impacts associated with oil palm processing subproject.

1. Solid waste generation
2. Pollution from spillages - effluents and sludge
4. Fumes emission during milling operations
5. Noise pollution from milling machinery
6. Insanitary and low hygiene conditions around milling environment
7. Human wastes generation/ gender based issues
8. Communal spread of contagious diseases eg. HIV/AIDS, STIs
9. Soil degradation

GENDER DISAGGREGATION:
The CIG is made up of Eleven Members disaggregated by gender by the following matrix: (Males = 8, Females = 3) as primary beneficiaries.
Indirect or secondary beneficiaries are about One Thousand, Seven Hundred (1,700) comprising youths, widows, and young school leavers. Provision of a 4MT milling equipment for the cooperative will address many economic challenges faced by the various social grouping in the community.
Furthermore, there will be a sharp reduction in economic poverty ravaging the sub-groups in the adjoining communities and thus complementing the PDO of CADP. Abase Eyewam MPCS is currently addressing the critical issues of social vulnerability with 3 out of 11 of the primary members are people living positive (PLP).

**Topography**

Cross River State is one of the five states in Nigeria that is implementing the Commercial Agricultural Development Programme. Geographically, the State is located around the South East of Nigeria though geo-politically, it is one of the six South-South States in Nigeria. The State lies between Latitude $40^\circ 4^\prime$ and south and $60^\circ 30^\prime$ north, and between Longitude $8^\circ$ and $9^\circ 0^\prime$ east of the equator (see map of Nigeria above showing location of Cross River State).
State is bounded to the North by Benue State of Nigeria; to the East by the Republic of Cameroun; to the West by Ebonyi, Abia and Akwa Ibom States of Nigeria, and to the South by the Atlantic coastline. It’s projected population is estimated at about 3 million according to the National Population Commission (NPC) Census figures of 2006.

**VEGETATION**

The vegetation and land use of the State is covered by the mangrove swamp and tropical forest ecosystems in the southern and central parts to the derived savannah in the northern part of the State. Hence given the diverse nature of her vegetation and climate conditions, crop production is also diverse.

The map below represents the entire Cross River State showing the 18 Local Government Areas in the state where the project site is located. Akpabuyo LGA can be sited towards the southern end of the state where the sub-project is located.

**DETAILED DESCRIPTION OF PROJECT LOCATION/ ACTIVITIES**

Abase Eyewam Palm Oil MPCs is located in Ikot Ene Village in Akpabuyo Local Government Area, in the Southern Senatorial District of Cross River State. The GPS Co-ordinates of the area lies latitude 06° 10. 099 N, and longitude 008° 09. 582 E.

The proposes processing mill facility is sited on a degraded plot located about 7km away from the community. The plot is commonly owned by the Cooperative Society. The CIG has over thirty (30) years experience in oil palm related business. The total oil palm planted area owned by the CIG is about 99 hectares of early maturing, high yielding and disease resistant TENERA Spp of oil palm seedlings from Nigerian Institute for Palm Oil Research (NIFOR).

The primary source of fresh fruit bunches (ffb) to feed the 4MT per/day palm oil processing facility for Abase Eyewam MPCs, will be sourced from owned old oil palm plantations which are predominantly on small holdings, cultivated on degraded lands and located away from buffer zones and high valued ecosystems of the state, clustered within 2.5km² radius in Ikot Ene Village, Akpabuyo Local Government Area of Cross River State. Members of Ikot Ene community in Akpabuyo Local Government Area of Cross River State, are predominantly oil palm farmers, traders and fisher men.

Secondary source of fresh fruit bunches (ffb) for daily milling operations will be sourced from government owned old oil palm plantations and fruits from adjoining oil palm estates established at post Independence. Most of the plantations are very old and will need to be replanted with high-
yielding varieties with new developments taking place only on already deforested and/or degraded lands away from the fringes of the High Conservation Value Areas that provide habitats for threatened and endangered species. It is to be noted that, deforestation in Cross River State was largely curtailed by the late 1990s and only about 3.5% of it is ascribed to oil palm cultivation.

Persistent Fresh Fruit Bunches (FFB) losses is a recurring trend faced by the CIG due to crude traditional processing methods, absence of modern oil palm processing equipment, low processing capacity and extraction ratio, associated environmental degradation arising from the identified challenges, necessitated the intervention of the CADP for the procurement of a 4MT/day processing mill with high processing efficiency. Apart from improved efficiency in processing own fruits, the intervention is expected to generate income from processing other non CIGs members fruits from adjoining communities to bring about rapid socio-economic transformation and rural poverty reduction as set out in the PDO of Commercial Agriculture Development Project.
Vegetation Map of Cross River State Showing forest reserve areas.
CHAPTER THREE
ADMINISTRATIVE AND LEGAL FRAMEWORK:

CADP triggered three policies of the World Bank which are: 0P 4.01-Environmental Assessment-EA, 0P 4.09 Pest Management (PM) and 0P 4.12 Involuntary Resettlement. The project had accordingly designed corresponding safeguards instruments- Environmental and Social Management Framework, Pest Management Plan and Resettlement Policy Framework to safeguard against any adverse environmental and social impacts. In addition, the Environmental and Social Management Plan (ESMPs) prepared for Abase Eyewam oil palm subproject supported had carefully outlined the associated environmental and social impacts, and proposed mitigations to potential adverse environmental and social impacts that may arise in the course of oil palm processing activities.

REGULATORY FRAMEWORK GUIDING INVESTMENT / DEVELOPMENT

The Constitution of the Federal Republic of Nigeria (CFRN) of 1999 provides the general thrust of the nation’s environmental policy through S. 20 that provides: “The State shall protect and improve the environment and safeguard the water, air and land, forest and wild life of Nigeria.” Consequently, subsidiary laws and regulations have been made and international conventions and other instruments entered into pursuant to the constitution’s set objectives.

These include:

- Laws and regulations, standards, policies, codes and recommended practices Relating to the Infrastructural Development by the Nigerian Government and its Agencies such as the Federal Ministry of Environment and the Cross River State Ministry of Physical Planning.
- International guidelines and conventions to which Nigeria is a signatory.
- National Policy on Environment (1989) and as reviewed in 1999

FEDERAL AND CROSS RIVER STATE ENVIRONMENTAL REGULATORY BODIES


The Federal Environmental Protection Agency (FEPA) was established by Decree No. 58 of 1988 and subsequently amended by Decree 59 of 1992 with further amendment by Decree 14 of 1999. FEPA was absorbed into the Federal Ministry of Environment (FMENV) in 1999 by a presidential directive
and its functions among others are now the responsibility of the new Ministry. The FEPA Act has now been repealed in the NESREA Act No 25 of 2007.

**The National Environmental Standards and Regulations Enforcement Agency (NESREA) Act No 25 of 2007**

The Agency, shall, subject to the provisions of this Act, have responsibility for the protection and development of the environment, biodiversity conservation and sustainable development of Nigeria’s natural resources in general and environmental technology, including coordination and liaison with relevant stakeholders within and outside Nigeria on matters of enforcement of environmental standards, regulations, rules, laws, policies and guidelines.

With regard to sewage and domestic effluent control there are Federal Regulations and State Sanitation Laws. Some of these regulations include:

- **The National Guidelines and Standards for Environmental Pollution control in Nigeria (March, 1991)**, which is the basic instrument for monitoring and controlling industrial and urban pollution;
- **The National Environmental Protection (Effluent Limitation) Regulations S.I.8 of 1991**, which makes it mandatory for industrial facilities to install anti-pollution equipment, makes provision for effluent treatment and prescribes maximum limits of effluent parameters allowed for contraventions. It also provides that all industries in Nigeria should be operated on the basis of Best Available Technology (BAT);
- **The National Environmental Protection (Pollution Abatement in Industries and Facilities Generating Wastes) Regulations S.I.9 of 1991**, which imposes restrictions on the release of toxic substances and stipulates requirements for monitoring of pollution; it also makes it mandatory for existing industries and facilities to conduct an environmental audit;
- **The National Environmental Protection (Waste Management) Regulations S.I.15 of 1991**, which regulates the collection, treatment and disposal of solid and hazardous wastes from municipal and industrial source.
- **Environmental Impact Assessment (EIA) Act Cap 131 LFN 1991**; This law makes it mandatory to have an EIA study for any major development project likely to have adverse effects on the environment and seeks to encourage the development of procedures for information exchange, notification and consultation between organs and persons when proposed activities are likely to have significant environmental effects on boundary or trans-state or on the environment of bordering towns and villages. The law prescribes the procedure for conducting and reporting EIAs.
Statutory Limits for Effluents and Gaseous Emissions: The Guidelines and Standards for Environmental Pollution Control in Nigeria (FEPA, 1991) provides interim permissible limits as protective measures against indiscriminate discharge of particulate matter and untreated industrial effluents into lakes, rivers, estuaries, lagoons and coastal waters.

Air Quality Standards: There are ambient air quality limitations and standards in Nigeria enforced by the FMENV, NESREA and CRSEPA.

Noise Limitations: There are noise limitations and standard being enforced by the most recent NESREA Regulation (2009). The elements of the regulations include:

* Noise standards including acoustic guarantees;
* Guidelines for the control of neighborhoods noises especially with respect to construction sites, market and meeting places;
* Permissible noise levels in noise-prone industries and construction sites and to ensure the installation of noise dampers on noisy equipment.

LAWS

(i) Harmful Waste (Special Criminal Provisions etc.) Act. Cap 165, LFN 1990 seeks to prevent the authorized dumping or depositing of harmful waste on water or land and criminalizes the act of transporting, dumping and depositing harmful waste on land or water. The Decree’s provisions make it clear that management of a corporate body may be liable for the offence.

(ii) Criminal Code Act Cap 77 LFN 1990. The Act specifies that fouling of water bodies is a criminal offence.

(iii) Land Use Act Cap 202 LFN 1990. This legislation put an end to absolute ownership of land by the individual and community and vests “all land comprised in the territory of each state (except land vested in the Federal Government or its agencies) solely in the Governor of the State, who would hold such land in trust for the people.”

Cross River State Ministry of Environment and CR State Environmental Protection Agency (CRSEPA) Edicts

All the States in Nigeria have power to make laws with respect to the environment under the Constitution. This is because the subjects relating to the environment are contained in the concurrent legislative list.

Cross River State established the State Environmental Protection Agency (CRSEPA) in 1996. The edict spells out clearly the functions and authority of the agency, and also imposed restrictions on the release of toxic materials into the environment as well as responsibilities of industries whose operation are likely to negatively impact the environment.

* Cross River State Environmental Protection Law, 1999

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• Cross River State Sanitation Edict, 2000

Other Statutory Regulations, Legislations and Guidelines related to infrastructural Development activities in Nigeria include:

• Nigerian Urban and Regional Planning Law No 88 of 1992
• National Guidelines for Environmental Audit in Nigeria, 2011
• Guidelines and Standards for Environmental Pollution Control 1991.
• National Guidelines on Environmental Management Systems
• Blueprint on Environmental Enforcement: A Citizens Guide.

1.1 WORLD BANK SAFEGUARD POLICIES

World Bank Safeguards Policies provide a platform for the participation of stakeholders in project design and have been an important instrument for building a sense of ownership among local populations. The World Bank’s Environmental and Social Safeguard Policies are cornerstones of its support to sustainable poverty reduction and therefore ensure that Environmental and Social issues are evaluated in decision making towards reducing and management of project/program risk. The process inherently provides mechanisms for Consultations and Disclosure of Information to the public and relevant stakeholders.

The Bank’s 10+2 Safeguard Policies comprises of the following:

• 4.01 Environmental Assessment (EA)
• 4.04 Natural Habitats
• 4.09 Pest Management
• 4.11 Physical Cultural Resources
• 4.12 Involuntary Resettlement
• 4.20 Indigenous Peoples
• 4.36 Forests
• 4.37 Safety of Dams
• 7.50 Projects on International Waterways
• 7.60 Projects in Disputed Areas
• Plus….BP17.50 Public Disclosure
• Piloting Use of Country Systems for Environmental and Social Safeguards
The World Bank safeguards policies, the Federal Republic of Nigeria Environmental Protection laws, conventions and Environmental Protection laws and Acts of the Government of Cross River State are similar in context and operation.

**World Bank Policies triggered by CADP:**

**OP 4.01 Environmental Assessment:**
The specific objectives of the policy aimed at ensuring that, subprojects funded by the WB conform to sound environmental and social parameters. The policy incorporates appropriate decision making process and analysis of actions. Environmental Assessment summarizes the depth, type, nature and scale of the potential environmental impact(s) of the proposed subproject. The policy accounts for the natural environment- water, air, soil, humans health, safety related issues; indigenous people, cultural property, trans-boundary and global environmental issues. Environmental Assessment of the WB is considered triggered if a subproject is likely to cause certain risks and potential adverse impacts within its site of location. Furthermore, CADP triggered EA in areas of air, soil and surface and ground water pollution, vegetation loss, noise, health related impacts, loss of access to livelihood etc.

**OP 4.09- Pest Management:**
This policy objective seeks to promote the use of biological and environmental applications in the control of pests of crop plants in the implementation of the project in order to reduce reliance on synthetic chemical pesticides. The policy advocates for the control of pests population through Integrated Pest Management approaches because the World Bank will not fund the procurement of obsolete pesticides.

**OP 4.12- Involuntary Resettlement:**
The objective seeks to:

a. Avoid or minimize involuntary resettlement where feasible and explore all viable alternative project design and location
b. Encourage public and community driven participation in planning and implementing resettlement based issues
c. Assist displaced persons in improving their living standards, production levels, income earning capacities or restoring them.
d. Provide support to project affected people (PAP) regardless of the legality of land status, tenure- squatters and encroachers inclusive.
It is clear that, there exist strong relationship between the three safeguards policies of the World Bank triggered by the Commercial Agriculture Development Project (CADP) and the laws of the Federal Government of Nigeria (the Federal Environmental Protection Agency, FEPA Decree No.58 of 1998 and subsequently amended by Decree 59 of 1992 with further amendment by Decree 14 of 1999 on environmental quality control and abatement).

Abase Eyewam Oil Palm Processing sub-project triggered OP 4.01 -Environmental Assessment (EA) of the World Bank upon which the ESMP was prepared.

**linkage of ESMP with other safeguards instrument:**
The Environmental and Social Management Plan-ESMP has been prepared in compliance with the Environmental and Social Management Framework-ESMF prepared by the project and it clearly captured OP 4.01- Environmental Assessment of the project.
CHAPTER FOUR

SIGNIFICANT ENVIRONMENTAL AND SOCIAL ACTIVITIES TO BE ADDRESSED BY THE ESMP:

Abase Eyewam Palm Oil Processing mill has some significant environmental and social issues associated with its implementation. The ESMP prepared contains well articulated plan to tackle environmental and social issues associated with the implementation couple with strong legislation and policy instruments of the Government Cross River State. The Environmental and Social Management Framework of CADP provides that any sub-projects with adverse environmental effect will not be funded by the project.

Some of the potential significant environmental and social impacts identified during the consultations process which have been addressed in the ESMP for the implementation of the sub-project include the following:

(i) sewage- sludge and effluent discharge,
(ii) hygiene and sanitation issues
(iii) fumes emission
(iv) Industrial noise
(v) solid waste generation
(vi) gender considerations
(vii) Spread of communicable diseases among the people
(viii) Accidents / injury to mill operators..

Mitigation measures and mechanisms have carefully been proposed: The CIG will work within the framework of the Environmental and Social management Plan (ESMP), proposed for the purpose of identifying and mitigating potential negative environmental and social impacts at the sub-project planning stage.

Furthermore, to avoid or minimize adverse impacts associated with the proposed sub-project, mitigation measures are to be implemented as part of proposed sub-project operation. Some of the recurring environmental and social effects envisaged and their proposed mitigation measures have been carefully highlighted in the enclosed plan.
### POTENTIAL SIGNIFICANT IMPACTS AND PROPOSED MITIGATION MEASURES:

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<th>Proposed Mitigation Measures</th>
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<td>Provision of high technologically crafted sludge pit to trap to sludge and effluents for recycling into useful industrial and economic uses</td>
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<tr>
<td>Hygiene/ sanitation issues</td>
<td>Routine clean up of mill flour to prevent industrial accidents</td>
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<td>Fumes emission from milling operations</td>
<td>Channel exhaust away from mill workers</td>
</tr>
<tr>
<td>Accidents / injury to mill operators</td>
<td>Capacity training of mill workers on machinery operation</td>
</tr>
<tr>
<td>Solid waste generation from ffb and human</td>
<td>Assemble used ffb to recycle as manure on the farm and source of energy for nut sterilization</td>
</tr>
<tr>
<td></td>
<td>- Mobile toilets are provided for human waste at the mill site</td>
</tr>
<tr>
<td>Gender/ child labor issues</td>
<td>Gender consideration is given priority in Abase Eyewam MPCs</td>
</tr>
<tr>
<td></td>
<td>- Cross River State Government Child’s Right Act is in force in the State.</td>
</tr>
<tr>
<td>Spread of communicable diseases eg. HIV/AIDS, STIs/STDs etc</td>
<td>Regular advocacy and community enlightenment campaigns workshop/seminars to educate on preventive measures.</td>
</tr>
</tbody>
</table>
CHAPTER FIVE

DETAILED ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN FOR ABASE EYEWAM MPCS IMPLEMENTATION ARRANGEMENT

Environmental and Social Management Plan summarizes environmental, health and occupation impacts of the proposed sub-project describing mitigation measures and institutional responsibilities, timeline and cost implications to enforce compliance.

Mitigations measures have been identified to address adverse environmental and social impacts associated with the proposed Abase Eyewam Oil Palm mill Processing facility as indicated in the page below:
### Detailed Environmental and Social Management Plan for Abase Eyewam MPCs Implementation Arrangement:

<table>
<thead>
<tr>
<th>Description of Environmental and Social Impacts</th>
<th>Proposed Mitigation Measures</th>
<th>Monitoring Plan</th>
<th>Institutional Responsibility</th>
<th>Time Line</th>
<th>Cost and Source of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conflict with Service Provider on the procurement of services.</td>
<td>Training of CIG members on Procurement Procedures and processes as well as conflict resolution dynamics</td>
<td>Ensure that the farmers are adequately trained on how to procure goods and services. Ensure participatory processes to enhance transparency and public confidence - Selection of service provider is exclusively the responsibility of the CIG</td>
<td>Environmental Officer, Training Officer, Procurement Officer, and Oil Palm Facilitator</td>
<td>Before sub-project implementation</td>
<td>₦50,000.00</td>
</tr>
<tr>
<td>Status of land ownership for sub project site</td>
<td>Project site for the construction of the palm oil mill is owned by Abase Eyewam MPCs and will not trigger any conflict.</td>
<td>Visit and consultation meetings with the CIG on the selection of project site to determine ownership status and environmental suitability</td>
<td>ESMO, CADA, CIG</td>
<td>During sub-project identification</td>
<td>₦60,000.00</td>
</tr>
<tr>
<td>Noise pollution/ Fumes emission into the atmosphere from milling operations</td>
<td>Procure modern, efficient and noise proof milling equipment Mill Workers would</td>
<td>Ensure that modern, efficient, noise proof and environment friendly equipment are procured.</td>
<td>Environmental Officer, Procurement Officer/Service Provider</td>
<td>During sub-project implementation</td>
<td>As contained in the Business Plan</td>
</tr>
<tr>
<td>Issue Description</td>
<td>Solution</td>
<td>Responsible Officer</td>
<td>Budget</td>
<td></td>
<td></td>
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<tr>
<td>---------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Accidents and injury to Mill Operators and other mill workers</td>
<td>Training of mill operators/ personnel to adhere to satisfactory occupational health and safety standards and regular use of Personal Protective Equipment (PPE)</td>
<td>Environmental and Social Management Officer, Training Officer</td>
<td>100,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Retraining of mill operators on personal/health safety applications</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ensure that First AID Box is in place around the milling environment and routine trainings are carried out</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contamination of mills floor due to oil spillage during milling operations</td>
<td>Promoting sanitation and hygiene consciousness among mill workers through advocacy</td>
<td>Environmental and Social Mgt Officer, Communication Officer, CADA</td>
<td>40,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ensure that mills are managed sanitarily in line with International Hygiene Standards (IHS).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Waste Generation during Operations (human waste: feaces, litters and rags etc)</td>
<td>Training of CIG on waste management technology and disposal. Provide mobile VIP Toilets for mill workers to encourage gender considerations.</td>
<td>Routine visits to processing mills for hygiene advocacy talks with workers and adequate installation of sanitary sludge pits for effluent management and best practices.</td>
<td>Environmental officer / Training officer, Fac. Oil Palm and community health officers</td>
<td>During sub-project implementation</td>
<td>250,000.00</td>
</tr>
<tr>
<td>---</td>
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</tr>
<tr>
<td>Pollution from oil palm effluents / sludge into water courses and sensitive ecosystems.</td>
<td>Provision of sanitary oriented sludge pits to channel effluents and sludge to avoid terrestrial and downstream pollution as advocated by the Four Pillars for engaging in oil palm investment by the IFC’s new approach.</td>
<td>Carry out of periodic mill monitoring to support efficient waste management.</td>
<td>Environmental and Social Management Officer, Service Provider /Local Consultant.</td>
<td>During sub-project implementation</td>
<td>300,000.00</td>
</tr>
<tr>
<td>Possible engagement of child labor in oil palm milling operations and long working hours for workers</td>
<td>Cross River State Government Child Rights Act and UN Article 21 are in force in the state to prevent child labor. Community awareness/enlightenment meetings will be held on the Child’s Right.</td>
<td>Regular media talk and field advocacy visits to monitor the enforcement of the policy of Child’s Rights Act.</td>
<td>Environmental and Social Mgt Officer, Facilitator oil palm, CADA, CIG</td>
<td>During sub-project implementation</td>
<td>100,000.00</td>
</tr>
<tr>
<td>Act promotion</td>
<td></td>
<td></td>
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<tr>
<td>--------------------------------------------------</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Workers wages and treatment should be commensurate to the prescribed ILO’s recommendations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| TOTAL AMOUNT FOR THE IMPLEMENTATION OF ABASE EYENWAM MPCS | N880,000.00 |
CHAPTER SIX

INSTITUTIONAL ARRANGEMENT/RESPONSIBILITIES FOR IMPLEMENTING THE ESMP

Implementation of the Environmental and Social Management Plan entails compliance and monitoring of the mitigation measures in the subproject cycle. Implementation steps are (i) notification and information disclosure (ii) capacity building and training (iii) documentation and (iv) monitoring. The institutional responsibility for implementation of the proposed mitigation measures in the ESMP will be shared among the following stakeholders and institutions: Abase Eyewam MPCs, Commercial Agriculture Development Association (CADA), Cross River State Commercial Agriculture Development Project, Cross River State Ministry of Environment, Cross River State Waste Management Agency, Cross River State Environmental Protection Agency, NESREA, FMENV, NGOs/CBOs, CADP Coordinating Office and the World Bank.

DEFINITION OF ROLES AND RESPONSIBILITIES FOR STAKEHOLDERS:

1. **Farm Owners/ Proponents**: Abase Eyewam CIG, as the subproject proponents shall undertake the day to day responsibility for the physical implementation of the ESMP and ensuring that the proposed implementation are environmentally sound, sustainable and socially inclusive.

2. **SCADO’s Environmental and Social Safeguard Officer**: He shall be responsible for the supervision and support to the farm owners to monitor the implementation of the ESMP and to build the capacity of the proponents.

3. **NGOs/CBOs**: These would be responsible for ensuring continuous engagement and provision of feedback on the implementation of the ESMP by the proponents, regular participation in supervision mission and carrying out third party/not state sectors monitoring as may be required.

4. **State and Federal Ministries of Environment**: These institutions shall be responsible for the state and federal level supervision/participation to ensure compliance with applicable environmental laws and regulations.

5. **World Bank**: The World Bank would undertake supervision/oversight and carry out due diligence, provide technical support, conduct capacity building to environmental officers and the proponent/farm owners, and coordinate engagement with beneficiaries in accordance with the proposed plan.

In order for staff and cooperative members to understand what is required, specific responsibilities have been outlined below. These responsibilities could be integrated into staff job description or taken as stand-alone.
The key responsibilities of the ESMPs implementation team are stated below with specific details being outlined herein. These include

- Coordination, liaison with and monitoring of the operations of the cooperative
- Compilation and preparation of periodic environmental reports for submission to the relevant agencies such as World Bank
- Data management; and
- Sub-project inspections.

**TABLE 7.1: ESMP Implementation Team and Responsibilities**

<table>
<thead>
<tr>
<th>Title</th>
<th>Responsibilities</th>
<th>Monitoring/Supervision</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Bank</td>
<td>Supervising, monitoring, guidance and review of documents.</td>
<td>WB</td>
</tr>
<tr>
<td>CRSCADP Environment/Social Unit</td>
<td>Supervising, monitoring, support to subproject proponents and build the capacity of the proponent.</td>
<td>SPC/ESMO</td>
</tr>
<tr>
<td>Cross River State Waste Management Agencies (CRSWMA, CRSSEPA)</td>
<td>Supervising and monitoring, providing their services as regards waste, continuous engagement and provision of feedback on the implementation of the ESMP by the proponent, participation in supervision missions and conducting third party/ non state actors monitoring.</td>
<td>CRSCADP(ESMO)/ NGOs/CSOs</td>
</tr>
<tr>
<td>Farm owners/proponents (CIG)</td>
<td>Develop a process to ensure the implementation of the ESMP occurs in a structured and formal manner and to ensure that personnel identified to assist in performing tasks defined in the ESMP have the necessary skills to manage the environmental aspects of their work. Make sure that the specific system for environmental management is planned, documented, implemented and maintained through all stages of the project Certify that project works is continuing according to the ESMP Ensure that all activities are completed to specifications.</td>
<td>CADP/WB</td>
</tr>
<tr>
<td>CIG/ Farm Owners</td>
<td>Ensure workers are abreast with all safety measures put in place for the project, bridging communication with all stakeholders.</td>
<td>CRSCADP ESMO</td>
</tr>
<tr>
<td>------------------</td>
<td>------------------------------------------------------------------------------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>CIG / Farm Owners</td>
<td>Ensure that all workers involved in the project are inducted into environmental and emergency procedures applicable on site, Instruct subcontractors on control measures.</td>
<td>CRSCADP, Consultant/CRSSEPA/WB</td>
</tr>
<tr>
<td></td>
<td>Direct site activities according to ESMP. Monitor operations of the ESMP and recommend any necessary changes to project manager</td>
<td>CRSCADP/FMENV/CR SSEPA/NESREA/WB</td>
</tr>
<tr>
<td></td>
<td>Maintain regular contact with all client and personnel to ensure a safe working environment and work practices.</td>
<td>CRSCADP/CRSSEPA/NESREA, WB</td>
</tr>
<tr>
<td></td>
<td>Ensure that all subcontractors and suppliers have all necessary and current insurances and certificate of competency</td>
<td>CADP/WB</td>
</tr>
<tr>
<td></td>
<td>Collect delivery certificate for quality assurance.</td>
<td>CADP/WB</td>
</tr>
<tr>
<td>Mill Workers</td>
<td>Attend site induction and other training sessions. Make sure procedures are followed.</td>
<td>CADP/FMENV/CR SSEPA/WB</td>
</tr>
<tr>
<td>Service Providers/Subcontractors</td>
<td>Attend site induction and other training sessions. Make sure procedures are followed.</td>
<td>CADP/WB</td>
</tr>
<tr>
<td></td>
<td>Advise site supervisor of any potential or actual breaches of plan or statement</td>
<td>CADP/WB</td>
</tr>
<tr>
<td></td>
<td>Supply appropriate certificates for insurances and trade qualifications</td>
<td>CADP/WB</td>
</tr>
</tbody>
</table>
In order for the implementation team to ensure compliance with the ESMPs, it is recommended that basic training on environmental and social management be conducted as an initial implementation activity.

Each staff of Abase Eyewam MPCs involved in the oil processing mill project has a role to play in preventing environmental pollution and making the ESMPs work - this will be possible when some forms of training is given to all involved to help them to do it. The most well written ESMP will not prevent pollution if staffs are not trained about the risks and procedures for handling or addressing the risks.

CIG Members will be trained on site to know about their responsibilities to avoid pollution so that any arising problems do not become the liability of CRSCADP. It is imperative that they are trained by CRSCADP or be asked to provide evidence that they have given their staff the right training on the parts of these ESMPs that relate to their work. There is need to keep good records of who is trained, when and in what aspects – the paper trail is vital in demonstrating the implementation of ESMPs.

Training of staff and Commodity Interest Groups (CIGs) on the ESMPs can be integrated into an overall environmental, health and safety as well as conflict management and industrial waste handling training programme

Specifically, in the course of implementing the ESMP by Abase Eyewam MPCS, the following trainings are recommended for the CIG:

1. Conflict management and mitigation Training
2. Personal Health and Safety Training
3. Industrial waste (sludge and effluents) handling Training

Members of Abase Eyewam Palm Oil processing CIG will visit Real Oil processing firm to gain experience on sludge and effluent management, handling, recycling and disposal covering a total cost of Four Hundred Thousand Naira (₦400,000.00) only already captured in the cost for implementing the ESMP.
CHAPTER EIGHT

PUBLIC CONSULTATION WITH STAKEHOLDERS

Consultations and stakeholders engagements on the oil palm value chain investment had been severally held by the proponent in Cross River State. These fora were widely attended by diverse stakeholders including representatives of government, Cross River National Park, Oil Palm farmers, marketers, processors, market women, trade unions, NGOs, CBOs and members of Abase Eyewam CIG at the State Library Complex Calabar on September 30, 2010, tagged: 1st Cross River State Oil Palm Forum where the views of the participants were built into the Cross River State Oil Palm Development Strategy Document. In furtherance to that, there was also the Civil Society Consultative Group forum which was held from Nov. 15-18, 2010 at Iyangni Hotel Ugep, Yakurr Local Government Area, Cross River State. This was a followed up by the Due Diligence Mission of Jan.23rd,-28, 2011 to ratify the various findings and stakeholders recommendations which brought about the lifting of the 10 months IFC’s moratorium on oil palm value chain. Another community based consultation was also held at Ikot Ene community in Akpabuyo Council Hall on July 31,2012, in attendance were the village council, youth group, women wing and the general assembly to make inputs and ownership to the proposed oil palm processing mill facility which formed the basis for the prepared ESMP. During these discussions, references were made to the agreed recommendation for the lifting of the 10 months moratorium on oil palm by the IFC. Stakeholders commitments were reached on the new approach to investment. - the IFC’s Four Pillars which were adopted as guiding principle to prevent associated environmental degradation. During these meetings, significant potential impacts of palm oil processing were highlighted and shared among the participant who contributed immensely to the formulation of realistic mitigation measures against the identified impacts. Many concerns were raised during the discussions which are summarized below:

ISSUES AND CONCERNS RAISED

- How would the mill be repaired and maintained in the event of breakdown since they do not have technical experts within the community?
Since there are a lot of waste products from the mill, how do we dispose of them so that it would not cause problem with our neighbors?

The members also were concerned about their health and safety in view of the noise being generated from the oil mill and wanted to know what can be done to reduce the noise or protect them from such serious noise.

How could they prevent accidents/injury during milling operations?

RESPONSES TO ISSUES RAISED DURING THE CONSULTATION

Responding to the above concerns, members of the cooperative society were told that local mechanics and artisans would be supported to be given capacity to handle some minor repairs while the service provider can link them to professionals who can handle major repairs.

On waste disposals, they were told that sludge pits will be provided for liquid waste disposal and MoUs with waste management consultants towards recycling or conversion of some solid wastes into other useful products had already been reached by the project.

Concerning their health, they were told to make use of Personal Protection Equipment (PPE) during milling operations, procure a first aid box within the mill to address minor injuries and make use of the hospital that is within their farm/mill very effectively for regular medical check-up.

Above all, they were told that an Environmental and Social Management Plan with in-built mechanisms has been prepared by the consultant which will be made available to them.

Furthermore, there will be complemented by periodic capacity building training with regular and routine monitoring by SCADO, CADA and other Stakeholders.
A group of stakeholders met with ABASE EYEWAM MPCS, AKPABUYO LGA, CROSS RIVER STATE on [date].
Picture on the next page shows members of Abase Enyenwam MPCS, Ikot Ene Village, Akpabuyo LGA during one of such consultative meetings
CHAPTER NINE

MONITORING, EVALUATION AND REPORTING OF IMPACTS

Environmental monitoring and supervision for the implementation of the ESMP will be the operational responsibility of Cross River State Commercial Agriculture Development Project (CRSCADP) to ensure compliance to the applicable safeguards parameters and to facilitate environmental and social information generation, management and dissemination. Monitoring of the ESMP had been captured in the ESMP to be regular.

The proponent shall maintain daily records and information on the implementation of the proposed mitigation measures such as Personal protective Equipment (PPE) during milling operations, time spent, quantity of fresh fruit bunches (ffb) processed daily, metric tons of Crude Palm Oil (CPO) produced, metric tons of sludge produced, etc. The State Commercial Agriculture Development Office Environmental and Social Management Officer shall be responsible for the periodic site supervision to ensure compliance and back to office report to SCADO, NCO and the World Bank.

Monitoring of the Environmental and Social Management Plan by Implementation Team and their responsibilities

<table>
<thead>
<tr>
<th>S/N</th>
<th>Responsibilities</th>
<th>By Whom (Institutional Responsible)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Monitoring, supervision, guidance and review of documents</td>
<td>World Bank, CRSCADP, Envt./Social Mgt. Unit</td>
</tr>
<tr>
<td>2</td>
<td>Provide services to Abase Eyewam MPCs regarding proper waste disposal management techniques, environmental issues, etc.</td>
<td>ESM Unit, CRS Waste Mgt Agency, CRS Envt’l Protection Agency (CRSEPA)</td>
</tr>
<tr>
<td>3</td>
<td>Ensuring proper planning, documentation, implementation, and maintenance of some specific systems for environmental management are in placed through all stages of the sub-project. Making sure all activities are completed to specifications. Secondly, developing a process to ensure that implementation of the ESMP occurs in a structured and formal manner and equally, to ensure that officers who are responsible to assist in performing specific tasks which are identified in the ESMP are equipped with the necessary skills to manage the environmental aspects of their work. Certify that the project continues according to ESMP.</td>
<td>CADP (NCO), World Bank, PMU (CRSCADP)</td>
</tr>
<tr>
<td></td>
<td>Direct site activities according to the ESMP and monitoring of operations, as well as recommending necessary changes as the project may demand.</td>
<td>CRSCADP, NCO</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>5</td>
<td>Ensure day-to-day management of the farm and taking adequate care of all stages of implementations. Also to ensure that recommendations for proper adherence to the ESMP are observed and complied with</td>
<td>CIG, CADA</td>
</tr>
<tr>
<td>6</td>
<td>Capacity building of proponent and oversight functions</td>
<td>World Bank</td>
</tr>
</tbody>
</table>
CHAPTER TEN

CONCLUSION AND RECOMMENDATIONS
The proposed Abase Eyewem Oil Palm Processing MPCS request for support from Cross River State Commercial Agriculture Development Project to procure a 4MT modern oil palm processing equipment at Ikot Ene community in Akpabuyo to adequately harness the abundant economic opportunities in the area and to arrest the agricultural losses being faced by the people in the area, had been carefully addressed with emphasis on environmental and social best practices. Prevailing safeguard policies of the World Bank and GoN which CADP triggered and the corresponding safeguard frameworks prepared to prevent adverse environmental and social impacts in the course of the investment were sufficiently highlighted. Cross River Oil Palm Strategy Document, Due diligence assessment report, Civil Society Consultative Group –CCG and other necessary frameworks to guide investment in the oil palm sector as proposed by the International Finance Cooperation (IFC) in its new approach to investment (The Four Pillars); the leading role of the government of Cross River State in environmental protection and control; identification of existing laws, conventions and treaties entered into by the Federal Government of Nigeria, the mitigation measures, mechanisms, implementation timeline and institutions responsible to address the associated and potential implementation challenges were carefully identified and addressed. Key trainings to build the capacity of the proponents to implement the ESMP were identified and cost provided. Concerns raised by beneficiaries and stakeholders during the consultative meetings, responses made by the consultant and a detailed Environmental and Social Management Plan(ESMP) with cost implication of Eight Hundred and Eighty Thousand Naira (₦880,000.00) only is estimated to support and implement the prepared plan.
ANNEXURES:

1  CROSS RIVER STATE OIL PALM DEVELOPMENT STRATEGY REPORT
2  CIVIL SOCIETY CONSULTATIVE GROUP REPORT
3  DUE DILIGENCE (MORATORIUM LIFTING) REPORT
MINISTRY OF AGRICULTURE COMMERCIAL AGRICULTURE DEVELOPMENT PROJECT (CADP), CROSS RIVER STATE, NIGERIA

OIL PALM INTERVENTION STRATEGY FOR COMMERCIAL AGRICULTURE DEVELOPMENT IN CROSS RIVER STATE, NIGERIA

Submitted By

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FINAL REPORT
September, 2010
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ACRONYMS
BOD - Bio-chemical Oxygen Demand
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>CADA</td>
<td>Commercial Agricultural Development Association</td>
</tr>
<tr>
<td>CADP</td>
<td>Commercial Agricultural Development Project</td>
</tr>
<tr>
<td>CIG</td>
<td>Commodity Interest Group</td>
</tr>
<tr>
<td>COP</td>
<td>Conservator of Park</td>
</tr>
<tr>
<td>CRNP</td>
<td>Cross River National Park</td>
</tr>
<tr>
<td>EFFB</td>
<td>Empty Fresh Fruit Burch</td>
</tr>
<tr>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
</tr>
<tr>
<td>EMP</td>
<td>Environmental Management Plan</td>
</tr>
<tr>
<td>EO</td>
<td>Environmental Officer</td>
</tr>
<tr>
<td>FFB</td>
<td>Fresh Fruit Brunch</td>
</tr>
<tr>
<td>LGA</td>
<td>Local Government Area</td>
</tr>
<tr>
<td>MOA</td>
<td>Ministry of Agriculture</td>
</tr>
<tr>
<td>NGO</td>
<td>Non Governmental Organization</td>
</tr>
<tr>
<td>NIFOR</td>
<td>Nigerian Institute for Oil Palm Research</td>
</tr>
<tr>
<td>PKK</td>
<td>Palm Kernel Cake</td>
</tr>
<tr>
<td>PKM</td>
<td>Palm Kernel Meal</td>
</tr>
<tr>
<td>PKS</td>
<td>Palm Kernel Shell</td>
</tr>
<tr>
<td>POME</td>
<td>Palm Oil Milling Effluent</td>
</tr>
<tr>
<td>RSPOD</td>
<td>Roundtable on Sustainable Oil Palm Development</td>
</tr>
<tr>
<td>SES</td>
<td>Sustainable Environmental Solution</td>
</tr>
<tr>
<td>SFC</td>
<td>State Forestry Commission</td>
</tr>
<tr>
<td>SSPE</td>
<td>Small Scale Pressing Equipment</td>
</tr>
<tr>
<td>WBAP</td>
<td>World Bank Assisted Project</td>
</tr>
</tbody>
</table>

**ACKNOWLEDGEMENTS**
I wish to express my profound gratitude to the Cross River State Commercial Agriculture Development Project (CADP), Calabar for finding me qualified enough to be commissioned to render this consultancy service. I equally appreciate the cooperation of the Management of SCADO especially the State Project Coordinator (SPC) Mr. Duckham O. Amah and the Procurement Officer (PO) Pastor Ofem I. Omini in facilitating the commencement and the successful completion of this assignment. I am also grateful to all the members of the field work team Dr. Idiong, I.C (Socio-economist of Pedoquasphere International Limited), Mr. Edikan Ackley (Pedoquasphere Int’l Ltd.) Mr. Kajang, Amos Kajang (Environmental Officer (CADP), Mr. Egan Anohobi (CADA) and Mr. Ibiang Ojobi James (Agronomist, CADP) for their cooperation that made the field study very successful. I appreciate the value contributions of the stakeholders during the stakeholders forum. I wish also to acknowledge the cooperation we received from all the Community Interest Groups (CIGs) we visited even at short notice. Lastly I am grateful to Mr. Iniobong Ituen (Office Manager of Pedoquashere International Limited) for the production of this report and all other secretarial services he provided.

TEAM OF PERSONNEL FOR THE STUDY
1. Dr. Ackley Akpan-Idiok - Principal Consultant (Environmental Scientist)
2. Dr. I. C. Idiong - Socio-economist
3. Mr. Marcus Idoko - GIS Specialist
4. Mr. Edikan Ackley - Technical Staff – Photography
5. Mr. Kajang, Amos Kajang - Environmentalist, CADP
6. Mr. Egan Anohobi - CADA Official
7. Mr. Ibiang Ojobi James - Agronomist, CADP
8. Mr. Iniohong Ituen - Typesetting and Computing
EXECUTIVE SUMMARY

Background
The Federal Ministry of Agriculture has commenced Commercial Agriculture Development Project (CADP) through the World Bank funding for development of oil palm among other crops in Cross River State in particular and Nigeria in general. Following the reported cases of adverse environmental and social impacts of oil palm investments in Southeast Asia (Malaysia and Indonesia), some Non-governmental Organizations (NGOs) on environment have protested against the continuous funding of oil palm investments by the World Bank and its affiliates. This has led to a placement of a moratorium on the funding of oil palm investment globally by the bank. This has serious implications on the socio-economic development of Cross River State and the oil palm belt in Nigeria.

It is against this background, that the Commercial Agriculture Development Project (CADP) in the Cross River State commissioned Dr. Ackley Akpan-Idiok of Pedoquasphere International Limited (an Environmental and Agribusiness Project Consultant based in Calabar, Cross River State, Nigeria) to undertake a study aimed at developing a strategy for oil palm development that will address the issues of oil palm investments potentials as well as its potential adverse social and environmental impacts in the State.
CHAPTER ONE

INTRODUCTION

1.1 Background

The oil palm has remained an important tree crop that has remained an integral part of the lives and culture of millions of persons in West Africa in general and the forest belt of Nigeria in particular (Ayodele, 2010). In most communities in south eastern Nigeria, ownership of plots of oil palm is a measure of the wealth of an individual and families. The oil palm is one crop in which none of its parts is a waste. (Ndon, 2006). The leaves are used for making brooms and thatch for roofing and mats. The trunk is used as supporting frames for buildings, while the sap from its flowers is processed into wine and can be fermented and distilled to produce ethanol locally called Ogogoro in Nigeria. On the other hand the empty bunch is used for mulching and manuring, while the residue after palm kernel oil extraction (Palm kernel cake or meal) is used as livestock feed. The major product of the palm is the edible oil.

The oil palm industry has provided income to governments, organizations and individuals as well as employment to millions of Nigerians. Following a decline in oil palm production due to dependence on crude oil, the Nigerian Government generally and the Cross River State Government specifically, had adopted various policies and programmes at revitalizing the oil palm industry in terms of providing cash subsidies, free seedlings and fertilizers to farmers as incentives for them to plant hybrid oil palm in new fields and
rehabilitate lower yielding and aging oil palm groves (Udom, 1986 and Idiong, et. al., 1999).

With the increasing demand for palm oil globally and domestically and the growing interests of private investors in oil palm investments in the State, there is the fear that the adverse environmental and social impacts obtained in South East Asia (Malaysia and Indonesia) would be replicated in the State in the form of forest conversion and pollution by way of discharge of palm oil milling effluents (POME) into water bodies. The issue of sustainable oil palm development has taken a centre stage in public discourse at the global level and is very much polarised with environment based Non governmental Organisations (NGOs) protesting against the continuous funding of oil palm investments by the World Bank and its affiliates. This has led to a placement of a moratorium on the funding of oil palm investment globally by the bank. This has serious implications on the socioeconomic development of the State given the potentials of oil investments in the State. It is against this background, that the Commercial Agriculture Development Project (CADP) in the State commissioned Dr. Ackley Akpan-Idiok of Pedoquasphere International Limited, an Environmental and Agribusiness Project Consultant based in Calabar, Cross River State, Nigeria to undertake a study aimed at developing a strategy for oil palm development that will address the oil palm investments and potentials adverse environmental impacts associated with oil palm production/investments in the State.
1.2 Objectives of the Study

The principal objectives of the study were to:

- Review and analyse existing documents on oil palm in Cross River State;
- Digitise the locations of oil palm farms in the State;
- Determine the hectarage acquired and cultivated by these commodity interest groups in the State;
- Identify the potential and adverse environmental and social impacts of oil palm development in the State;
- Prepare an Environmental Management Plan (EMP) for handling potential adverse environmental and social impacts from oil palm farming and processing.
CHAPTER TWO
METHODOLOGY

This section highlights the different approaches adopted to gather the relevant information and methods of analyzing the data.

2.1 Consultations

The Consultant (Dr. Ackley Akpan-idiok) had a meeting with the project staffs (3 in all) that were assigned to assist him in the successful execution of the task on the 15th of September, 2010 at the Commercial Agriculture Development Project (CADA) office (Plate 1). The team comprised Messrs Amos Kajang (Environmental Officer, CADP), Egan Anohobi (Secretary, CADA) and Ibiang, O. (Agronomist, CADP). He was provided with some relevant oral and documented information that he requested for. On the 16th of September, 2010, the consultant visited the office of the Director in charge of oil palm in the Ministry of Agriculture (MOA) and the State Forestry Commission (SFC) respectively, as part of his data gathering mission. He also visited the Cross River National Park (CRNP) in the company of the Environmental Officer and consulted with the Conservator of Park (COP), Ntufam Richard Effa on the 17th of September, 2010. Another meeting was held on the 16th of September, 2010, where the Consultant presented his work plan that was reviewed and approved.
(a): A Signpost of CADP at ADP premises in Calabar

(b): An Administrative Block of CADP

(c): A State Project Coordinator, CADP explaining the study to the Consultant

(d): The Consultant (standing) highlighting the methodology of the study to the CADP staff

(e): The CADP staff in a meeting with the Consultant

(f): The Procurement Officer of CADP stressing a point to the Consultant

PLATE 1: CONSULTATIONS
(a): NACOT farming signpost at Mbube, Ogoja LGA, Cross River State

(b): Oil palm farmer receiving the consultants at Okuni, Ikom LGA, Cross River State

(c): Consultant visit to NACOT Farm at Mbube in Ogoja LGA, Cross River State

(d): The oil palm farmer fills the questionnaire

(e): A Consultant discussing with an oil palm Processor in IKom LGA, Cross River State

PLATE 1b: FIELD DATA COLLECTION
2.2. Sources of Data and Methods of Collection

Data for this study were obtained from both primary and secondary sources. The primary data were collected with the use of questionnaires (Appendix 1) and interviews with key informants and Participatory Rural Appraisal methods.

The information that were obtained include land size acquired and cultivated with oil palm; methods of land ownership; source of land for expansion of oil palm farms; number of persons employed; waste management techniques adopted; incidences of conflicts with communities and causes and means of conflict resolution amongst others.

Secondary data were obtained from text books, journals, reports that were obtained from the Ministry of Agriculture, Cross River National Park, CADP office and the internet. A visual assessment of the oil palm farms and palm oil and kernel processing mills was also carried out. The field work spanned from the 12th to the 26th of September, 2010.

2.3. Analytical Techniques

After retrieving the questionnaires, the data were coded and subjected to analysis with the use of descriptive statistical tools such as tables, percentages, means, bar and pie charts.

2.4 Stakeholders Forum
The report was presented and deliberated upon exhaustively and adopted in a one-day Stakeholders’ Forum held on the 30th of September, 2010 (Plate 2) and a communiqué issued (Appendix 2).
2.5 **Description of Study Area**

Cross River State is located in the South-South geo-political zone of Nigeria. The State lies within Latitude 40°41 south and 60°301 north and between Longitude 8° and 9°001 East of the equator (Figure 1). It is bounded in the North by Benue State, in the South by Atlantic coastline in the East by Cameroon and in the West by Ebonyi, Abia and Akwa Ibom States. It has a population estimate of 2.878 million persons (NPC, 2006) and occupies a landmass of 2.13 million hectares.

The State comprises 18 Local Government Areas (LGAs) grouped into three Senatorial and Agricultural Development Programme (ADP) zones. These are, Calabar, Ikom and Ogoja zones. Calabar zone is made up of Calabar Municipality, Calabar South, Akpabuyo, Bakassi, Odukpani, Akamkpa, Abi and Biase Local Government Areas. Ikom zone comprise Ikom, Boki, Etung, Obubra and Yakurr Local Government Areas. Ogoja zone comprises Ogoja, Obudu, Bekwarra, Yala and Obanliku Local Government Areas.

2.6 **Vegetation and Land Use**

The vegetation of the State spans from the mangrove swamp and rain forest in the South to a derived savannah in the northern part of the state. Given the diverse vegetation and climatic conditions of the State, crop production is diverse. In the Northern part of the State (Ogoja, Obudu, Bekwarra and Obubra), a common mixed cropping system of the yam, cassava, melon and maize combination is practised.
FIG. 1: MAP OF CROSS RIVER STATE SHOWING THE STUDY AREA
In the central part of the State comprising, Ikom, Boki and Etung Local Government Areas, Cocoa is the main cash crop. Other crops include plantain and banana. In the Southern part (Calabar, municipality, Calabar South, Odukpani, Akamkpa and Akpabuyo Local Government Areas) Oil palm, rubber, plantain, cassava, maize and vegetables like pumpkin, cucumber and waterleaf are very important crops.

The State is also renowned for its forestry and tourism potentials. It has one of the largest rain forests in the world with so much of biodiversity. In fact, the State is reported to host about 10% that is left of the World’s original rain forest with diverse flora and fauna (including butterflies and monkeys not found anywhere else in the world). There are a number of constituted government forest reserves totaling about 6100 square kilometers (Ministry of Agriculture and Natural Resources, 1989) and National Parks which include the Cross River National Park (CRNP) at Okwango and Oban totaling about 4000 square kilometers (Figure 2).

Calabar is the State Capital and the foremost Free Trade Zone (FTZ) in the country and the home of Africa’s Premier Business/Tourism Resort called the TINAPA.
FIG. 2: MAP OF CROSS RIVER STATE SHOWING FOREST RESERVES AND NATIONAL PARKS
CHAPTER THREE
OIL PALM PRODUCTION AND PROCESSING IN CROSS RIVER STATE, NIGERIA

3.1 Oil Palm Hectarage

Cross River State has the highest estimated land area for oil palm. Oil palm production in Cross River State is done at three different levels as follows:

- Small holders
- Medium size plantations
- Large size plantations

Small holder (1–5 hectares) oil palm growers make up a vast majority of private producers in the State cultivating about 32,665.9 hectares; these holdings are fragmented and scattered and comprise mostly of aged and semi-wild oil palm trees with very low yields (Ndon, 2006). The medium sized plantations are owned by private individuals. The large estates were established by colonial and eastern Nigerian governments since 1952 (Table and Figure 3); most of them have been leased out to agricultural based companies to manage. A common feature of these estates is the age of the palm. The implications are that yields have been declining and therefore replanting them with improved varieties is obvious.

Due to the preponderance of small and scattered oil palm holdings and the importance of scale economies in oil palm production farmers were encouraged to form groups and consolidate their holdings to participate in the current World Bank assisted Cross River Commercial Agriculture Development Project (CADP). The State government over the years has also made available improved oil palm seedlings to farmers at very subsidized rate to engender development of higher yielding plantation by farmers in the State.
Table 1: Oil Palm Commodity Interest Groups Participating in World Bank Assisted Project in Cross River State, Nigeria

<table>
<thead>
<tr>
<th>Name of CIG</th>
<th>Area planted (ha)</th>
<th>Year Planted</th>
<th>Name of CIG</th>
<th>Area planted (ha)</th>
<th>Year Planted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nacot Farms Mpcs</td>
<td>90.2</td>
<td>1989</td>
<td>D D Vanco</td>
<td>89</td>
<td>2002</td>
</tr>
<tr>
<td>Akpa Creek Ladies Mpcs</td>
<td>89</td>
<td>1997</td>
<td>Ikemesit MPCS</td>
<td>151</td>
<td>1987</td>
</tr>
<tr>
<td>OKOD Obasi Farmers</td>
<td>118</td>
<td>1999</td>
<td>God’s Revelation</td>
<td>78</td>
<td>2000</td>
</tr>
<tr>
<td>Obufa Emana Farmers MPCs</td>
<td>108</td>
<td>1990</td>
<td>Akansoko</td>
<td>84</td>
<td>2008</td>
</tr>
<tr>
<td>VEC Farms</td>
<td>2003</td>
<td>2003</td>
<td>Afio Mpcs</td>
<td>64</td>
<td>1998</td>
</tr>
<tr>
<td>Obaga Keke Mpcs</td>
<td>48</td>
<td>2000</td>
<td>Efio Women Mpcs</td>
<td>52</td>
<td>2002</td>
</tr>
<tr>
<td>Ithune Farms</td>
<td>79</td>
<td>2002</td>
<td>Enang Mpcs</td>
<td>78</td>
<td>1984</td>
</tr>
<tr>
<td>Promise Mpcs</td>
<td>82</td>
<td>1975</td>
<td>Green Earth Mpcs</td>
<td>48</td>
<td>1999</td>
</tr>
<tr>
<td>Bekwara Mpcs</td>
<td>25</td>
<td>2000</td>
<td>Jovimu Farmers Mpcs</td>
<td>121</td>
<td>1994</td>
</tr>
<tr>
<td>OFI Mpcs</td>
<td>85</td>
<td>1994</td>
<td>Ekema Mpcs</td>
<td>83</td>
<td>1999</td>
</tr>
<tr>
<td>Vachem Mpcs</td>
<td>75</td>
<td>2001</td>
<td>Akam Mpcs</td>
<td>77</td>
<td>1992</td>
</tr>
<tr>
<td>Akine Mpcs</td>
<td>78</td>
<td>1999</td>
<td>Abasi Eyewan Farmers Mpcs</td>
<td>83</td>
<td>2005</td>
</tr>
<tr>
<td>Ererep Mpcs</td>
<td>65</td>
<td>1994</td>
<td>Mobe Obrenyi Mpcs</td>
<td>80</td>
<td>2005</td>
</tr>
<tr>
<td>Obazi-Utani Mpcs</td>
<td>74</td>
<td>2000</td>
<td>Pamary Mpcs</td>
<td>81</td>
<td>2002</td>
</tr>
<tr>
<td>Etera MPCs Ltd</td>
<td>80</td>
<td>1989</td>
<td>Adim-Obasinoyu Mpcs</td>
<td>68</td>
<td>1997</td>
</tr>
<tr>
<td>Obaanghake MPCs Ltd</td>
<td>83</td>
<td>1999</td>
<td>Bue-Ofrekiuju Mpcs</td>
<td>65</td>
<td>1992</td>
</tr>
<tr>
<td>Helpflo MPCs Ltd</td>
<td>62</td>
<td>1990</td>
<td>Wassemo Mpcs</td>
<td>85</td>
<td>1999</td>
</tr>
<tr>
<td>Egup Farmers MPCs Ltd</td>
<td>85</td>
<td>2001</td>
<td>Egbira Mpcs</td>
<td>84</td>
<td>2000</td>
</tr>
<tr>
<td>Okuni Palm Oil MPCs Ltd</td>
<td>89</td>
<td>2001</td>
<td>Banen Be-Ntabe Mpcs</td>
<td>65</td>
<td>2008</td>
</tr>
<tr>
<td>Sidom-Etobasi MPCs</td>
<td>64</td>
<td>1984</td>
<td>Bokwan Mpcs</td>
<td>72</td>
<td>1992</td>
</tr>
<tr>
<td>Akim Akim Welfare MPCs</td>
<td>41</td>
<td>1999</td>
<td>Esijanchu Mpcs</td>
<td>81</td>
<td>2002</td>
</tr>
<tr>
<td>Keshu Isoh MPCs</td>
<td>75</td>
<td>1991</td>
<td>Etmum Mpcs</td>
<td>80</td>
<td>1982</td>
</tr>
<tr>
<td>Ejik investment MPCS</td>
<td>92</td>
<td>2009</td>
<td>Nalda Farmers Mpcs</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>Enagu MPCs</td>
<td>87</td>
<td>1990</td>
<td>Ntabe Farmers Mpcs</td>
<td>89</td>
<td>2002</td>
</tr>
<tr>
<td>Nsehe Obio MPCs</td>
<td>83</td>
<td>1992</td>
<td>Ementi Mpcs</td>
<td>82</td>
<td>2002</td>
</tr>
<tr>
<td>Ganos MPCs Ltd</td>
<td>90</td>
<td>1987</td>
<td>Omaha Farmers Mpcs</td>
<td>61</td>
<td>2001</td>
</tr>
<tr>
<td>Abonisiimta MPCs Ltd</td>
<td>73</td>
<td>2005</td>
<td>Ndoni Mpcs</td>
<td>61</td>
<td>2003</td>
</tr>
<tr>
<td>Divine Batofo</td>
<td>78</td>
<td>1998</td>
<td>Rajuno Mpcs</td>
<td>81</td>
<td>2000</td>
</tr>
<tr>
<td>Moyoma Mpcs</td>
<td>80</td>
<td>1991</td>
<td>Inwongo Abasi Mpcs</td>
<td>79</td>
<td>2000</td>
</tr>
<tr>
<td>Grater Height</td>
<td>60</td>
<td>1996</td>
<td>Igiongini MPCS</td>
<td>126</td>
<td>1987</td>
</tr>
<tr>
<td>Uyi MPCs</td>
<td>86</td>
<td>1989</td>
<td>Ikot Offiong Ebe Youth Mpcs</td>
<td>84</td>
<td>1984</td>
</tr>
<tr>
<td>Obubra Amalgamated</td>
<td>66</td>
<td>1994</td>
<td>Green Mpcs</td>
<td>63</td>
<td>1984</td>
</tr>
<tr>
<td>Anaku Oil Palm MPCs</td>
<td>103</td>
<td>2003</td>
<td>Ojilobo Mpcs</td>
<td>72</td>
<td>1998</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>Source; CADA (2010)</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
FIG. 3: MAP OF CROSS RIVER STATE SHOWING OIL PALM PLANTATIONS
Currently, about seventy (70) Commodity Interest Groups (CIGs) are involved in oil palm production and processing in Cross River State. The spread and hectares cultivated by these CIGs are shown in Figures 4 and 5. The total land acquired by the oil palm producing CIGs is about 8,645 hectares while the planted area stands at 5,392 hectares (Table 1). Therefore the percentage of acquired but undeveloped land by these CIGs stands at about 64 percent, thus making farm expansion possible without encroachment on the forest or protected areas in the State.

For the large estates owned by government that are currently on lease, the total acquired land is about 46,775 hectares and only 18,443 hectares have been planted (Table 2). Much of the plantings are of the dura variety and would need replacement. Undeveloped land available for expansion is about 56.67 percent of acquired land. This is quite enormous which also allows for expansion without encroachment into reserved forests in the State.

3.2 Palm Oil Processing

The traditional methods of processing which had been predominantly used by farmers have given way to the Modified Curb Presses more recently the Small Scale Pressing Equipment (SSPE) invented by the Nigerian Institute for Oil Palm Research (NIFOR) (Plate 3). The components of this equipment include:

- Sterilizer
- Digester
- Hydraulic press
- Clarifier and a
- Nut cracker and separator
Table 2: Hectarage of Oil Palm Estates in Cross River State, Nigeria

<table>
<thead>
<tr>
<th>Location</th>
<th>Year Planted</th>
<th>Area Acquired</th>
<th>Area Planted</th>
<th>Undeveloped</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oban</td>
<td>1952</td>
<td>4689</td>
<td>1162</td>
<td>21.25</td>
</tr>
<tr>
<td>Kwa Falls</td>
<td>1952</td>
<td>2034</td>
<td>1533</td>
<td>501</td>
</tr>
<tr>
<td>Calaro</td>
<td>1952</td>
<td>6397</td>
<td>5068</td>
<td>907</td>
</tr>
<tr>
<td>Ibiae</td>
<td>1963</td>
<td>5561</td>
<td>2419</td>
<td>3142</td>
</tr>
<tr>
<td>Boki</td>
<td>1963</td>
<td>4618</td>
<td>1935</td>
<td>2883</td>
</tr>
<tr>
<td>Nsadop</td>
<td>1964</td>
<td>5411</td>
<td>1280</td>
<td>4131</td>
</tr>
<tr>
<td>Ayip Eku</td>
<td>1979</td>
<td>15065</td>
<td>3065</td>
<td>12,000</td>
</tr>
<tr>
<td>Real Oil</td>
<td>1986</td>
<td>3000</td>
<td>2181</td>
<td>819</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>46775</strong></td>
<td><strong>18443</strong></td>
<td><strong>26,508</strong></td>
<td></td>
</tr>
</tbody>
</table>

(a): A palm tree at GANOS Farm in Ikom LGA
(b): A CADP ESMO observing a palm tree at GANOS Farm during the field study
(c): A heap of harvested palm fruits
(d): A heap of palm kernel in a local palm oil processing mill in Uyanga, Akamkpa LGA, Cross River State
(e): A spindle screw press in a local mill in Uyanga - Akamkpa LGA, CRS.
(f) Pioneer Oil Mill (installed in 1954) at Ugep LGA, Cross River State

PLATE 3: OIL PALM PRODUCTION AND PROCESSING
Fig. 4: Participating Oil Palm CIGs in Cross River State, Nigeria
Fig. 5: Percentage Distribution of Oil Palm Hectarage by CIGs in Cross River State, Nigeria
This is the commonest equipment found in all the small/medium scale processing enterprises in the State. It is more efficient than the traditional methods although it has a low processing capacity. However, it is only in some few large estates that modern palm oil mills are installed. The Pioneer Oil Mill in Ugep, (which was installed in 1954 by the British government) is the oldest and the only automated oil mill within the Ikom Agricultural zone still functioning although not operating at full capacity as a result of inadequate supply of fresh fruit bunches (FFB) from the estates within and around the zone. Inadequate finance has been the major impediment of the processors in acquiring a more efficient small to medium scale palm oil and kernel oil mills in the State.
CHAPTER FOUR
SOCIAL AND ENVIRONMENTAL IMPACTS OF OIL PALM PRODUCTION AND PROCESSING IN CROSS RIVER STATE.

Oil palm investments like any other agro businesses have both positive and negative environmental and social impacts.

4.1 Positive Social Impacts of Oil Palm Production and Processing in Cross River State

The oil palm has been described as one of the best trees given by God to man because all its parts are very useful (Ndon, 2006). The roots have medicinal value and are used in treating some ailments by traditional healers. The trunk is used for timber, firewood, fencing and construction of local bridges. *Rhinoceros beetle* (a good source of protein in some communities in Nigeria) breeds on the rotting trunk. The leaves are used in making thatch roofs and the midribs in making brooms. The young inflorescences are tapped for palm wine and when fermented and distilled, used producing local gin. The empty bunches serve as fertilizers and mulching materials. It is high in potassium and used for producing a special kind of soap called the black soap.

The palm fruits are used in the production of edible and technical palm oil (TKO), while the palm kernel produces palm kernel oil (PKO) and palm kernel meal or cake (PKM or PKC). The latter is very useful as livestock feed ingredient. The palm kernel shells (PKS) are useful fuel for boilers in steam operated mills as has been used as replacement for concrete flooring and farm road maintenance.
The fibre obtained after palm oil extraction is used as mulching materials in oil palm nurseries and as fuel. The usefulness of palm oil and palm kernel oil is an important raw material in cosmetic and food industries cannot be overemphasized.

Oil palm has played and will continue to play an important role in the enhancement of rural livelihoods of most persons in Cross River State. In fact it has remained a source of employment and income generating activities of a host of rural folks along the production chain in the state. A survey of some oil palm farms in the state shows that a minimum of 8 persons are in permanent employment in the oil palm farms, while about 5 are employment in the mills. Casual workers range from 20 – 25 persons (depending on the season) in the farms and about 10 – 15 persons in the mills.

The presence of the mills make it possible for farmers and marketers alike to harvest or buy fruits and process same at the mills at very low cost and therefore resulting in enhanced efficiency, productivity and income vis-à-vis reduction in the poverty levels of these persons.

4.2 Positive Environmental Impacts of Oil Palm Production and Processing in Cross River State

Environmentally, on a comparative basis, oil palm is reported to have a better environmental profile than other major oil seed crops like soybean and rape seed (Ndon, 2006). He opined that oil palm has the least emission to soil and water compared with other seed crops corroborating the findings of world growth (2009). Moreso, Basinor (2007) reported that the oil palm has remained a prolific producer of
biomass in form of empty fruit bunches, fronds and out trunks that are processed into plywood and fibre boards amongst others. The implication is that, it exploitation further widens the income generating potentials making it more competitive. Productivity wise, studies have shown oil palm to be more productive per land area (about 7 to 10 times) than soybean and rapeseed (Basinor, 2007). Ndon (2006) asserted that soybean is more efficient in its utilization of land and other resources such as fertilizer, pesticides and energy.

4.3 Potential Adverse Environmental and Social Impacts of Oil Palm Production and Processing in Cross River State

There has been no reported case of environmental degradation as a result of oil palm investments in Nigeria generally and Cross River State in particular not just because of the low level of production and processing but also because the present government has put in place enabling laws that protect the forests and the environment generally that are strictly enforced. However, a lot have been documented about the negative impacts of oil palm development on the environment especially in South East Asia (Malaysia, Indonesia and Papua New Guinea).

In fact Non Governmental Organisations (NGOs) that are advocating against the expansion of the oil palm industry especially in Malaysia and Indonesia have reported that oil palm planting has led to enormous human suffering and the destruction of forest lands that communities rely on for sustenance (World Rainforest Movement, 2006). These are potential disbenefits that these advocates of non
financing of oil palm development in the world by the World Bank are claiming that the oil palm plantation host communities will get if precautionary measures are not taken early enough. The impacts include but not limited to the following:

4.3.1 Forest Conversion and Loss of Biodiversity
It is reported that expansion of oil palm plantations will require the bringing in of forest lands into cultivation thereby resulting in loss of biodiversity. The slash and burn method of land clearing increases the problem of forest fires and erosion. The demand for land to expand oil palm planting will result in the encroachment into parks and reserved forests thereby undermining the conservation programme of government.

Cross River State is a home of one of the National Parks (Cross River National Park) that has been designated as one of the 25th United Nations biodiversity hotspot in the world. There is the fear that with increased oil palm investments as a result of increased funding by the World Bank, these forest resources will be depleted. This fear is unfounded because the State is environmentally conscious and has carefully set out measures that ensure sustainability of oil palm production and processing without interference with the forests, National Parks and estates.

4.3.2 Environmental Pollution
Palm oil production has also been reported to bring about pollution caused by the following:

- sediments load in rivers and streams
- improper use of chemicals and containers
- improper handling of oil palm mill effluent (POME)

Although there have been no documented evidence of environmental pollution by oil palm production and processing in Cross River State in particular and Nigeria generally, they have been reported cases of this in Southeast Asia.

4.3.3 Loss of Land Rights and Social Conflicts
Establishment of oil palm plantation requires the use of large expanse of land. Where government has control over land use, there is the tendency that indigenous land owners will be displaced and little or no compensation given to them. This scenario will often cause conflicts between the rural land owners and the palm plantation developers.

In Cross River State, communal and family land rights are recognized by government and adequate compensations are paid. At present, a land reform bill is being deliberated upon in the National Assembly and when passed will make land acquisition and use not detrimental to the rural land owners.
CHAPTER FIVE

INTERVENTION STRATEGIES FOR SUSTAINABLE OIL PALM DEVELOPMENT IN CROSS RIVER STATE, NIGERIA

The oil palm sub-sector of the agricultural industry in Cross State has enormous investment opportunities, however strategies that will bring about a convergence between these potentials and environmental sustainability should be developed and put in place to ensure that only environmental friendly oil palm investments is carried out in the State.

There are laws governing the use of land for whatever purposes. Therefore, forest conversion becomes an illegal practice as far as tree crop development in general and oil palm plantation development in particular is concerned. The State has vast areas of arable land, reserved forests and National Parks (protected areas). Therefore, oil palm investments by way of expansion of oil plantation or development of new ones as well as processing shall be limited to the following:

- New plantings of improved varieties will only be done in uncultivated but acquired land for oil palm production in the State. The survey had showed that about 63 percent of acquired lands for oil palm development in the State are yet to be cultivated.
- Replanting of aging and semi-wild palms with hybrid (Tenera) varieties on old plantations. This should be carried out in phases of between 3 and 5 years. Palms in the large estates are very old and low yielding.
• Use of degraded lands, grassland or secondary forests that are abound in the State. The oil palm is well suited for these kinds of areas.

• Encouragement of consolidation of existing small holder oil palm estates as it is being done by the commodity interest groups (CIGs) under the Commercial Agriculture Development Project in the State to engender commercialization.

• Provision of finance for medium scale palm oil and kernel processors to acquire medium sized and modern oil mills.

• Supply of improved or hybrid oil palm seedlings at subsidized rate to oil palm farmers to engender cultivation. This is actually ongoing in the State.

• Enforcement of zero-burning method during land clearing for oil palm plantation development to guard against forest fires and the resultant loss of biodiversity.

• Education of oil palm farmers and processors on waste recycling as a best practice in oil palm waste management.

• Education of farmers on integrated pest management (IPM) in oil palm farms to guard against over use or misuse of agro chemicals.


• Recognition of the land rights of communities and enforcement of legal rights of occupation by private oil palm plantation developers in the State to avoid social conflict.
Enforcement of laws with respect to corporate social responsibilities of oil palm estates and processing industries in the host communities in terms of employment and provision of rural infrastructure.

Routine monitoring of farms and processing factories by the Environmental Unit of the CADP, Ministry of Environment and other approved departments and Agencies to ensure compliance with best practice as outlined in the Round Table on Sustainable Oil palm Development guidelines.
CHAPTER SIX
ENVIRONMENTAL MANAGEMENT PLAN (EMP)

An Environmental Management Plan (EMP) consists of mechanisms designed to address adverse impacts and enhance project benefits as a result of the introduction of standards of good practice to be adopted for all project activities (Nwafor, 2006). It gives an indication of how adverse social and environmental impacts will be mitigated, managed and monitored during oil palm production and processing.

6.1 Oil palm production and processing plans

Oil palm investments in spite of its numerous socio-economic benefits have potential negative impacts on the environment. These potential impacts include; forest conversion, displacement of rural population with attendant conflicts and pollution of water bodies with palm oil milling effluents (POME) among others. To minimize the negative impacts of oil palm production investment on the environment, the following management plans should be adopted.

- Zero burning during land clearing for oil palm plantation establishment, should be adopted by oil palm investors in the State to guard against forest fires and other negative environmental consequences.
- During replanting, biomass generated from the cut down palm trees should be allowed to decay and utilized as organic manure and mulching materials for palms.
• Utilization of the empty fresh fruit bunches (EFFB) as organic fertilizer, erosion controller and soil conditioner should be given priority.

• Waste water and palm oil sludge from palm oil mills in sludge pits should be properly treated and used as fertilizer.

• Use of chemicals such as fertilizers, herbicides and pesticides should be minimal and done in accordance with prescribed guidelines by trained persons. Chemical containers should be properly disposed off and sprayers of chemicals should wear adequate protective covering to prevent poisoning. More so, ruminants can be introduced into the plantations to minimize the use of herbicides for weeding purposes.

• Integrated Pest Management System (IPMS) should be adopted in all oil palm plantations in the State to reduce the use of agro chemicals.

• Palm oil mills must have very good ventilation to guard against methane poisoning of mill workers and visitors alike.

• Felled and chopped palm trees and fronds should be processed into plywood and medium density fibre board and pulp.

• New plantings and the resultant forest conversion can be reduced by improving on land productivity by exploiting available production innovations.

• Conflicts will be avoided by investors not establishing new estates on rural people’s land unless all land acquisition procedures are fully complied with.
• Adequate compensation must be paid to the land owners where
government takes possession by fiat in line with the provisions

• Oil palm cultivation must be avoided on steep slopes and where
planted must be terraced adequately.

6.2 **Bodies Responsible for EMP Implementation**

The implementation of the Environmental Management Plan for
oil palm investments in the State will involve the following
bodies:

• Cross River Commercial Agriculture Development Project
  should ensure that EMP and Oil palm development
  strategies are implemented. The body should also ensure
  that the environmental monitoring, auditing and
  implementation of mitigation measures are implemented as
  per the EMP during construction and operational phases.

• The Commercial Agriculture Development Association
  (CADA) and the Commercial Agriculture Development
  Project (CADP) should monitor the estates’ production and
  processing activities against the approved Environmental
  Management Plan (EMP) measures and national
  environmental standards.

• The Environmental Officer of the CADP should ensure the
  monitoring and record keeping by the oil palm growers and
  palm oil millers regarding environmental measures and
  impacts of their activities.
• The CADP, CADA and oil palm value chain stakeholders have respect for the environmental impacts of oil palm production and processing so as to ensure the sustainability of oil palm investments and the derived benefits in the State.

6.3 Management Structure for the EMP

A management structure for implementation of the EMP shall be established. The Environmental Officer of the CADP should be responsible for all environmental issues. He should advise the Oil palm farmers and palm oil millers and ensure that impacts of their production and processing activities on the environment are fully considered and minimize/alleviate the negative impacts where necessary. The responsibility of the Project Environmental Officer shall include:

• Overseeing all the environmental matters.
• Liaising with CADP, CADA and oil palm investors (CIGs) on all environmental matters.
• Organization of an environmental training for all stakeholders (CIGs) in the oil palm industry in the State.
• Formulating of an environmental audit programme to be implemented by all growers and processors in all their activities.

. Providing or obtaining expertise on environmental queries and issues.
6.4 Environment Monitoring
The objectives of environmental monitoring are to:

- Obtain a data bank, which would allow the appreciation of any changes of the project impacts on the environmental components.
- Compare the degree of various impacts with the permissible limits given by the National and International Regulatory Bodies.
- Develop future predictive models from the baseline data obtained.
- Ensure regular evaluation of surface water quality. This will enable the CADP act promptly in the event of water pollution by palm oil effluents discharged. Note that pollution of water bodies can cause serious hazard problems to the rural consumers.
- Develop an integrated pest management and erosion control programmes. Integrated pest management might require the use of trained personnel.
- Encourage continuity and serious public environmental education campaign on the menace of bush burning, deforestation, improper use of agro chemicals and improper palm oil mill effluent discharge.
- Determine the duration of impacts and the effectiveness of mitigation measures.

6.5 Contingency Plan
A contingency plan shall be prepared to embody the procedures for emergency response to incidents such as air and water pollution, pest outbreak, forest fires, chemical poisoning of sprayers and epidemic in
the communities. The essential elements of the contingency plan shall include the following: Advance warning, activation of the plan, activation of containment systems, activation of evaluation procedures, putting up a Site Operation Plan (SOP) and notification to responsible government agencies.

6.6 Training on Environmental Issues
The Cross River Commercial Agriculture Development Project (CADP) shall create environmental awareness on the value, prospects and problems related to the oil palm investments among the staff and oil palm value chain members. The environmental issues of oil palm investments shall include but not limited to the following:

- Socio-economic impacts of oil palm investments ie benefits, disbenefits and mitigations;
- Water quality assessment: rationale and implications;
- Health consequences and mitigation strategies;
- Stakeholders role in oil palm investments;
- Environmental management and monitoring strategies

Table 3 summarizes the impacts of activities and the mitigation measures.
Table 3: Summary of Potential, Social and Environmental Impacts of Oil Palm Investments and their Mitigation Measures

<table>
<thead>
<tr>
<th>Activity/Impact Activities</th>
<th>Potential Impact Dimension</th>
<th>Mitigation Measures</th>
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<tbody>
<tr>
<td><strong>(a) Environmental</strong></td>
<td></td>
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</tr>
<tr>
<td>Land clearing for new planting</td>
<td>Negative</td>
<td>• Use acquired land only.</td>
</tr>
<tr>
<td>Application of agro-chemicals, insecticides, pesticides and fertilizers</td>
<td>Negative/positive</td>
<td>• Practice zero burning or very minimal burning</td>
</tr>
<tr>
<td>Empty fresh fruit bunches, cut trunks and palm founds</td>
<td>Positive</td>
<td>• Use NAFDAC approved chemicals only;</td>
</tr>
<tr>
<td>Palm oil waste water and sludge discharge</td>
<td>Negative</td>
<td>• Sprayers should be trained;</td>
</tr>
<tr>
<td>Fibre and palm kernel shells handling</td>
<td>Positive</td>
<td>• Use according to specification</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Encourage use of organic fertilizers</td>
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<tr>
<td></td>
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<tr>
<td><strong>(b) Social</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job creation</td>
<td>Positive</td>
<td>• Members of the communities must be considered first for employment;</td>
</tr>
<tr>
<td>Improved Income and well-being</td>
<td>Positive</td>
<td>• Use of child labour is prohibited by law</td>
</tr>
<tr>
<td>Increased supply of oil palm products locally</td>
<td>Positive</td>
<td>• Workers (including casual workers) should be adequately remunerated</td>
</tr>
<tr>
<td>Loss of land rights</td>
<td>Negative</td>
<td>• There is need for financial of oil palm investments to enhance explanation</td>
</tr>
<tr>
<td>Provision of rural infrastructure</td>
<td>Positive</td>
<td>• All land transactions must be legally documented and adequate compensation paid by the investors.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Priority should be given to the felt needs of the people.</td>
</tr>
</tbody>
</table>
CHAPTER SEVEN
CONCLUSION AND RECOMMENDATIONS

The following recommendations are made from the study:

- Oil palm investments have served as an important source of economic transformation of the State in particular and the oil palm belt of Nigeria in general by providing employments, income sources and industrialization and therefore require increased funding.

- There is no reported case of adverse social and environmental impacts associated with oil palm production and processing in Cross River State specifically and Nigeria generally.

- Cross River State specifically and Nigeria in general have different factors and levels of oil palm production and processing investments as against southeast Asia experience so the problems associated with oil palm investments in southeast Asia do not occur in Cross River State and Nigeria. The Cross River State government enforces enabling laws protecting the environment. The World Bank or any other financiers of oil palm investment should not be deterred from continuous funding of investments in this important sector of the rural economy of the State.

- The adoption of the intervention strategies and the environmental management plan stated in this report will bring about the much desired convergence of oil palm investment opportunities in the State and environmental sustainability.
The World Bank and its affiliate should therefore lift the moratorium on the funding of oil palm investments in Cross River State in particular and Nigeria in general so as to enhance the socio-economic development of the State in line with the Millennium Development Goals (MDGs).
REFERENCES


APPENDICES
APPENDIX 1

CROSS RIVER STATE COMMERCIAL AGRICULTURE DEVELOPMENT PROJECT (CADP):
QUESTIONNAIRE FOR THE DEVELOPMENT OF OIL PALM DEVELOPMENT INTERVENTION
STRATEGY FOR CROSS RIVER STATE, NIGERIA.

SECTION A

1. Name of CIG: ..............................................................................................................

2. Location of CIG: ...........................................................................................................

3. Local Government Area: ............................................................................................

4. Ownership: (Government) (Private individual) (Community) (Private company) Tick as

SECTION B: OIL PALM PRODUCTION

4. How old is the farm? ............

5. How did you acquire the land?

6. How many hectares of land did you acquire for oil palm plantation development? ...........

7. How many hectares have you planted with oil palm? ........

8. If you have used up the acquired hectarage, do you intend to expand production? Yes ( ) No ( ).

9. If yes, how will acquire land for expansion? ...........................................................................

   (i) ........................................................................................................................................

   (ii) .........................................................................................................................................

   (iii) ........................................................................................................................................

   (iv) ........................................................................................................................................

   (v) ........................................................................................................................................

10. Was an Environmental Impact Assessment of the plantation project required? Yes ( ) No ( ).

11. If yes, was it done?

12. Do you apply chemicals on your oil palm plantation? Yes ( ) No ( ).

13. What kinds of chemicals and for what purpose?

14. Are your labourers trained on the use of chemicals?

15. Do you know that wrong application of chemicals is harmful to the environment? ......................

16. What measures do you take to minimize the negative impact of the chemicals on the environment?

   i. ............................................................................................................................................

   ii. ..........................................................................................................................................

   iii. ......................................................................................................................................
(17) In your own opinion, is oil palm production and processing profitable?

SECTION C; PROCESSING AND WASTE MANAGEMENT

(18) Do you own a palm oil processing mill? Yes ( ), No ( )

(19) If yes what is the capacity of your mill?.........................

(20) Do you always have enough of FFB to mill?.................

(21) Where do you dispose off the empty bunches and palm oil sludge?...

(22) Are you aware of best practices in oil palm farming and processing with respect to waste management? Yes

(23) If yes, are you practicing that on your plantation and processing mills?

(24) If no, what are your challenges with regards to waste management?............................................

SECTION D: SOCIAL IMPACT OF OIL PALM FARM AND PROCESSING

(22) How many persons are employed on the plantation as permanent workers?......

(23) How many persons employed are casual workers?............................

(24) How have the communities benefited from the oil palm plantation and processing mills?............................

(26) Has there been any conflict with members of the communities hosting the plantation?

(27) What are the common causes of the conflict?..................................................
(29) How can conflicts be resolved?................................................................................
.................................................................................................................................
.................................................................................................................................
.................................................................................................................................
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Thank you for your cooperation.
APPENDIX 2a

CROSS RIVER STATE COMMERCIAL AGRICULTURE DEVELOPMENT PROJECT (CADP)

COMMUNIQUÉ ISSUED AT THE END OF A ONE-DAY OIL PALM STAKEHOLDERS FORUM HELD ON THE 30TH OF SEPTEMBER, 2010 AT THE STATE LIBRARY COMPLEX, CALABAR, CROSS RIVER STATE, NIGERIA.

The forum deliberated on the Report on the Intervention Strategies for Sustainable Oil Palm Development in Cross River State and submits as follows; that,

1) Cross River State is aware of her position as one that is hosting about 10 percent of what remains of the world’s rainforest and its biodiversity and has made conscious plans to protect it even when encouraging oil palm or any other investments.

2) Presently, there is no case of adverse social and environmental impacts as a result of oil palm investment in the State not just because of the low levels of production and processing, but because the present government have put in place enabling laws and enforcing them to protect our forest resources.

3) Oil palm stakeholders in Cross River State are aware of and complying with the guidelines of the Roundtable on Sustainable Palm Oil (RSPO) and are in the process of assuming membership of the body.

4) About 63 percent of land acquired for oil palm development several years ago in the State is yet to be planted and therefore future expansion will be limited to these acquired but uncultivated lands.

5) With increased use of improved oil palm planting materials supplied by the government to farmers in the State and the resultant enhanced productivity per hectare, hectarage expansion in the State will be minimal.

6) The fear of loss of land rights occasioned by oil palm investments as reported in Southeast Asia is not obtainable in Cross River State because land rights of individuals, families and communities in the State are recognized by law.

7) Although waste management is not a major challenge of oil palm investors in the State presently due to the low levels of production and processing, stakeholders are aware of mitigation measures should it occur in the future.

8) Oil palm production and processing remain a viable and sustainable livelihood option for communities as the fringes of reserved forests and the Cross River National Park (CRNP) in the State and has been recommended by the Park management as a successful strategy for poverty alleviation and forests protection.

9) Plans have been concluded for consultations with local and international Civil Society organizations or Non Governmental Organisations on environment to understand the social and environmental peculiarities of Cross River State in particular and Africa in general with respect to oil palm investments with a view to causing them to have a rethink on their present stance on this issue.
APPENDIX 2b

10) The Environmental Management Plan developed for oil palm development in the State will be implemented by all the stakeholders in the State to ensure social and environmental sustainability of oil palm investments in the State.

11) The Oil palm sector remains a major source of sustainable employment and income for majority of rural persons in Nigeria in general and Cross River State in particular and therefore the suspension of external funding of investments in this sector by the World Bank and its affiliates will not only aggravate the already precarious poverty status but will also bring about a socioeconomic stagnation of the State.

Signed on behalf of the Forum by the following;

1. **Chief Owali Ilem**: ......................................................
   (Chairman CRS-Commercial Agriculture Development Association (CADA).

2. **Chief Edwin Usang**: ..................................................
   (Director Non Governmental Organisation Coalition on Environment (NGOCE).

3. **Mrs. Rose Bassey**: ....................................................
   (CEO, ABANENE Nig. Limited, Biase LGA, Cross River State.

4. **Deacon Gregory Agam**: .............................................
   (President: CRS Civil Society Coalition)

5. **Chief Raphael Ekuma**: .............................................
   (Oil Palm Farmer, Ikom LGA)

6. **Elder Anthony. I. E.**: .............................................
   (Edonyi Nigerian Ltd., Biase LGA)

7. **Hon. Elizabeth Ita**: ................................................
   (IGONIGONI Oil Palm MPCS, Abi LGA, CRS)

8. **Rev.(Dr) Queen Eyo-Ita**: ...........................................
   (Farmer, Akpabuyo LGA)

9. **Mr. Egan Anohobi**: ..............................................
   (GANOS, MPCS Ikom LGA)

10. **Ms Caroline Olory**: .............................................
    (Cross River National Park (CRNP)

11. **Dr. A.M. Akwa**: ..................................................
    (Secretary CADA)

12. **Maria Ukpanyang Esq.**: ........................................
    (CADA)

13. **(Hon) Prince Ofiong Orok Ofiong**: ...........................
    (Coordinator, Ikoneto Democratic Movement (CSO)
<table>
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<tr>
<th>S/N</th>
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<tr>
<td>6.</td>
<td>Kajang, Amos Kajang</td>
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## APPENDIX 3c

### CROSS RIVER STATE COMMERCIAL AGRICULTURE DEVELOPMENT PROJECT, CALABAR

### OIL PALM STAKE HOLDERS’ FORUM

#### ATTENDANCE SHEET

<table>
<thead>
<tr>
<th>S/N</th>
<th>NAME OF PARTICIPANT</th>
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<tr>
<td>1</td>
<td>EKPE NYONG BASSEY</td>
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<td>ECRU Agricul.</td>
<td>Akwai</td>
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<tr>
<td>2</td>
<td>CAROLINE DUBY (M)</td>
<td>F</td>
<td>CROSS RIVER NAT.</td>
<td>CACR</td>
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<td>cadminau</td>
</tr>
<tr>
<td>3</td>
<td>ETEGI, LAWRENCE ENO</td>
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<td><a href="mailto:akad608@gmail.com">akad608@gmail.com</a></td>
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| 7   | ESI ATTOBI                 | M   | Casa              | Unknown             | 0803861672 |       |
## APPENDIX 3d

CROSS RIVER STATE COMMERCIAL AGRICULTURE DEVELOPMENT PROJECT, CALABAR

OIL PALM STAKE HOLDERS’ FORUM

ATTENDANCE SHEET

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<td>Mrs. Raphael Ekuma</td>
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<td>08032824882</td>
<td><a href="mailto:jokoelain@anr.com">jokoelain@anr.com</a></td>
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ANNEXURE 2.

CIVIL SOCIETY CONSULTATIVE GROUP REPORT BY PROF. M. T USMAN

1. A Coalition of 19 green groups wrote a letter on 14th August 2009 to the IFC President Robert Zoellick, which urged a freeze on financing for all Indonesian palm oil projects until a number of “deficiencies” in its policies are addressed. In a reply letter dated 28 August 2009, Zoellick informed the Coalition that “until we have a new strategy in place, IFC will not approve any new investments in palm oil”. Zoellick went ahead to state “I have also asked IFC to review the environmental and social performance of all portfolio investments in palm oil”. Technically, the moratorium does not therefore affect planned and already approved investments under CADP in Cross River State (CRS) but the Project recognizes the ecological sensitivity of the State and its relevance in the ongoing efforts to conserve natural tropical rainforests and their abundant biodiversity. It therefore became expedient to suspend disbursement of funds until a comprehensive assessment of potential impacts is conducted and mitigation measures are put in place and supported by strong stakeholder commitments. Such a strategy is now developed and ready for implementation.

2. The oil palm has always been an important tree crop that has remained an integral part of the lives and cultures of millions of persons in West Africa in general and the forest belt of Nigeria in particular. In most communities in south eastern Nigeria, ownership of plots of oil palm is a measure of the wealth of individuals and families. Its cultivation is therefore an economically-significant activity. No single activity that all strata in society have access to holds as much potential to enhance socio-economic fortunes in these parts of Nigeria as does Oil Palm cultivation and processing. The World Bank’s support could therefore be catalytic in reviving dwindling economic fortunes in the Oil Palm producing areas where most growers and project beneficiaries are smallholders with a significant proportion made up of women groups involved in processing and marketing. Most of the plantations are very old and will need to be replanted with high-yielding varieties with new developments taking place only on already deforested and/or degraded lands away from the fringes of the High Conservation Value Areas that provide habitats for threatened and endangered species. It is to be noted that deforestation in Cross River State was largely curtailed by the late 1990s and only about 3.5% of it is ascribed to oil palm cultivation.

3. An intervention strategy has been prepared to guide Oil Palm production under CADP. Care has been taken to tie the strategy to the four key themes that will frame the World Bank Group’s evolving framework for future engagement in the sector: i) supporting the development of an enabling policy and regulatory environment. CADP is situated in a sound regulatory context of: 14 Federal statutory documents between 1988 and 2004, 8 pertinent international conventions Nigeria is a signatory to, 3 World Bank Safeguards Policies
   - OP/BP 4.01: Environmental Assessment
   - OP 4.09: Pest Management
   - OP/BP 4.12: Involuntary Resettlement
and 3 instruments for implementing Policies
   - Environmental and Social Management Framework (ESMF)
   - Pest Management Plan (PMP)
   - Resettlement Policy Framework (RPF)
and the Bank’s Environment, Health and Safety guidelines., the designation in 1991 of the Cross River National Park, the enactment of Law No. 3 of 2010 establishing the Cross River State Forestry Commission (SFC) to provide for the sustainable management of the forest and wildlife resources, the establishment of Community Forest Protection and Compliance Committees by the SFC to engender participatory management of forests, the introduction of a new national forest policy and the new Presidential Initiative on Afforestation for Economic and Environmental Sustainability, the choice of CRS as the
pilot site for Nigeria’s UN-REDD readiness action plan, arrangements for active participation in the World Bank sponsored Forest Carbon Partnership Facility (FCPF) with emphasis on benefits to communities, and the membership of the Governors’ Climate and Forest (GCF) Taskforce by the Governor of Cross River State. This body is planning a REDD Workshop in the State this year (2011). ii) **Mobilizing socially and environmentally sustainable private sector investment.** CADP is designed to mobilize counterpart resources from the Bank, the Federal and State Governments and Private (individual farmer/farmer group) sources and subjecting them to Bank-stipulated environmental and social guidelines. iii) **Encouraging benefit sharing with smallholders and communities.** CADP is designed to allow smallholders active participation through membership of Commodity Interest Groups, and the provision of support on a sliding scale. Stakeholders have also agreed to uphold all labour best practices in hiring and remunerating farm workers and staff iv) **Supporting sustainability codes of practice.** CADP has initiated a consultative process with stakeholders to entrench sustainable production best practices. This culminated in a workshop at which stakeholders committed to active participation in the Roundtable on Sustainable Palm Oil (RSPO) process. Already, an RSPO Working Committee has been appointed with the mandate to achieve a national interpretation of the RSPO Principles and Criteria and ensuring stakeholders are registered as members. Some member applications are awaiting RSPO approval as at the time of submitting this report. The enthusiasm this generated is expected to help recruit farmers and farmer groups as champions of sustainable development in their respective communities.

4. Intervention Strategies designed for CADP Oil Palm production in CRS are woven around Stakeholder commitments in writing to, among other things, ensure that; No new development will be permitted near the protected areas, New developments away from protected areas will take place only in acquired non-forest and uncultivated lands, Improved hybrid oil palm seedlings are used to increase yields while minimizing land needs, zero burning methods of land clearing are enforced, waste management and IPM best practices are adopted, Existing socio-cultural institutions and mechanisms for avoiding and resolving social conflicts are enhanced, Baseline environmental conditions are established using geo-spatial data derived from satellite imagery, All extant State, Federal and International workforce regulations and guidelines including EHS standards are enforced, An EMP has been prepared to tackle envisaged negative impacts, and A commitment is secured to fully subscribe to the RSPO principles and criteria including the approval of a national interpretation and to the membership of the organization by stakeholders.

5. In the light of the foregoing, the Bank needs to reverse the suspension of disbursements to Oil Palm sub-projects to boost socio-economic development in Cross River State. It is worth noting that the agreed procedure for developing and approving sub-project proposals also has water-tight documentation requirements that will demand stakeholders’ observance of stated commitments to demonstrate the shared responsibility for sustainable development. The Bank will continue to exercise the right of refusal for funds disbursement to sub-projects that do not show evidence of preparedness to comply with agreed guidelines.

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**ANNEXURE 3:**

**DUE DILIGENCE REPORT TOWARDS THE LIFTING OF THE MORATORIUM**
A. Introduction:
With reference to the SMO dated January 23 - 27, 2011, and as part of due diligence, I carried out environmental safeguards support mission on Commercial Agriculture Development Project in Cross River State Nigeria. The Purpose of the mission was to ascertain the adequacy of the oil palm strategy to addressing the potential environmental and social concerns that are often associated with oil palm outside of Nigeria including the agitations raised with regards to the sector at large. Specific objectives of the mission were: (i) Review the draft oil palm strategy prepared by the project and establish its adequacy in addressing potential environmental and social issues that may result from the project’s activities with a view to strengthening it; (ii) Consult with key stakeholders in the oil palm sector to establish their concerns and establish the adequacy of the strategy in addressing these concerns and ascertain their level of involvement in the preparation of the strategy and their understanding of their roles and responsibilities in the implementation of the strategy; (iii) Consult with the Cross River State Ministry of Environment and assess their capacity to discharge their oversight responsibilities including monitoring and enforcing environmental compliance of the project; (iv) Conduct field visits to sites to identify potential environmental and social impacts that may result from proposed oil palm related activities of the project, assess farmers’ preparedness to address same in an acceptable manner; (v) conduct ground truthing on the areal extent of the project activities in the State and the proximity of farm sites to the Cross River State pristine tropical rainforest and the specific activities that would be funded by the Bank; (vi) Based on the mission’s findings, make appropriate recommendations to the World Bank Management (CMU, SMU and the RSA) on the lifting the moratorium on CADP’s funding of oil palm plantations in Cross River State; and (vii) Establish the extent of implementation of the project’s activities that were agreed to during the previous supervision mission.

The mission wishes to express its profound gratitude to the Cross River State commissioner of Environment, the Permanent Secretary Ministry of Agriculture, The Director of National Park, The Chairman Cross River State Forestry Commission, NGOs, community leaders and the State Coordinator of CADP and his team for the courtesies and support to the mission (see annex 1 for the list of the people met during the mission).

Summary of Mission Findings and Recommendations: The mission is satisfied with the measures put in place by the client to ensure that World Bank’s investment in the oil palm sector in Cross River State is sustainable. These measures include the preparation of oil palm intervention strategy including farm specific environmental and social management plan and involvement of NGOs in the monitoring of its implementation and adequate institutional arrangement to ensure compliance. In addition, the mission did not see any major safeguard concerns that would warrant continuous none investment in the oil palm sector as envisage in the PAD of the Commercial Agriculture Development Project. Based on the information provided by the project proponents and the findings of this mission, it is hereby recommended that the task team should, in close coordination with the client, commence the financing of activities in the Cross Rivers State Oil palm sector. This
recommendation of the mission coincides with the lifting of moratorium on new investments in the oil palm sector by the World Bank Group (the release is attached herewith) Please refer to the specific findings and recommendations of the mission below:

B. Findings

I. Review the oil palm strategy: The mission observed that an “Oil Palm Intervention Strategy for Commercial Agriculture Development in Cross River State” detailing the priority areas of investment, and has been prepared with participation of farmers and communities. The document was further consulted upon and ratified by stakeholders in the workshop of November …2010 in Calabar. Overall, it is a good document that outlines the processes and procedures that will be followed to ensure that the investment is environmentally sustainable and socially acceptable. The mission also notes that IDA comments have been incorporated in the final version which is an improvement on earlier drafts. Specifically, the Strategy is anchored on four major pillars that are well aligned with the World Bank Group’s Framework for Engagement in the Palm Oil Sector and the oil palm release of March 31, 2011( see attached documents):

(i) Investment would be in existing smallholder oil palm plantations: Significant portion of the planned investment would be on already existing smallholder plantations in communities with a view to making them more productive. To this end, funding would go into the replacing of old and unproductive palms trees with improved species that are more productive, early maturing and pest resistant. In addition, part of the funds would be expended on acquisition of more environmental friendly processing technologies;

(ii) New plantations would be on only degraded land: The strategy not only indicates zero tolerance for encroachment into forests but goes a step further to encourage the rehabilitation of degraded land by investment. To this end the State has also passed and is effectively enforcing the law banning logging on the pristine forest. In addition, community forest protection and compliance committees have been setup and provide community policing of the forest regulatory and governance reforms;

(iii) Environmental and social management plan: The strategy also considered how waste generated from the oil palm processing especially effluents would be managed in accordance to international best practices. In this regard environmental and social plan is included in the strategy. In addition, part of the funds requested by the farmers will help in addressing potential environmental and social issues that may result from the project’s activities with a view to mitigating them to acceptable limits; and
(iv) **Consultation with stakeholders and NGOs participation in project monitoring:** Participation by non state actors and independent observers such as NGOs and CSOs is in the monitoring of the proposed activities in the oil palm sector and the implementation of the oil palm strategy is the fourth pillar.

The above four pillars of the strategy are in consonance with the lighting of the 18 month global moratorium on lending for new palm oil investment. The draft of the oil palm intervention strategy for commercial agriculture development in Cross River State is attached herewith. *(See attached file: CROSS_RIVER_OIL PALM INTERVENTION STRATEGY.docx)*

II. Consultation with key stakeholders in the oil palm sector: The mission subsequently met with a range of stakeholders in the oil palm sector including oil palm farmers, cooperative societies and environmental NGO’s and CSOs, National Park, Cross River State Forestry Commission and Ministries of Environment and Agriculture.

*Meeting with environmental NGO’s and CSOs:* Specifically, the purpose of meeting with environmental NGOs and CSOs was to establish their concerns and establish the adequacy of the strategy in addressing these concerns and ascertain their level of involvement in the preparation of the strategy and their understanding of their roles and responsibilities in the implementation of the strategy. The NGO’s and CSOs met confirmed their active participation in the preparation of the Oil palm Intervention Strategy for Commercial Agriculture Development in Cross River State. They also showed significant understanding of their expected role in monitoring and reporting the implementation of the strategy. The NGOs and CSOs expressed their strong support for World Bank funding of the oil palm sector of Cross River State (The submission by NGOs on the oil palm sector is attached herewith)

*(See attached file: CSOs STAND ON STAKE HOLDERS ROUND TABLE ON WORLD BANK.docx)*

*National Park and Cross River State Forestry Commission:* The mission met with the Directors of National Park and Cross River State Forestry Commission and their staff to ascertain whether the proposed World Bank funding of oil palm sector posed any threat to the forest and other biodiversity rich sites in the state. They both confirmed that oil palm was not a threat to the rainforest of Cross River State. They also confirmed their participation and provision of inputs to the strategy.

*Cross River State Ministry of Environment:* The mission met with Cross Rivers State Commissioner of environment and his staff. The mission received assurances of the continuous commitment of the ministry in performing its oversight functions in terms of environmental standard monitoring and
enforcement as envisaged in the ESMF. The ministry demonstrated some capacity to discharge its oversight responsibilities as required. However, capacity building and awareness creation on the specific environmental and social impacts of the oil palm sector is required for staff of the ministry.

**Cross River State Ministry of Agriculture:** The mission met with the permanent secretary of the Cross River State ministry of agriculture who indicated that oil palm farming is the core of the Cross Rivers participation in the commercial Agriculture project. According to the permanent secretary of Agriculture, no agricultural strategy in Cross River can afford to ignore oil palm farming. He further reminded the mission that oil palm has always been an important tree crop that has remained an integral part of the lives and cultures of millions of persons in the State whose cultivation is therefore an economically-significant activity. He pointed out that World Bank’s support could therefore be catalytic in reviving dwindling economic fortunes in the oil palm producing areas where most growers and project beneficiaries are smallholders with a significant proportion made up of women groups involved in processing and marketing. He subsequently indicated the commitment of the State Government to ensure the faithful implementation of the oil palm strategy and called for World Bank support for the sector.

**III. Capacity to monitor and enforce environmental compliance:** Institutional arrangement for sustainable oil palm farming in Cross River State is largely adequate. These measures include the preparation and disclosure of environmental and social management framework, engagement of an environmental officer that is fully responsible for safeguards compliance of the project, oversight and close coordination among Cross River State ministry of environment, National Park and Cross River State Forestry Commission. The State has also passed and is effectively enforcing the law banning logging on the pristine forest. In addition, community forest protection and compliance committees have been setup and provide community policing of the forest. This arrangement seems to be working well.

**IV. Land use –Land cover trend:** On the trend, as described in the strategy, evidence does suggest that between the late 1970s and mid 1990s, deforestation related to agriculture was at the rate of 3.5%. However, following the establishment of the Cross River National Park in 1991. A change analysis of the land use-land cover trend indicates that relative to the situation in 1995, by 2006, undisturbed, contiguous forest cover had increased from 30.7% to 33% more or less confirming that measures taken to protect these areas have been successful and if sustained as indicated in the strategy, oil palm cultivation will not lead to the destruction of forest cover.

**V. Field visits:** The mission’s visits to a range of oil palm plantations and their owners suggest that the proposed World Bank funding for oil plantations in Cross River State...
would not impact on the existing pristine forests. The mission also confirmed that none of 
the proposed farms are located in the pristine forest or the buffer zone. Furthermore, field 
visits to farms at Odukpani, Abaerere, Ibie, Ugep, Ekori and Akpabuyo further indicated 
that the proposed funding would go into already existing but old and unproductive oil palm 
plantations. The mission was also informed that the fund is intend to replace the old palm 
trees with improved variety, early maturing and pest resistant ones. Some of the funds 
would go into re-vegetating already degraded farm lands to restore soil integrity and 
prevent erosion, leaching, silting of rivers and streams. Discussion with some of the 
farmers revealed that part of the funding would be used to strengthen the existing waste 
management practices and improved production technologies that would minimized or 
eliminate effluent generation. The farmers expressed concerns over the none 
implementation of the oil palm sub-component of the CADP as they affirmed that their 
proposed activities posed no threat to forest or any other sensitive ecosystem. As one of the 
stakeholders at Ekori community pointed out “ we are not Malaysia or Indonesia here”. 
The farmers also pointed out the danger of people who are denied of the opportunities of 
rejuvenating the oil palm farms migrating to logging, charcoal and other illicit activities due 
to the poverty that might result. The mission however noted some weakness in the farmers’ 
ability to effectively manage wastes resulting from their farms especially effluents.

VI. Status of the implementation of the agreed actions of the last mission: The mission is 
happy to report that both the finalization of the oil palm strategy and stakeholders 
validation workshop were carried out by the project team as agreed during the last mission.

C. Recommendations: Based on the mission’s findings, it is recommended that:

- The task team should resume funding of oil palm plantations in Cross River State as 
adequate arrangements have been put in place to ensure environmental and social 
sustainability of World bank investment in the sector.;
- Close supervision of the implementation process by the World Bank and 
participation of NGOs and CSOs in the monitoring and reporting of the activities in 
the oil palm sector;
- Capacity building and awareness creation of key stakeholders;
- Continuous screening of local development plans and sub-project proposal to ensure 
that they are not located in the pristine forest or the buffer zone;
- Preparation of Environmental Management Guideline for the Palm Oil Sector; and
- Local development plans and sub-project proposal will be accompanied by farm 
specific environmental and social management plan detailing how wastes especially 
effluents that may be generated would be managed to acceptable levels.

D. Agreed actions: The agreed action that was reached with the client are depicted in 
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**E. Conclusion:**

Technically speaking, the World Bank Group moratorium on new investment in the oil palm sector of November 2009 does not apply to the Nigeria Agriculture Development Project as it was already approved by the Board before the moratorium came into effect. Coincidentally, the moratorium on new invested in the oil palm sector has been lifted by the World Bank Group. However, it is required for projects in this category to ensure that adequate measures are put in place to ensure environmental sustainability. The mission is satisfied with the measures put in place by the client to ensure that World Bank’s investment in the oil palm sector in Cross River State is sustainable. These measures include the preparation of Oil palm intervention strategy including a dedicated section on farm specific environmental and social management plans and involvement of NGOs in the monitoring of its implementation and adequate institutional arrangement to ensure compliance. In addition, the mission did not see any major safeguards concerns that would warrant continuous none investment in the oil palm sector as envisage in the PAD of the Commercial Agriculture Development Project. Based on the information provided by the project proponents and the findings of this mission it is hereby recommended that the task team should in close coordination with the client commence the financing of activities in the Cross Rivers State Oil palm sector.
Background on CADP Involvement in Oil Palm: The World Bank Group moratorium on oil palm announced in November 2009 does not technically apply to the Commercial Agriculture Development Project (CADP) as it was already approved by the Board and was already effective. The project is however expected to have appropriate strategy for dealing with potential environmental and social safeguards issues in place. Accordingly, the project is enforcing the moratorium pending when ample strategy for World Bank engagement is in place. The proposed activities to be funded by the CADP are expected to be implemented in already existing small holders' plantations, degraded lands and would not involved encroachment into the Cross River State pristine forest. Nevertheless, the project can be reviewed and changes made in light of the outcomes of the proposed new comprehensive oil palm strategy for the World Bank Group.

It would be recalled that the World Bank Group was very active in oil palm in the 70s and 80s and had a whole slew of projects back then. The Nigeria Oil palm projects included a set of 4 State projects - Imo (1975-86; $19M), Rivers (1978-85; $30M). Bendel and Ondo were cancelled due to nonperformance of the State governments. The Tree Crops Project seems to be the most recent (1989-94; $106 M - of which $50M in a line of credit was cancelled) also focused on oil palm and on rubber processing. The Imo and Rivers State projects indicates that projects designed to support oil palm production by smallholders and estates, and for the processing of the resulting output in project financed estate mills. According to the PPAR, the projects suffered from unappraised and unsatisfactory land acquisition; and 'enclave mentality", which ignored the existing palm oil producers and processors; inappropriate cultural and processing technology; lack of adjustment to inadequate local funding; and, loss of financial control of the smallholder loan program in Rivers State. There were problems in implementation as suggested by the cancellation of two sister projects. These stemmed in large measure from two design faults (a) the insistence that smallholders not inter-plant their young palms with food crops and (b) the assumption that all smallholder production under the project would be sold for processing in the project mills. In addition, the separation of production support from marketing and processing (in the nucleus estate) led to not always constructive tension between these two organizations. This fundamental problem was complicated by disbursement delays in Federal and State funds, and difficulty in acquiring the large block of land required for the estate. But the PPAR also states that "there is no doubt as to the sustainability of the palm plantations ( smallholder and estate). Private planting and construction of matching processing capacity are proceeding rapidly without project-type subsidies". The Treecrops project was designed to contribute to the Government's short to medium term foreign exchange, production, income, employment, and nutritional objectives. The project's main objective was to help Nigeria to improve the production of palm oil in order to satisfy the increasing local demand. The project was also to support oil palm research and to promote the private sector by supporting smallholders development and private palm oil and rubber
processing units. According to the ICR, the project objectives were clear, realistic and most relevant to the country and the sector. Also the planned physical targets were attainable. The fact that they were not, or only partially achieved, has to be attributed to the socio-political and economic circumstances, than to project design.

Regards, Amos

(See attached file: The letter from Zoellick follows.docx) Annex 1 (See attached file: List of Persons Met.docx)

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Senior Environmental
AFTEN Bank Country Office
Abu
World Bank NIGERIA
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Dama: 5359+242
GO GREEN--TURN OFF LIGHTS BEFORE LEAVING YOUR HOME OR OFFICE

Date: 01/24/2011 03:33 PM

5359+242 / 234-9-314-5270 AFTEN

Cleared by Peter Kristensen, Acting Program Coordinator -AFTEN


Dear Onno and Idah,

In line with the SMO of December 6-22, 2010, I shall January 23 –29, 2011 as part of due diligence, carry out environmental safeguards support mission on Commercial Agriculture Development Project and visit Cross –River State. The Purpose is to ascertain the adequacy
of the proposed oil palm strategy to address the multiple environmental and social concerns that have been associated with oil palm outside of Nigeria including the agitations raised with regards to the sector at large. Specific tasks include to:

· Review the existing oil palm strategy prepared by the project and establish its adequacy in addressing potential environmental and social issues that may result from the project’s activities with a view to strengthening it;

· Consult with key stakeholders in the oil palm sector to establish their concerns and establish the adequacy of the strategy in addressing these concerns and ascertain their level of involvement in the preparation of the strategy and their understanding of their roles and responsibilities in the implementation of the strategy;

· Consult with the Cross River State Ministry of Environment and assess their capacity to discharge their oversight responsibilities including monitoring and enforcing environmental compliance of the project;

· Conduct field visits to sites to (i) identify potential environmental and social impacts that may result from proposed oil palm related activities of the project (ii) assess farmers’ preparedness to address same in a an acceptable manner, (iii) do ground truthing on the areal extent of the project activities in the State and the proximity of farm sites to the Cross River State pristine Tropical Rainforest as well as confirm the size of the farms and the specific activities that would be funded by the Bank;

· Based on the mission’s findings, appropriate recommendations shall be made to the World Bank Management (CMU, SMU and the RSA) on the lifting the moratorium on CADP's funding of oil palm plantations in Cross River State; and

· Establish the extent of implementation of the project’s activities that were agreed to during the previous supervision mission;

A back to office report shall be prepared and circulated upon my return to Abuja.

Background on CADP Involvement in Oil Palm: World Bank Group moratorium on oil palm announced in November 2009 does not apply to the Commercial Agriculture Development Project (CADP) as it was already approved by the Board and was already effective. The project is however expected to have appropriate strategy for dealing with potential environmental and social safeguards issues in place. Accordingly, the project is enforcing the moratorium pending when ample strategy for World Bank engagement is in place. The proposed activities to be funded by the CADP are expected to be implemented in already existing small holders’ plantations, degraded lands and would not involved encroachment into the Cross River State pristine forest. Nevertheless, the project can be reviewed and changes made in light of the outcomes of the proposed new comprehensive
oil palm strategy for the World Bank Group.

Regards. Amos

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