

Responses to Friends of the Earth Comments on Miro Forestry Project

Comment #1: Risk of Deforestation and Biodiversity Loss

As we have seen with past environmental and social impacts assessments (ESIAs) of similar projects, this ESIA fails to properly assess the potential impacts on biodiversity and critical ecosystems. There is no analysis (or mention) of which (if any) endemic threatened species will be affected and how, whether there is the presence of any free-flowing rivers, and how other sensitive ecosystems will be impacted. It mentions primary forests, but not in depth:

Wetlands and fragmented indigenous forests within plantation estate are surrounded by cleared 10m buffer areas. Biodiversity reserves and high conservation value areas were visited. This includes primary / secondary forest remnant patches and a number of wetlands within the plantation blocks. These areas were separated via appropriate buffer zones, particularly around riparian areas.

While buffer zones are important, the bigger problem could be reduced connectivity in the ecosystem if the area becomes more fragmented by the project. Insufficient analysis has been conducted to understand the impacts of cutting off certain areas from others and whether the measures taken will be sufficient to protect against negative impacts on biodiversity. This is especially important because buffer zone laws are rarely adhered to due to poor monitoring by the Forestry Commission and Ghana's Environmental Protection Agency. Therefore, plantations projects in Ghana have often led to deforestation, habitat loss, and ecological connectivity loss.

***DFC Response #1:** DFC agrees that additional assessment is needed with respect to the Project's potential impacts on biodiversity. As a result, DFC is requiring that Miro conduct a comprehensive biodiversity assessment that uses best practice methodologies. Findings from this comprehensive assessment will be incorporated into development of a Biodiversity Management and Monitoring Plan (BMMP) which the Project will be required to implement and report progress on to DFC as a condition of DFC support*

Comment #2: Past Evidence of Harm

Projects similar to the Miro Project have resulted in negative impacts on the environment and local communities. Most plantations in Ghana have resulted in land grabbing, loss of farming land and water resources for forest-dependent communities, and conflicts between communities and palm oil and timber companies. From what we have seen with other forest plantation projects, their impacts tend to evolve or intensify with time or as the company expands its operations. Therefore, the company needs to maintain effective engagement to identify and address the changing impacts of their operations. Unfortunately, sometimes, companies are reluctant to do this, knowing that no government agency will be monitoring their operations. Friends of the Earth Ghana and other civil society organizations in Ghana will attempt to visit their fields of operation and the communities to map and report on these changes.

DFC Response #2: Miro has been implementing a stakeholder engagement process with local communities which has been independently audited several times, most recently in 2022, and has also been regularly monitored by environmental and social specialists from DFC and the other DFI shareholders. The stakeholder engagement process and the community grievance process associated with it have been found to be in compliance with IFC Performance Standard 1.

Additional measures to further strengthen Miro's stakeholder engagement are being required by DFC and the other DFI shareholders, including recruitment of more female community liaison officers in both Ghana and Sierra Leone, and to hold more regular gender-segregated focus group discussions with affected communities. This is being done in order to ensure that issues of particular concern to women are being identified and addressed, such as maintaining access to land for crops and access to water as plantation operations expand over time.

Comment #3: Recommendations

Due to past impacts of forestry projects and the insufficient impact analysis, we strongly urge DFC to ensure:

- Stronger protections against deforestation and biodiversity loss;
- Rigorous monitoring of the Miro Project's operations;
- Stronger protection measures and safeguards are put into place;
- Continuous (or at least periodic) engagement with forest communities; and
- A revoking of support (should such support be approved) if negative impacts are found and not addressed.

DFC Response #3: Miro Forestry adheres to the Forest Stewardship Council (FSC) requirements for the identification and protection of High Conservation Value (HCV) lands and establishment of adequate buffers between active commercial forestry plantation blocks and HCV lands, wetlands and streams. Miro also will be required to comply with IFC Performance Standard 6, including demonstration of no net loss. As a condition of DFC support, DFC will require Miro to engage external expertise, develop and implement an IFC-compliant BMMP, and include its progress in the Miro Annual Report which is made available to stakeholders and the public on their website.

As noted previously, Miro has in place an existing stakeholder engagement program and dedicated community liaison staff. DFC and the other DFI shareholders will continue to monitor the effectiveness of Miro's engagement with affected communities including the implementation of additional measures to further improve engagement with specific subgroups such as women.

DFC and the other DFI shareholders are committed to rigorous monitoring of Miro's operations and are closely following the progress made on implementation of the independent environmental and social audit's recommendations to continue strengthening the Project's environmental and social performance. The Project will be required to adhere to DFC's Environmental and Social Policy and Procedures and implement the recommendations as a condition to the finance agreement.