Implementation of Agreements in Uganda following CAO mediation between Local Communities and New Forests Company

Washington, D.C., August 6 2014 – The World Bank Group’s independent recourse mechanism for private sector projects, the Compliance Advisor Ombudsman (CAO), is monitoring implementation of two agreements in Uganda to resolve complaints filed by local communities regarding commercial forestry projects supported by the International Finance Corporation (IFC). The agreements have started a process through which community livelihoods are being restored.

In July 2014, CAO’s new Vice President, Osvaldo Gratacós joined the outgoing Vice President, Meg Taylor, on a visit to Uganda to meet with community members and witness progress being made on implementing the agreements.

CAO’s involvement was triggered in December 2011 after two complaints were filed by affected communities in the Mubende and Kiboga districts of Uganda, with support from Oxfam and the Uganda Land Alliance. The complaints raised concerns about displacement of people in the area of timber plantations being developed by New Forests Company (NFC). NFC received funding from Agri-Vie Agribusiness Fund, an equity fund supported by IFC with investments in Southern and Eastern Africa.

CAO has worked extensively with the parties since they agreed to mediation in 2012, including Oxfam serving as advisor to the affected communities. The CAO process resulted in a signed agreement between NFC and the Mubende community in July 2013, followed by a second agreement with the Kiboga community in June 2014.

While agreement for the Kiboga community is still recent, two parcels of land have been acquired and the community is considering options regarding resettlement and income generating activities. The CAO team also visited the Mubende community and projects on the land they acquired in 2013, such as a women's craft group, and a youth savings and credit scheme. The projects have been initiated with assistance of a community development coordinator appointed by CAO. The first harvests are also underway, with beans and maize produced by the community ready for consumption and sale.

“It is tremendous to see how the Mubende and Kiboga communities, together with New Forests Company, Oxfam and Uganda Land Alliance have come together to find creative and collaborative solutions in this case.” said Osvaldo Gratacós, CAO Vice President. “Through our accountability process, redress for the communities has ultimately resulted in land tenure security, which is critical for restoring and building livelihoods.”

CAO continues to monitor implementation of the agreements, which represent full and final settlement of the complaints to CAO, to ensure their long term success.

For more information, see: www.cao-ombudsman.org

About the CAO:
The Office of the Compliance Advisor Ombudsman (CAO) is the independent recourse and accountability mechanism of the private sector lending and insurance arms of the World Bank Group—the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). Established in 1999, CAO reports directly to the President of the World Bank Group. CAO’s mandate is to address complaints from people affected by IFC and MIGA projects in a manner that is fair, objective, and constructive and enhance the environmental and social outcomes of those projects on the ground.