June 2014

Settlement of Complaints in Uganda sees Start of Restoration for Community Livelihoods

The Compliance Advisor Ombudsman (CAO), the independent recourse mechanism for World Bank Group private sector projects, has successfully mediated two agreements in Uganda to resolve complaints filed by local communities regarding evictions from land for commercial forestry projects supported by the International Finance Corporation (IFC). The agreements have started a process through which community livelihoods are being restored.

Overview
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.

Assessment of the Complaint
CAO traveled to Uganda in 2012 for discussions with representatives of the affected communities and NFC during which all parties indicated their willingness to participate in a dispute resolution process to address the issues. This was captured in CAO’s Assessment Report in released April 2012.

CAO Mediation Process
Since 2012, the CAO mediation team has conducted intensive bilateral and caucus sessions with the parties, with Oxfam and Uganda Land Alliance serving as advisors to the affected communities. The CAO team also worked extensively with the parties—particularly with community representatives—to ensure they had the requisite capacity to participate in the process.

In July 2013, the mediation process culminated in a signed agreement being reached between NFC and the Mubende community. This success was built upon in May 2014 with the signing of a second agreement with the Kiboga community.

Terms of Agreement Reached Between Affected Communities and Company
The agreements commit the parties to a joint program of sustainable development and to building more solid, cooperative, and mutually beneficial relations. NFC will expand its social responsibility programs and is providing support to two community cooperatives which have been set up to implement joint projects. Both of the affected communities have agreed to respect NFC’s legal rights to operate within the boundaries of the Ugandan government's forest reserves.
**Creation of Community Cooperative and Implementation of the Agreement**

As part of the mediation process, the affected communities have established legally registered cooperatives which have, and will, receive financial and other support from NFC as part of the two agreements. A joint development forum also created as part of the agreement will help identify development projects for implementation by the company and/or affected communities.

As work begins following the Kiboga agreement, good progress has been made for the Mubende community since the first agreement was signed:

- The Mubende cooperative has acquired 500 acres of land in the vicinity of the Namwasa Central Forest Reserve, with 100 acres earmarked for resettlement of households and 400 acres for agricultural projects.
- Homes are currently being built and agricultural projects have started, with the planting of bananas, coffee, maize, cassava and beans.
- The Joint Development Forum is considering immediate community needs, including access to water and income generation projects, including beekeeping, biogas, and biomass coal.
- CAO has appointed a community development coordinator to assist with these activities.

**Next Steps**

The agreements represent full and final settlement of both complaints to CAO. CAO is now monitoring implementation of the agreements to ensure their long term success.

More information on both cases is available at: [www.cao-ombudsman.org](http://www.cao-ombudsman.org)