

May 6, 2014

## Agreement between Mubende Community and New Forests Company in Uganda sees Community Resettled on New Land

Washington, D.C., May 6, 2014 – The Compliance Advisor Ombudsman (CAO), the independent accountability mechanism for the International Finance Corporation (IFC), part of the World Bank Group, is monitoring implementation of a mediated agreement between the Mubende affected community and New Forests Company (NFC) in Uganda that has resulted in significant strides being made to improve the community's situation following evictions from land allocated for timber plantations in 2010.

### Overview

CAO's involvement was triggered in December 2011 after a complaint was filed by representatives of the Mubende community, with support from Oxfam and the Uganda Land Alliance, a national consortium of organizations advocating on land issues. The complaint raised concerns about the eviction of communities from land for timber plantations. NFC, which operates plantations in the area, is supported by the Agri-Vie Agribusiness Fund, a private equity fund, which in turn is financed by IFC.



Public meeting during CAO assessment trip, February 2012

### Assessment of the Complaint

CAO traveled to Uganda early in 2012 for discussions with representatives of the affected community and NFC during which both parties indicated their willingness to participate in a dispute resolution process to address the issues. The agreed next steps are summarized in CAO's assessment report which was released publicly in May 2012.

### CAO Mediation Process

For the next year, a CAO mediation team conducted intensive bilateral and caucus sessions with the parties, with Oxfam and Uganda Land Alliance serving as advisors to the affected community. 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.

All involved showed considerable commitment, patience, tolerance, determination, creativity and goodwill throughout the process, which led to the conclusion of a Final Agreement between the affected community and NFC in July 2013.

### Terms of Agreement Reached Between Community and Company

The agreement commits the parties to a joint program of sustainable development, with NFC agreeing to work closely with the community to build more solid, mutually beneficial relations. The affected community in turn has agreed to respect NFC's legal rights and the boundaries of the Government of Uganda's forest reserve and engage with the company to develop long term co-operation and co-habitation.



Mubende community and NFC representatives after signing Framework Agreement, March 2013

### Creation of Community Cooperative and Implementation of the Agreement

As part of the mediation process, the affected community established a legally registered cooperative society with over 900 members which has, and will, receive financial and other support from NFC as part of the agreement. A joint development forum also created as part of the agreement facilitates the identification of development projects for implementation by the company and/or the affected community.

Since the agreement was signed, the following progress has been made:

- The cooperative has purchased 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 in ensuring the sustainability of the cooperative's activities.

### Next Steps

The agreement represents full and final settlement between the affected community and NFC on the issues set out in the complaint to CAO. CAO is now monitoring implementation of the agreement to ensure its long term success, while conducting a second mediation between NFC and affected community members in Kiboga District, which is also in the plantation area where evictions occurred.

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



William Bakeshisha, Chairman of the Mubende community cooperative and negotiating committee, outside his new home, February 2014.