To Whom It May Concern,

The National Association of Professional Environmentalists (NAPE), the official representative of Friends of the Earth in Uganda, hereby resubmits its complaint concerning IFC Project No. 33385 with Bidco Oil Refineries Ltd (Bidco).

NAPE is located in Uganda, where IFC’s funding of Bidco in Kenya has a negative impact. NAPE has been monitoring Bidco’s activities in Uganda for more than 20 years.

This complaint is made on behalf of the Bugala Farmers, located in Kalangala District, Bugala Island, Lake Victoria, Uganda, and shown on the map below.

NAPE and Bugala farmers can be contacted through the following address, telephone and e-mail:

National Association of Professional Environmentalists
10 km from Kampala City, after Zana Roundabout, 200m off Entebbe Road
P.O.Box29909 Kampala, Uganda
Tel: +256 414 530181, +256 772 492362
Email: nape@nape.or.ug
Web: www.nape.or.ug and www.foei.org/member-groups/africa/uganda
NAPE's work is focused on lobbying and advocating for the sustainable use of natural resources in the area of water, energy and forests. Through our programmes to battle land grabbing and deforestation, we undertake the following activities:

- Empowering communities through trainings and meetings so that they can advocate for themselves;
- Dialogue meetings with stakeholders and government officials so that important issues are discussed and resolved;
- Research and documentation so that hidden issues are brought to light and become part of local, regional, national, and international dialogues;
- Building coalitions with national and international organisations that are equally committed to stopping land grabbing, especially the type that steals from poor, marginalized communities.

NAPE, which has worked for over 20 years to battle deforestation and land grabbing by corporations like Bidco, has no objection to its identity being disclosed. However the identity of Bugala Farmers should not be disclosed, because members have had their lives threatened by Bidco and its agents.

Bugala farmers have been affected by environmental or social impacts of the project in the following way(s):

- There is a direct link between the IFC’s 36 million USD loan to Bidco for the construction of a beverage and detergent production facility in Kenya and the cultivation of palm oil by Oil Palm Uganda Limited (OPUL):
  - **Ownership**
    - Bidco is 100% owned by the Bhimji Shah family of Kenya.
    - The Bhimji Shah family also own Bidco Uganda.
    - Bidco Uganda owns 90% of OPUL.
    - OPUL is a joint venture between Shah-owned Bidco Uganda, Shah-owned Josovina Commodities (a Singapore-based trading company) and Malaysian company Wilmar International.
    - Thus the Shah family, as recipient of 36 million USD of IFC financing, is fully in control of OPUL.
  - **Production**
    - The IFC-funded beverage and detergent facility in Kenya will use palm oil produced by OPUL as a key ingredient for Bidco products produced at the plant.
    - Oil palm is an ingredient of virtually all Bidco products, including detergents.
  - **Integration**
    - Bidco publicly states that its business model controls the entire value/supply chain, confirming that the palm oil inputs required for IFC-financed detergent and beverage production in Kenya will be sourced from OPUL in Uganda.
    - This fact is further confirmed by company officials and in published materials:
      - “BIDCO’s production systems start with the farmers and ending with the consumer. Literally a farm to table approach.” (Bidco Uganda Website)
      - “‘Soil to Pan’ full value chain” (Bidco Kenya Website)
    - Thus, one of the major purposes of Bidco/OPUL’s oil palm plantation on Bugala Island is to supply palm oil to Bidco production facilities in Kenya.
  - Furthermore, Bidco/OPUL engage in environmentally and socially destructive practices in Uganda which violate IFC Performance Standards 5 (Land Acquisition and Involuntary Resettlement) and 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources).
OPUL, under the ownership of IFC-financed Bidco, has deforested 18,000 acres of pristine rainforest on Bugala Island, Uganda, in order to make way for Bidco’s oil palm plantation and processing facility.

Bidco has grabbed land from over 100 smallholder farmers in Kalangala, depriving them of their livelihoods and impoverishing their families.

NAPE believes there is no question that its revised complaint meets CAO’s three eligibility criteria:

1. The complaint directly pertains, through supply chain and ownership, to the IFC-financed project in Kenya.
2. The issues raised in the complaint directly pertain to the CAO’s mandate to address environmental and social impacts of IFC Project No. 33385 with Bidco Oil Refineries Ltd.
3. The Bugala farmers, their land and their natural environment are affected adversely by IFC Project No. 33385 with Bidco Oil Refineries Ltd., because it creates further demand for palm oil produced at the expense of environmental destruction and land grabbing on Bugala Island.

NAPE has taken the following steps regarding this matter:

- NAPE and its partners produced a documentary on Bidco’s deforestation and land grabbing in Uganda: https://www.youtube.com/watch?v=w21NJGbtBuQ
- NAPE and its partners have supported the Bugala Farmers lawsuit against Bidco: https://www.youtube.com/watch?v=aycW6Vg3xE4
- NAPE has conducted a campaign to educate farmers of Kalangala and other Sseese Islands of their land rights, so corporations like Bidco can’t attempt to take their land. As a result of our campaign, Bidco has withdrawn from plans to expand their plantation to another one of the Sseese Islands.
- NAPE conducted awareness meetings for communities on environmental conservation and rights to land. To NAPE this raised community awareness on their rights to land and entitlements. NAPE went ahead to document voices of the affected communities. The voices were shared on you tube and a wider audience. NAPE together with its partners, organized a meeting with the developer in Indonesia where challenges of the oil palm project were discussed with Wilmar and their consultants from the forest trust.
- NAPE has supported specialized lawyers on land issues to sensitize communities on land rights and how they could best negotiate with the oil palm proponents
- NAPE organized a dialogue meeting where the government, the company, IFAD, media communities Civil society organisations participated. The result of that meeting was the institution of a committee that was tasked to dig deep into the community complaints on land grabbing. The committee conducted research and presented the findings in the second dialogue meetings. Unfortunately both dialogues did not yield positive results for community.
- Communities finally had to request NAPE to support them to seek legal redress through public interest litigation from the judicial courts. The case is ongoing.

Other relevant facts to support this complaint:


We do not understand how a respected institution like IFC and World Bank could choose to fund Bidco in Kenya when next door in Uganda the company engages in environmental and human rights abuses.
Indeed, we also do not understand how CAO, in good conscience, can conclude that its eligibility criteria have not been met when the shared ownership and vertical integration of Bidco companies in Kenya and Uganda so clearly demonstrates the adverse impact an IFC project in one country can have on smallholder farmers in another.

The IFC is a multi-national organization, and it cannot shirk its global responsibilities by arguing geographical separation.

We once again request that our complaint be resolved by IFC freezing its loan to Bidco and conducting a full investigation into Bidco’s corporate governance and the failures of IFC’s due diligence process.

In our first submission we enclosed a number of reports by NAPE, as well as newspaper articles on the environmental and social destruction in Kalangala District, caused by Bidco. We trust these documents are still available to you.

Sincerely,

Frank Muramuzi
Executive Director