



CAO MONITORING REPORT

Uganda/Agri-Vie Fund-02/Mubende
March 2015

Background

The IFC-supported Agri-Vie Agribusiness Fund is a private equity fund with investments in agribusiness companies in Southern and Eastern Africa. In its current portfolio, Agri-Vie has invested in New Forests Company (NFC), a UK-based forestry company operating established and growing timber plantations in Eastern Africa. Operational in Uganda since 2005, NFC operates three pine and eucalyptus plantations in the Mubende, Kiboga, and Bugiri districts respectively.

In December 2011, a complaint was submitted to CAO¹ by four affected community representatives, Oxfam International, Oxfam Great Britain, and the Uganda Land Alliance on behalf of people living around the plantation in Mubende. Through a Dispute Resolution process facilitated by CAO between community representatives and NFC, the parties were able to reach agreement regarding how issues raised in the complaint would be resolved.² CAO has been monitoring implementation of this agreement since it was reached in July 2013. This is the first monitoring report issued by CAO in relation to this agreement

Implementation of Agreements

The Mubende affected community created the community-owned Mubende Bukakikama Cooperative Society (Cooperative Society) to represent the affected community and all beneficiaries to the agreement. The Cooperative Society initiates and manages development projects aimed at improving conditions and building sustainable livelihoods on their behalf.

The agreement set forth the first stages of a joint program of sustainable development aimed at benefiting the affected community. The parties also agreed to the following aspects being made public:

- NFC undertook to provide significant support to the Cooperative Society, and expanding its social responsibility investment program to meet some of the specific needs of this community. NFC also agreed to work closely with the co-operative and its members to build more solid and lasting mutually beneficial relations with the community.
- The affected community agreed to respect NFC's legal rights to operate within the Namwasa Central Forest Reserve, and both NFC and the community have agreed to act lawfully and to engage with each other to develop long term co-operation and good neighbourliness.
- The parties agreed to work closely together on a range of programs and projects aimed at the long term sustainable development of the community.

¹ Details on the case including the full text of the complaint can be found at: http://www.cao-ombudsman.org/cases/case_detail.aspx?id=181

² A summary of the CAO process and the agreement can be found at: <http://www.cao-ombudsman.org/cases/document-links/documents/UpdatedMubendeProgressReportafterFinalAgreement-August142013.pdf>

Since signature of the settlement, CAO has been monitoring implementation of the agreed actions between the parties. A Community Development Coordinator, contracted by CAO, is assisting the Cooperative Society in implementing components of its sustainable development program, as described below:

Land: Central to the community's priorities was the need to acquire and secure land for resettlement and agriculture. A parcel of land consisting of 500 hectares was successfully identified close to the Namwasa Forest Reserve and acquired by the Cooperative Society. The Cooperative Society set up an internal land committee to allocate land among its members, map communal areas and assist families in the resettlement process. One hundred hectares were earmarked for resettlement and 400 acres for agriculture projects. After land was demarcated and assigned to member households, many families relocated and built houses on their land. Crops have also been planted by the community, including bananas, coffee, maize, cassava, potatoes, millet and beans.

Agriculture and livelihood projects: The Cooperative Society established a Joint Development Forum to help them with organizing and planning livelihood projects. A five year strategic plan identifying key issues and how to address them was developed with full participation of all members, and serves as a road map for the Cooperative Society. Within this framework, the following initiatives are being implemented, many with additional support from NFC:

- An agricultural inputs loan scheme where members receive inputs (herbicides, seeds, etc) on credit for the farming season and pay back after harvesting and selling their produce;
- A communal bee-keeping initiative;
- A village saving scheme was built up and is now offering loans to community members;
- A tree planting project specifically targeted for youth;
- A goat-herding project;
- Establishment of a mobile clinic;
- Construction of a maize storage facility; and
- Construction of a bore hole for clean water.

Capacity-building: Recognizing the need for increased capacity among community leaders and members as they take on the challenge of managing a new Cooperative Society and establishing a community, several training initiatives were implemented by the Community Development Coordinator. Community representatives and members were trained on cooperative governance and management, investments and operations, farm planning, budgeting and savings schemes, agricultural inputs, and nutrition.

Partner linkages: With the assistance of the Community Development Coordinator, the Cooperative Society has held several meetings with donors and partners, both local and international, in an attempt to mobilize funding and partners to support the initiatives of the cooperative. This has generated initial interest from several institutions and the Cooperative Society continues to look for ways to secure support.

Next Steps

CAO is continuing to monitor the implementation of the agreement, and through the Community Development Coordinator is assisting the Mubende Cooperative Society as it looks to expand its development initiatives to meet community needs, and the needs of new households that are resettling.