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Uganda: BIDCO Oil palm plantation expansion will further put at risk local communities livelihoods

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BIDCO, the largest and fastest growing manufacturer of vegetable oils, fats, margarine, soaps and protein concentrates in East and Central Africa is investing in a multi-million dollar oil palm plantation on Bugala islands in Kalangala. The company counts with investment partners including Archer Daniels Midlands of America, Wilmar Group of Malaysia and Josovina of Singapore. Within Uganda's Vegetable Oil Development Project (VODP) scheme, the International Fund for Agricultural Development (IFAD) and the World Bank granted a \$10m loan to support the plantations and supporting infrastructure, while the Government will contribute \$12m in the form of land, electricity and roads, and BIDCO will invest \$120m (see WRM Bulletin 100).

The project was intended to grow 10,000 ha of palm on Bugala Island. So far nearly all the planned area has been planted. Of the total project area, 6500 ha were planted under the nucleus estate and 3500 ha by out growers/small holders.

According to the project's proponents it was designed to improve the livelihood of the people of Uganda and Kalangala in particular, more so on the nutrition status of the poor and reduction on the national cost burden of importation of vegetable oils.

To this date, Oil Palm Uganda Limited (BIDCO's subsidiary company) has already cleared more than 6,500ha of forest and grassland and replaced most of it with palms that will be ready for processing this year.

Despite the promises made by the government and the company, the oil palm project has not been able to come up to the promises made. According to a recent report undertaken by the Kalangala District NGO Forum (KADINGO), local people are facing serious negative impacts.

The establishment of the plantations has had high environmental impacts starting from deforestation and water depletion; and local people can no longer obtain a large number of products and services from the forest environment which disappeared as a result of the plantation. However, the most serious impact local communities are facing is the appropriation of their land by the plantation companies. In Kalangala district, local people do not have formal ownership of the land. Plantation companies are awarded concessions or land titles to that land and receive government support to repress whatever opposition they may face from local communities.

There have been eruptions of land wrangles between BIDCO and the community over who owns land. Some residents cannot precisely tell how their tomorrow will be simply because the land they are settled on is being claimed by BIDCO.

Coupled with the above, many communities have been displaced from the areas they were cultivating, and grazing, whereby some of them have been forced to sell off their animals. Although some landless people in Bwendero, Buguzi and Mulabana were said to have been facilitated to acquire land for re-settlement, the displaced communities in Buswa and Mugela were reportedly either not compensated for their losses at all or received a totally inadequate compensation.

The give-away of public land has affected the local communities who have been living on those lands and depended on it for their livelihoods. In addition, the land market boom on the Island has attracted many rich men to buy off private land. More of the indigenous and local communities that have for years lived on such land have either been fenced off or evicted.

Consequently, local communities living on both private and public land have lost their livelihood. Even those who have not been affected yet are worried about their future and cannot make long-term investments on land. In Mugoye village, more than 100 people are currently living on a land enclave surrounded by oil palm plantations. Local people are worried about what will happen if the land "owners" decide to sell off the land to the Project owners or convert it to oil palm tree growing under the out-growers scheme.

Land including natural resources such as forests has been providing a safety net for victims of social changes, displacement, unemployment, lost opportunities in the urban areas etc. Its loss has increased the vulnerability of the communities to such changes/shocks over which they have no control.

Furthermore, there are many conflicts between the communities and the Project arising from denied access to:

- Use of the project road network for livestock movements/transportation;
- Water points located in the project area formerly used by the communities; some were destroyed during the clearing of land for project activities especially the wells in Kibaale;
- Grazing lands within the project area leading to confiscation of "trespassing" animals with either an exorbitant fine of about 50,000 Shs (Ugandan shillings) per animal, or risk of having the animals slaughtered and eaten free of charge, which discourages animal rearing in most areas of the project.

One particularly severe problem resulted from the project taking over sand mining areas and denying the indigenous and local community access to building materials as in the case of Bukuzzindu. The area was a community utility where sand for building and construction was obtained but when the project took over, the indigenous and local people were denied access to this vital material. The area was put under oil palm plantation and accommodation structure for the top staff and workers. The refusal by BIDCO to vacate the area is creating friction between BIDCO and the community, to the extent that the community is reacting by digging sand ditches along the roadside so as to cause accidents to BIDCO's vehicles.

In the company's race to have more land for plantations, even the children's play ground of the community of Kasenyi – Bamungi was converted into oil palm plantation!

Given that BIDCO is planning to establish 30,000 more hectares of oil palm on the mainland, it is important to inform local communities living in the area targeted for plantations about the negative impacts of the 10,000 hectares already planted in the islands. The proposed expansion will not only not improve but will worsen people's livelihoods –and the impacted communities of the Buggala islands in Kalangala can provide more than ample evidence on this.

Article based on information from: "A study to identify key issues for engagement about the oil palm project in Ssesse islands Kalangala district: A case study of Buggala and Bunyama island in Kalangala district" sent by David Mwayafu – a Programme Officer of Uganda Coalition for Sustainable Development (UCSD), P.O.Box 27551 Kampala Tel: 256 414 269461 Email: ugandacoalition@infocom.co.ug Website: www.ugandacoalition.or.ug The full report is available at: Kalangala District NGO Forum Email: Kalangalango@yahoo.com

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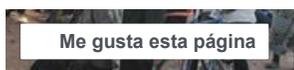
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