



KACHUNG COMMUNITY DEVELOPMENT PLAN PERFORMANCE AUDIT

BUSOGA FORESTRY COMPANY LIMITED (BFC), KACHUNG FORESTRY PLANTATION: LIRA REGION, UGANDA

FINAL REPORT

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LIST OF ACRONYMS

BFC	Busoga Forestry Company
CES	Coastal and Environmental Services
CFR	Central Forest Reserve/s
ESIA	Environmental and Social Impact Assessment
ESMS	Environmental and Social Management System
GoU	Government of Uganda
GRAS	Green Resources AS
ha	Hectare
KCDP	Kachung Community Development Plan
KPI	Key Performance Indicator/s
LC	Local Council
M&E	Monitoring and Evaluation
NALIRI	National Livestock Resources Research Institute
NFA	National Forestry Authority
SEIA	Socio-Economic Impact Assessment

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1. INTRODUCTION

1.1. Background

The Busoga Forestry Company Limited (BFC) - a subsidiary of Green Resources AS (GRAS), a forestry and timber products company headquartered Dar es salam - is a commercial forestry company currently managing the Kachung Forest Plantation that is located in northern Uganda. GRAS has two plantation operations in Uganda, both of which are located within government owned (and GRAS leased) Central Forest Reserves (CFR) - these are the Kachung and Bukaleba CFR respectively. This report focuses on the Kachung CFR (or Kachung Forest Plantation) only. The Kachung CFR is surrounded by 17 villages, with a combined population of 10,430 people that are residing in approximately 1,400 households (Nsamba et al, 2016).

As part of its business activities GRAS also sells carbon credits of its African plantation operations (these are located in Uganda, Tanzania and Mozambique) on the international market. The CDM Project Activity *Kachung Forest Project: Afforestation on Degraded Lands* issued out carbon credits in 2013 that were purchased by the Swedish Energy Agency (SEA) in 2015 (Nsamba et al, 2016). For the purposes of this report BFC and GRAS should be understood by the reader as meaning the same entity or organisation.

The Kachung Community Development Plan (KCDP) is a set of development projects and intervention areas that were identified by the SEA and BFC during 2016 as being necessary to manage or mitigate social issues and impacts arising from BFC operations. The issues of food security, ineffective communication from BFC to communities, complaints from communities associated with corruption, land-rights issues, as well as community access to forest resources have been identified as areas of significant concern by all of these parties (Nsamba et al, 2016).

The SEA has appointed EOH Coastal and Environmental Services (CES) to conduct a performance audit of the BFC's implementation of the KCDP to date, and this is the subject of this report.

1.2. The Kachung Forest Plantation

The BFC-managed Kachung Forest Plantation constitutes the majority portion of the Kachung CFR that was gazetted (proclaimed) in 1948. The Kachung CFR is located 30 kilometres southeast of the northern Uganda of city Lira. In Uganda, CFR are areas of land protected by law that have been set aside for conservation, forestry and afforestation land uses, many of which were declared or gazetted during Uganda's colonial period.

The Kachung Forest Plantation portion of the Kachung CFR covers a total area of 2,669 hectares (ha), of which approximately 2,050 ha are plantable with 546 ha set aside for conservation and 73 ha for infrastructure purposes (Figure 1.1).

BFC has been leasing the CFR and land area in question from the GoU since 2006 when afforestation operations commenced. During 2011/2012, an additional 530 ha of new forest was established in the CFR, over and above the previously planted area. The plantation consists of Pine (90%) and various Eucalyptus species (9%) and is now fully planted (2,016 ha of the available 2,050 ha) as of 2015 (GRAS, 2017).

Prior to BFC leasing the land portions in question and commencing with planting activities, the Kachung communities were used to cultivating crops and to grazing livestock in the CFR without any seeming prohibition or sanction by government officials during this period. This previous lack of restriction has resulted in the Kachung communities insisting that these use rights be maintained despite the change in leaseholder (BFC) and national legislation that has subsequently defined what are acceptable land uses and activities within CFR.



Figure 1.1: Location of the Kaching CFR operation and the surrounding communities (source: GRAS)

As of 2003, these agricultural and grazing activities were no longer freely permitted after the promulgation of the National Forestry and Tree Planting Act of 2003. Section 32 (1) of the Act sets out all prohibited activities in CFRs that includes grazing, livestock farming, plantation or cultivation of crops, etc. Specifically:

“No person shall, except for forestry purposes and in accordance with a management plan or in accordance with a license granted with this Act, in a forest reserve or community forest –

- *Cut, take or remove forest produce*
- *Clear, use or occupy any land for -*
 - *Grazing*
 - *Camping,*
 - *Livestock farming;*
 - *Planting or cultivation of crops;*
 - *Erecting a building or enclosure; or*
 - *Recreational, commercial, residential, industrial or hunting purposes”.*

Section 33 of the Act states:

- *“Subject to the management plan, a member of a local community may, in a forest reserve or community forest, cut and take free of any fee or charge, for personal domestic use in reasonable quantities, any dry wood or bamboo”*

So while the collection of fuelwood by surrounding communities in accordance with a prescribed management plan or protocol is permissible, the ongoing grazing and cropping practices within the CFR is now prohibited.

As is detailed in the chapters that follow, access to the CFR for grazing purposes and land disputes with the Kachung communities remains the major challenge faced by all stakeholders in the operation. The evident constraints associated with this which is hindering BFC from achieving these KCDP defined outcomes are also discussed.

1.3. Recent Media Coverage or Publications regarding the Kachung Forest Plantation

The paragraph below is reproduced entirely from an audit report on GRAS operations compiled by CES in September 2016 for an external financing party and remains relevant to this assignment in providing a synopsis of social issues and dynamics at play in the project area:

“Grazing and hunting are legally not permitted in the CFR; however, Kachung community members can access the swamp inside the CFR for watering their animals. In the dry season this is the only available water source, but the agreement between GRAS and the communities is that animals should not be left unattended to. During the site visit it was noted that cattle were being moved through the Kachung (Lango Forestry) plantations by herders, and by default graze along the way anyway – it is not clear how this can be avoided. GRAS has no objection to cattle moving through more mature tree compartments; however, it is emphasized to, and understood by, communities and their leadership that moving cattle through young plantations does result in significant damage to newly planted areas.

As noted above, there are various community development initiatives that BFC is funding, and implementing, in conjunction with the recipient communities to date. This has also been augmented and guided by the development of a Community development Plan during the course of 2015.

However, the Kachung plantation locality has been subject to recent and highly critical media coverage. In 2014 the Oakland Institute published A Darker Side of Green which focused on plantation forestry and carbon violence in Uganda. More importantly, the document was based on the activities of Green Resources in the country. The article claims that “under the licensed land agreement between Uganda’s government and Green Resources, upwards of 8,000 people face profound disruptions to their livelihoods, including many experiencing forced evictions”. Specific complaints by local communities referred to in the article include:

- *Being denied access to land that is vital for growing food, grazing livestock and collecting forest resources that are central to their livelihoods;*
- *Pollution of land and water by agro-chemicals resulting in crop losses and livestock deaths;*
- *Physical violence at the hands of the police;*
- *Restricted access to cultural sites and destruction of culturally significant areas;*
- *Company-led community development activities are largely disconnected from the needs and aspirations of local villagers;*
- *Failure to engage meaningfully with stakeholder communities to deliver positive community development outcomes;*
- *Failure of audits to identify the relocation of activities such as animal grazing outside of the licence areas into potentially ecologically sensitive areas resulting in fines and damage;*
- *Planting and use of chemicals in buffer zones around Lake Victoria and riparian areas; and*
- *Labour-related issues including low wages, delayed payments and requirement to pay for own PPE.*

While the above accusations and criticisms may hold an element of truth to them, it is the opinion of the author of this report that they are largely sensationalist and not reflective of then operational reality of Company policies and procedures in this regard, and largely ignorant of the communities understanding of these historical events as is discussed in more detail below. These critiques should be rebutted by GRAS in there periodic (GRI) reporting.

A short animated video of the same title is available on the internet (<https://carbonviolence.org/2014/08/13/darker-side-of-green>) and is aimed at highlighting the negative impacts associated with the development of plantations for sequestration of carbon and duplicates the issues described in the abovementioned publication. The animated video closes with the following message - "Help us tell companies like Green Resources that carbon violence must stop now". The same web page also contains links to several other articles about Green Resources (see <https://carbonviolence.org/tag/green-resources/>) that were posted in 2014.

*In November 2015 a TV documentary entitled *The Forbidden Forest* was aired on TV4 as part of the series, *Kalla Fakta* (available at <https://www.youtube.com/watch?v=COoPVXINbqQ>). In addition to inclusion of a number of serious allegations related to the manner in which local communities were removed from land to make way for the plantation, the villagers interviewed claimed infringement of human rights, that they had not been notified that their crops would be destroyed and expressed fear about being in close proximity to the plantation due to the expected reaction of security personnel. The issue of a significant impact on local food security was also raised on a number of occasions. According the GRAS on their web page, "At no point did TV4's team contact the responsible management for GR Uganda to check any facts of clear up any misunderstandings. We are also under the impression that the TV 4 team did not contact the National Forestry Authority (NFA), the statutory body that manages all central forest reserves in Uganda. We believe an encounter with NFA would have enhanced their understanding of forestry policy and laws in Uganda as well as the historical perspective of Kachung Central Forest Reserve (CFR)". They also present answers to a number of questions from the reports prior to the programme but which were apparently not incorporated into the documentary.*

Following the documentary, a group of NGOs published an open letter (10 March 2016) to the Swedish Energy Agency in which they presented four demands. Amongst these was to immediately cancel the carbon credit purchase contract with Green Resources. In addition to the specific challenges identified above, the article on the AllAfrica web page (<http://allafrica.com/stories/201412082817.html>) states that "Expecting some of the poorest of the poor to carry the social and ecological burdens of monoculture plantation forestry projects for carbon offset is both socially unjust, and ecologically just does not add up". It then makes reference to the Oakland Institute's publication.

*As per the outcomes of the additional community engagement sessions on 01 June 2016 in the Kachung CFR area, the following important information regarding the TV4 *The Forbidden Forest* documentary is required to be brought to GRAS and the lenders' attention:*

- *Both the Adok Sub-council Chairman and community members have confirmed that the TV4 documentary team produced a map at the time of the interviews that apparently indicated how the existing CFR boundary was to be extended to cover their fields and grazing areas located outside of the CFR. Claims that the CFR can, or will be, extended are patently false and seemingly this was the cause of the bulk of the tension and emotive statements made by community members evident in the documentary.*

- *This map depicting an extended CFR boundary was according to the community and leadership figures interviewed by CES supplied to the TV4 team by a local lawyer who is representing claimants in other civil cases lodged against the NFA currently under judicial review.*
- *With regard to the incidents reported by interviewees dating back to the 2008/2009 period that were covered in the TV4 documentary, respondents agreed that it was NFA personnel and not GRAS personnel that were responsible for the “evictions” of farmers with plots within the CFR boundary.*
- *The community agreed that they are aware of the constraints in utilising the CFR for agricultural purposes, but confirmed that there is an amicable agreement in place that allows for the watering of livestock within the CFR, as well as the collection of firewood therein.*

As a result of direct questions regarding food security and land availability the community and leadership conformed that currently there is sufficient agricultural land available for community utilisation outside the CFR boundaries, but that over time there will be an escalation in conflict over these land portions due to anticipated population growth. Respondents maintain that they currently farm as much land as they can without the use of mechanical farming inputs. They note that on average their households eat 2 meals a day, and as for the bulk of the region (and country) are susceptible to an annual “hungry time” during the period between harvests that is commonplace for these rural agrarian societies.

CES is aware of subsequent television coverage that has been airing in Scandinavian countries post the Kalla Facta episode, but has not seen this as yet.

1.4. Terms of Reference

The purpose of this audit assignment is therefore to assess compliance and progress against the objectives presented in the KCDP (as dictated by the relevant Monitoring and Evaluation - M&E - criteria contained therein).

The 10 projects, or intervention areas, that are detailed in the KCDP are as follows:

1. Social and Economic Assessment of Kachung’s Local Population
2. Food Security
3. Energy Saving Cook Stoves
4. Cattle Grazing
5. Communication and Grievance Mechanism
6. Anti-Corruption
7. Land Ownership and Boundaries
8. Firewood Collection
9. Rehabilitation of Water Points
10. Road Maintenance

The study methodology and approach utilised by CES in assessing BFC compliance to these specifications is discussed in Chapter 2. For a detailed understanding of the KCDP aims and attendant M&E requirements, the document should be read in its entirety.

1.5. EOH Coastal and Environmental Services

The following CES personnel were responsible for conducting this performance audit:

Dr. Kevin Whittington-Jones (Executive – EOH CES)

Role: Reviewer

Kevin holds a PhD in Environmental Biotechnology and has been involved in integrated environmental management since 1998, when he joined the Department of Biotechnology, Rhodes University. He currently holds the position of Executive at EOH CES and qualified as auditor with the Roundtable on Sustainable Biomaterials (RSB) in 2014. In addition to leading environmental and social impact assessments for large-scale projects across Southern Africa, he is extensively involved in E&S due diligence and technical assistance work, most of which is related to compliance with international E&S safeguards, including the IFC Performance Standards. He has recently completed E&S due diligence assessments on behalf of international Development Finance Institutions across a range of sectors including graphite mining, power

generation & distribution, forestry plantations, agro-industry and tourism. Since 2014 he has been the lead Independent E&S compliance auditor on behalf of the FMO-led consortium for their investment in the Copperbelt Energy Corporation and similar long-term monitoring of the operations of Green Resources AS in Uganda, Tanzania and Mozambique. He recently completed a project involving the development of an E&S safeguard system for BancABC and is currently developing a similar system for the Ugandan National Agricultural Research Organisation (NARO). In addition to work in South Africa, his experience covers projects in Botswana, DRC, Egypt, Ghana, Lesotho, Liberia, Malawi, Madagascar, Mozambique, Namibia, Nigeria, Sierra Leone, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe.

Marc Hardy (Principal Environmental Consultant – EOH CES)

Role: Site Audit / Reporting

Marc holds a M. Phil (Environmental Management) from the Stellenbosch University's of School of Public Management and Planning, and undergraduate degrees in social development and environmental studies. His professional interests include managing ESIA processes for large infrastructure, renewable energy, commercial agriculture and mining developments throughout Africa (mostly to World Bank and International Finance Corporation Performance Standards). This experience has been extended to include a range of due diligence and compliance monitoring project appointments to date. During the course of his professional career Marc has worked in Angola, Liberia, Ghana, Sierra Leone, Madagascar, Mozambique, Namibia, Nigeria, Democratic Republic of Congo, Zambia, Swaziland, Lesotho, Kenya, Uganda, Tanzania and South Africa.

2. AUDIT METHODOLOGY AND APPROACH

A standard audit methodology and approach was utilised by CES for this assignment. Owing to both authors of this report having prior knowledge of GRAS operations, including the Ugandan (BFC) plantation, the project initiation phase was largely limited to developing the checklist (Annexure B) approach was utilised to list the KCDP aims/objectives, M&E criteria and supporting evidence requirements that BFC would need to demonstrate adherence to. The Focus Group Discussions (FGD) that were designed to elicit responses on the implementation status of projects, and community opinions thereof, were generated during this time.

An initial document review was undertaken prior to the auditor's departure to site.

2.1. Document Review

The volume of documentation reviewed by CES was limited to those referenced at the end of this report. CES has previously undertaken extensive reviews of the BFC (and GRAS) document sharepoint system that houses their ESMS documents and databases and is familiar with this larger suite of documents, policies and standard operating procedures.

This review continued post the site visit - more specifically the Draft Socio-Economic Impact Assessment report (Kyalimpa and Ssempebwa, 2016) - made available to CES after the site visit.

2.2. On Site Audit Approach

2.2.1. BFC personnel meeting

An inception meeting was held with BFC personnel, SEA representatives, CES auditor and translator at the company's Lira office. General introductions, audit objectives and itinerary, BFC feedback on the KCDP implementation progress to date, and their observations of this experience were discussed by those in attendance as tabulated below.

Table 2.1: Meetings with BFC personnel

Name	Occupation/ Designation	Organisation/Village
09/01/17: BFC Office, Lira (14:05 - 14:45)		
Marc Hardy	CES Auditor	CES
Ulrika Raab	SEA	SEA
Kenneth Möllersten	SEA	SEA
Teddy Nyamaizi Nsamba	BFC (GRAS) ESG Director	BFC
Miriam Owetu	Community Relations Supervisor	BFC
Peter Ssekiranda	Plantation Manager (Kachung)	BFC
Lorna Amongi	Translator	Independent service provider

Marc Hardy was assisted by a local interpreter (Ms. Lorna Amongi) in the subsequent meetings and FGD detailed below.

2.2.2. Community Meetings / Focus Group Discussions

Five meetings were held with local authority leadership (two) and communities (three) surrounding the Kachung CFR over the course of two days that followed a FGD format. This entailed describing to meeting attendees what the objectives of the audit and the meeting were, namely:

- Gaining an understanding their experience and observations on the KCDP implementation activities to date.
- Discussion around past and current grievances or significant issues that impact on their daily lives and relationship with BFC.
- How these grievances have been dealt with.
- Community knowledge and understanding on what the boundaries of the CFR are and the legal prohibitions on agriculture and grazing activities within them.

- Challenges currently being experienced by the community - the prolonged dry period and low agricultural yields, how their households have been affected.
- Additional areas of assistance that BFC could consider providing in the year going forward.
- Annexure A contains the guiding questions utilised by the author and translator during discussions with community members and their local elected leadership or office bearers. These were used to steer conversations and lines of enquiry during these discussions as aligned to a given project or intervention or action as experienced by the community to date.

These meetings and FGD were attended by SEA and BFC personnel, the author and translator facilitating the discussions between the author and the respondents listed below.

Table 2.2: Meetings with Kachung communities and local authorities

Name	Occupation/ Designation	Organisation/Village
09/01/17: Apeti A Village FGD (11:10 – 11:55)		
Aweri Dick	Local Council 1 (LC1) Chairman	Apeti A
Marc Hardy	CES Auditor	CES
Ulrika Raab	SEA	SEA
Kenneth Möllersten	SEA	SEA
Miriam Owetu	Community Relations Supervisor	BFC
Lorna Amongi	Translator	Independent service provider
09/01/17: Abenyonya A and Abenyonya B Villages FGD (12:25 - 13:50)		
Abenyonya A get name	Local Council 1 (LC1) Chairman	Abenyonya A
14 Community Members	10 Male and 4 Female	Abenyonya A and Abenyonya B
Marc Hardy	CES Auditor	CES
Ulrika Raab	SEA	SEA
Kenneth Möllersten	SEA	SEA
Miriam Owetu	Community Relations Supervisor	BFC
Lorna Amongi	Translator	Independent service provider
09/01/17: Agwata Sub-County Chairman Meeting (12:25 - 13:50)		
Joffrey Ojungu	Local Council 3 (LC3) Chairman	Agwata Sub-County
Marc Hardy	CES Auditor	CES
Ulrika Raab	SEA	SEA
Kenneth Möllersten	SEA	SEA
Lorna Amongi	Translator	Independent
10/01/17: Adok Sub-County Chairman Meeting (09:45 - 10:20)		
Odorah Washington	Local Council 3 (LC3) Chairman	Adok
Marc Hardy	CES Auditor	CES
Ulrika Raab	SEA	SEA
Kenneth Möllersten	SEA	SEA
Miriam Owetu	Community Relations Supervisor	BFC
Lorna Amongi	Translator	Independent service provider
10/01/17: Aputi Village FGD (10:40 – 11:50)		
Sam Orech	Local Council 1 (LC1) Chairman	Aputi
12 Community Members	10 Male and 2 Female	Aputi
Marc Hardy	CES Auditor	CES
Ulrika Raab	SEA	SEA
Kenneth Möllersten	SEA	SEA
Miriam Owetu	Community Relations Supervisor	BFC
Lorna Amongi	Translator	Independent service provider

2.2.3. Follow up information requests

After the site visit additional information, or clarification, requests were submitted to BFC personnel via email.

2.3. Compliance Rating Ranking System

For the purposes of this assessment a compliance rating ranking system that has been utilised that allows for the designation of non, partial or full compliance to a given specification or key action commitment.

The compliance rating ranking criteria have been categorised as follows:

Table 2.3: Compliance Rating Ranking System

Non-Compliant (✘)	There is <i>no observable evidence</i> that a given action, specification or M&E requirement is <i>being implemented</i> and adhered to, and/or there is a <i>total lack supporting documentation and evidence</i> to support a partial compliance finding.
Partially Compliant (⊕)	A given action, specification or M&E requirement <i>is being implemented</i> and adhered to, but there is <i>insufficient supporting documentation and evidence</i> to support a full compliance finding.
Fully Compliant (✓)	The given aspect, specifications or mitigation actions required are being <i>implemented and adhered to</i> , and there is <i>sufficient supporting documentation and evidence</i> to support a full compliance finding.

The audit checklist contained in Annexure B summarises the compliance ratings that have been assigned to the 10 KCDP projects/initiatives under review in this report.

2.4. Assumptions and Limitations

- It is assumed that all information and documentation supplied to the author for review by BFC is complete and accurate (refer to the References section of this report), and that information gathered during interviews with communities, local leadership, internal and external stakeholders was also accurate and their free opinion.
- This report does not provide detailed comment on the adequacy, applicability or merit of the various independent or external studies commissioned by BFC in the course of implementing the KCDP. This extends to any proposed recommendations or mitigation actions contained therein that BFC is required to consider implementing. CES has provided comments in limited instances as to whether these studies have met the aims and objectives that have been specified for a given intervention area.
- Similarly, CES has not reviewed any of the baseline data, or datasets and subsequent statistical analysis of any of the external reports produced for BFC by independent consults.
- Community and local authority meetings were limited to a 2 day period described above.
- As noted previously the authors of this report are aware of the negative publicity that the Kachung (BFC) project has been the focus of in recent years, both in television media and more academic style publications. While it is not CES' remit to respond to, or analyse, these publications and media coverage in this appointment, it is necessary that where relevant the authors of this report state their opinions thereon as informed by their studies and experiences of the affected communities in question.
- The opinions expressed in this report are therefore also reflective of the authors' previous (and ongoing) professional experience of the Kachung project area (and GRAS' African operations in general) since August 2011 when CES was first appointed to conduct a due diligence assessment on their Ugandan operations by an external party.

3. AUDIT FINDINGS

This chapter presents the audit findings on the projects/intervention areas detailed in the KCDP. Each subsection of this chapter commences with the “Problem Statement” as defined by the KCDP, presentation of the aims and objectives of these respective intervention areas, followed by general comments on BFC’s implementation progress. CES’ summary findings and any mitigation or corrective action recommendations that may be relevant to a given intervention area, concludes each sub-section.

3.1. Social and Economic Assessment of Kachung’s Local Population

Problem statement: *BFC operations in the area of operation resulted in social and economic impacts (positive and negative) that influences the lives of the local communities, however, BFC needs a better understanding of what the impacts have been and how to address them.*

3.1.1. Aims

- Perform a study to determine the social and economic changes that have occurred among the communities. This will be based on the baseline of 2008 (when the full ESIA study was conducted), and will use information from the 2013 and 2014 Environmental and Social Impact Assessments (ESIAs).
- Using the study BFC will identify what impacts are due to the company’s operations. The study will use a counterfactual analysis to assess that such changes are due to the company’s operations, and would not have happened even if BFC had not been operating in the area.
- Use the study to evaluate the direct and indirect economic trends of the communities in relation to Kachung plantation.
- Use the study to highlight any areas where BFC’s operations have had a negative impact on the local communities.
- Identify areas where BFC’s operations have had positive impacts on the local communities.
- Investigate the causes of the negative impacts that activities have had.
- Develop a plan to address the negative impacts, as well as additional issues/ challenges raised by communities.
- Develop a review process to assess the implementation of the plan (to be designed by the external consultants).
- Build on the success of the positive impacts that the company has had on communities and where possible enhance these impacts further.

3.1.2. General Comments

- A recent SEIA report (*refer to Kyalimpa and Ssempebwa, November 2016*) of the Kachung operation’s impacts on surrounding communities was produced during the course of late 2016 that largely addresses the aims and M&E criteria specified here. The report was made available for CES review in January 2017, but it is understood that the report is still being finalised pending conclusion of the final review thereof by BFC personnel.
- The SEIA report details the study areas demographic profile as informed by national census statistics and data stemming from the survey sample of representative households in the vicinity of the Kachung CFR. The household survey data is what informs the discussion and findings around the socio-economic aspects and forms of social or human capital that is under analysis by the authors of the SEIA.
- It is noted that respondent households report that the bulk of their income and nutritional intake is from subsistence farming.
- The report stresses the importance of the CFR as a resource for fuelwood, water points for livestock and what essentially constitutes all formal employment (permanent or seasonal) opportunities for both sub counties - Adok and Agwata - that constitute the study area and Kachung CFR host communities.

- It is not clear to CES however that the second bullet point aim listed in section 3.1.1 above has been met by the report in its current format. However, it is in the opinion of CES a very difficult objective to achieve in a stand-alone report.
- The SEIA has identified intervention areas for BFC attention that do largely mirror those contained in the KCDP but with some variation, namely:
 - Agricultural Support
 - Environmental Management Support
 - Health & Medical Support
 - Education support
 - Access to improved water and sanitation
 - Roads Development
 - Business Support

The above intervention areas have specific mitigation and management actions prescribed for each of them.

- The SEIA report concludes with the following statement:

“This study analysed the socioeconomic impacts of Green Resource AS operations in Kachung, Dokolo Districts. The study was conducted in and around communities surrounding Kachung Central Forest Reserves. The Key findings of the study include: First, Green Resource operations have had significant impact on communities living near and outside the Kachung CFRs. Green Resource AS operations have resulted into creation of employment opportunities, improved road network and household incomes; increased access to education and medical services, increased access to water, and growth of small businesses among others. Similarly, the impact assessment analysed the negative aspects directly or indirectly associated with Green Resource AS operations in the area. These include: limited employment opportunities, limited engagement with all stakeholders, inadequate medical and education services and inadequate sanitation among others. Due to limited resources, management of Kachung CFR cannot implement all the interventions mentioned above. It is recommended that Green Resources AS work with other stakeholders to consolidate its achievements and to mitigate negative impacts mentioned above. Green Resource AS can work with DLGs, NGOs, and other service providers in Dokolo District to improve service delivery and the quality of living of communities surrounding Kachung CFR”.

3.1.3. Key Findings or Considerations

- The SEIA report concludes subsistence agriculture is essential to meeting the Kachung communities’ nutritional needs, as well as being the main income generation strategy for respondent households. BFC is listed as the largest employer of labour from these communities, with artisanal occupations, trade and other income generating activities being a minor contributor to household income sources.
- A general observation by CES is that while providing a useful “snapshot” of the Kachung socioeconomic context as at late 2016, adequately monitoring the specified M&E criteria will be challenging for BFC given its current financial constraints. As for other existing M&E criteria that BFC is obliged to report on (and discussed in the following sections), it is not apparent at this time how the criteria listed in this section will be monitored by BFC. Longitudinal baseline studies of this nature are time and resource intensive, and it is crucial that a pragmatic and cost efficient monitoring programme is implemented by BFC that fulfils these, and other M&E requirements.
- While the M&E criteria are valid areas and indicators of household security and wellbeing, unless the same sample group surveyed in the SEIA study is tracked over time it will difficult to credibly quantify and demonstrate changes - for better or worse - in household food security and economic status. It is crucial that BFC intentions in this regard are formulated soon.
- The SEIA described interventions or mitigation actions that will need to be reviewed by BFC (and SEA) for applicability and incorporation into the existing KCDP and Environmental and Social Management System (ESMS) documentation.
- As noted above, it is questionable whether the second bullet point aim listed in section 3.1.1

has been met and BFC and SEA need to determine what revisions, if any, are necessary.

- In light of the above unknowns BFC is deemed to be **Partially Compliant** with the overall aims and objectives of this requirement.

3.1.4. **Proposed mitigation or corrective actions**

- How BFC will incorporate the additional mitigation measures recommended in the SEIA report (November 2016), and include the associated M&E requirements specified in the KCDP in the BFC monitoring programme, needs to be demonstrated by them.
- Revision of the SEIA if determined necessary.

3.2. Food Security

Problem statement: *Subsistence agriculture dominates household levels in the Dokolo district (where BFC is operating). Due to issues such as low yields, limited markets for high peak production, limited access to modern farming, and unpredictable weather changes among other issues food security in the region is limited. Improving food production was one of BFC's aims in its Kachung Forest Project Design Document (PDD) in order to enhance livelihoods and increased food production. Therefore this issue needs to be addressed.*

3.2.1. **Aims**

- Improving agricultural land productivity and increase food security in 17 villages and their households.
- Diversifying and improving agriculture income-generating activities of local communities. Special emphasis is to be given to women farmers and other minority groups (information on the identification of marginalised groups and how we can work with them is expected to be provided through the socioeconomic survey discussed in the above section).
- Promoting value addition in the production chain and minimising post-harvest losses.
- Improve the food security of the local communities.

3.2.2. **General Comments**

- No significant actions have occurred as yet with regard these intervention areas. BFC has initiated preliminary enquiries with two NGO's to date, namely:
 - *The Hive:* Is a private company and a subsidiary of the hive group whose core business is honey and other bee products like pollen, propolis, royal jelly and bee venom. The objective is to commence with beekeeping projects amongst the community as an additional income (as well as nutritional) sources.
 - *Sasakawa Global 2000:* Are a NGO that was established to relieve regional reliance on food aid, and build agricultural self-sufficiency in sub-Saharan Africa through increased productivity and improved incomes. In Uganda, they work with farmer groups to provide quality seeds, farm inputs and secure market for farm produce.

3.2.3. **Key Findings or Considerations**

- Food security is a complex issue comprising a number of different parameters (food reliability, crop yield variability, availability and accessibility etc.), and all of these parameters that are particularly relevant to the Kachung population need to feature in the BFC monitoring programme. No evidence of this planning is available as yet.
- BFC has indicated its intention to target 400-500 households during in 2017 for various food security initiatives including training, provision of improved seed, training of farmers and establishment of demonstration plots. However, owing to the fact that this initiative is only in the conceptual phase, no preliminary planning to substantiate the above intention is in evidence.
- This has been noted by BFC as the main (and outstanding) KCDP intervention planned for 2017 - provided sufficient funds are available. It is anticipated that feedback on any progress

in this regard will be forthcoming in the periodic monitoring reports generated by BFC. Also, it is critical that these forthcoming plans and projects are based on a very good idea of the actual level and cause(s) of food insecurity among the Kachung population - over and above what is already known by BFC, or reported on in the most recent SEIA report. In short, the solutions to addressing local food reliability challenges (by own cultivation) could be different from the potential solutions for food availability or accessibility (purchase or in kind provision thereof). The required monitoring programme needs to be able to address these considerations.

- Financial constraints are likely to remain a key limiting factor in the implementation of these initiatives.
- As a result of the lack of demonstrable progress in this regard BFC is deemed to be **Non-Compliant**.

3.2.4. Proposed mitigation or corrective actions

- BFC to determine budget availability and likely course of project interventions by the end of the first quarter 2017.
- In addition, a short-term plan or framework to guide the development of a comprehensive long-term food security programme with actions, dates, budgets, and Key Performance Indicators (KPI) that are informed by the M&E criteria contained in the KCDP.

3.3. Energy Saving Cook Stoves

Problem statement: *Villages claim denial to accessing fire wood in the plantation. Collection of firewood is time-consuming and reduces the time available for other productive activities such as agriculture.*

3.3.1. Aims

- To reduce the quantity of fuel wood used in households.
- To promote a clean cooking environment and avoid health hazards associated with conventional cooking.
- To address the leakage associated with fuel wood use.
- To reduce the hours spent by women and girls in collecting fire wood.

3.3.2. General Comments

- BFC has been training communities to make the “3 stone” cook stove. This is essentially a large bowl shaped clay, mud and wetland grass stove that is moulded in a form and left to dry for a month before use. The fully enclosed walls of the stove allow for the placing of pots on the “3 stones” at the base of the stove. The stove design allows for much higher heat retention, and lower fuel wood usage, than more traditional ones (or open fires) used by communities for cooking.
- Training interventions on cook stove production are well documented and corroborated by the communities that met with the author.
- There were 6 training sessions (6 days) for the energy saving cook stoves in 6 different villages. 276 community members were trained in 2016, in addition to the 211 community members trained in 2015.

3.3.3. Key Findings or Considerations

- It is evident that BFC has fulfilled the training requirements for all surrounding communities.
- Anecdotal evidence from discussion with meeting participants indicates that the benefits (low wood consumption) are very apparent to respondents questioned on this, and a reduction in fuel usage is observable; however, it is not clear that BFC is meeting the M&E criteria in a manner that can actually demonstrate and quantify this reduction as yet.

- BFC will need to demonstrate the rate and volume of uptake over time to fulfil the M&E requirements, along with an assessment of fuel wood usage on these. As for other M&E criteria it is not readily apparent at this time how these monitoring requirements will be met by BFC. Despite this meeting respondents indicated that these stoves are gradually being introduced (made), or evident in households.
- BFC is currently considered **Fully Compliant** in this regard. However, should they not be able to report appropriately on the relevant M&E criteria before the end of 2017 they will be considered Partially Compliant.

3.3.4. Proposed mitigation or corrective actions

- The monitoring of the production of these stoves by communities (and quantity of wood consumed, time spent gathering wood etc.) needs to be captured by BFC in its ongoing M&E initiatives.

3.4. Cattle Grazing

Problem Statement: *Villagers are concerned that grazing activities are restricted within the plantation with limited land to feed their animals outside the plantation.*

3.4.1. Aims

- To bring cattle grazing in central forest reserves under control as stipulated within the national laws of Uganda.
- Encourage farmers to make use of BFC's non-timber species cut and take practices to provide fodder for cattle outside of the forest reserve.
- To promote sustainable livestock keeping methods (such as advice on appropriate stock numbers and breeds for the area based on available fodder) amongst households involved in livestock keeping to enhance livelihoods.
- Sensitising farmers on zero grazing (raising livestock in confined spaces) given the average size of landholding in Dokolo district standing at 5 acres per household.
- Hold meetings and information sessions to explain BFC's non-timber cut and take process, and encourage off take of pastures from plantations to animals outside the CFR.
- Conduct meetings with cattle keepers to develop new ways to improve cattle keeping methods amongst households involved in cattle keeping to enhance livelihoods.
- Develop new ideas with local cattle keepers to improve cattle keeping methods amongst households involved in cattle keeping to enhance livelihoods.
- Assess the number of cattle in the villages surrounding the plantation.
- Assess the available fodder within the plantation for grazing cattle.
- Assess the carrying capacity of the plantation for livestock grazing.
- Design a cattle grazing management plan based on the study findings.
- Begin a dialogue between BFC and stakeholders including the local communities, NFA, District Authorities, on how to address the grazing matter, and begin to change mind-sets associated with the zero grazing policy.
- Use a new/adapted methodology to model carbon sequestration with cattle grazing included.
- Have sustainable grazing in the plantations, providing benefits to the company and local communities.
- Have improved relationships with the local communities due to their ability to graze cattle.

3.4.2. General Comments

- The Kachung communities largely water their livestock in the swamp areas located within the CFR, more so currently as a result of the protracted dry period being experienced locally. According to BFC personnel and community members interviewed by the author, the clearly defined and utilised access routes for moving livestock to the watering points are adhered to by livestock herders. These routes are demarcated on maps generated by BFC

and distributed to community grazing committees and the local leadership.

- As noted in preceding chapters, cattle (or livestock) grazing in the CFR is not legally permitted without government approval after completing the required study and application processes. BFC has stated that it is *“committed to following national legislation, until such time that an alternative agreement can be found, the company needs to continue working with local communities to address the current issue of grazing within the plantation. Seeking permission to allow for grazing in the plantation will take time, and will involve a number of stages. BFC is looking to have grazing allowed in plantations over 2-3 years, as it would provide direct benefit to the local communities, as the cattle belongs to those communities. BFC is hopeful that with sound research and an effective management plan, gaining permission may be a viable option”*.
- The grazing carrying capacity report - *Determining Grazing Stocking Rates (Carrying Capacity) of BFC Plantations* report (Egeru et al, 2016) - undertaken by independent consultants from Makerere University and National Livestock Resources Research Institute (NALIRI), has studied Kachung forest plantations to determine the optimum number of stock for each ecosystem type with potential grazing capacity for each type of livestock.
- As such, the GoU (the NFA and any other applicable departments or ministries) will need to approve the required management plan and subsequent permission for any cooperative use of the CFR by surrounding communities.
- With regard to addressing the aims and objectives listed above BFC's efforts at sensitising farmers on the zero grazing concept appears to have been unsuccessful to date. Community members have indicated that this is contrary to their cultural norms in this regard. BFC will need to review the carrying capacity report for completeness and revisions as necessary, specifically the requirements for *“a new/adapted methodology to model carbon sequestration with cattle grazing included”*.
- The carrying capacity report reveals the following:

4.4 Green resources management perceived challenges

In the guidelines and the regulations given by the National Forestry Authority, grazing is not allowed within national Central Forest Reserves (CFRs). However, at the time of acquiring a lease for establishment of BFC plantations within both Bukaleba and Kachung forest reserves, some communities adjacent to and those settled (Bukaleba Village) within the reserve depended on the CFR. Operationally, it was hard to evict these communities and therefore, the solution lies in finding mechanism of co-existence. However, achieving a state of functional co-existence has met lots of setbacks. Key informant discussions with some senior staff at BFC led to the following revelations:

- a) BFC, cannot authorize the carrying out of any other economic activity in a national forest reserves except for forestry purposes given the provisions in the National Forestry and Tree Planting Act the prohibit any thing of the sort. This is clearly elaborated in section 1.0 of this document.*
- b) Despite the benefits extended to the neighbouring communities, these same communities still present noticeable challenges including theft of firewood, trespass that involves illegal activities like sand mining, arson and malicious damage.*
- c) In most cases, herders are disrespectful of BFC investments. Some only care about their interests. This explains the rampant rate of grazing in young tree stands irrespective of company sensitisation efforts.*
- d) Most household have as few as two to six cows. In most cases goats and sheep are zero grazed [CES i.e. raising livestock in confined spaces]. Operationally, cows are aggregated and handed over to one herdsman/ kraal for management and grazing. However, these herders are in most cases the source of the problem as they pay little attention especially to calves that cause lots of destruction.*

4.5 Community perceived challenges

From the three focus group discussions (FGDs) conducted in Bukaleba and the three conducted in Kachung, a number of cross cutting challenges were highlighted by the neighbouring communities. Indeed, the communities have reflections that date back prior to the establishment of the two respective forest plantations and their perception is a comparison of the two scenarios (before and after plantation establishment). The most notable challenges include:

- a) Reduction in grazing and cultivation land as the plantations were established on what used to be communal grazing and cultivation grounds. To exacerbate the problem, communities are not*

allowed to graze within young plantation blocks nor are they allowed to do any cultivation. Communities are allowed to graze within mature blocks, however, the community views this as a "blind fold" as these are the same blocks where herbicide are commonly applied drying up all the biomass. The community members further alleged that in some instances, use of herbicides has led to livestock deaths especially for small ruminants like sheep and goats, a fact they succinctly attribute to herbicide use in the tree plantations

b) Elimination of medicinal indigenous trees. During plantation establishment, non-discriminative land clearing was done, thus; trees and herbs of medicinal value were not spared.

c) Disruption of settlements. At the time of plantation establishment, a number of households were displaced without due compensation.

d) Despite the efforts of BFC, there is generally lack of sensitisation by the community leaders on utilisation of the forest reserve. The community alleges that they are always told that the Ugandan law restricts the extent of utilisation of non-forestry economic activities. Community members therefore insist that continued sensitization of the communities about the policies and laws that govern Central Forest Reserves in Uganda will result in a win-win situation for both them as well as BFC management.

- The carrying capacity report concludes that:

The seasonal carrying and grazing capacities for the two plantations were also established. Results hinted on a managing seasonal grazing regimes with the wet season offering more productivity for grazing than the hot season especially in the Kachung CFR located in the cattle corridor. It was also observed that in young plantations, the access factor is zero. Open land patches i.e. conservation grasslands and hardpans offered more capacity for grazing than closed canopies. The opposite was generally true for the dry season. The grazing regimes should be operationalized taking into consideration; grazing season, species and breed of grazing animals and stocking density. In this regard, it is advisable that cattle are prohibited from grazing in young tree stands whose canopy and stem strength cannot withstand animal trampling and other disturbance forms. Secondly, grazing rates within the mature tree plantations, swamps, hard pans and conservation areas should always be maintained below the dry season grazing capacities and thirdly, the grazing regimes should be based on the number of animals available; therefore, the number of grazing days per disposition will be dictated by the number of livestock. Considering the focus of BFC in achieving sustainable forest plantations that are responsive to the needs of the local communities whilst promoting equity and social and economic integration; the consulting team makes the following overall conclusions in respect of this assignment:

1. BFC plantation forests have been able to actualise the NFA objectives and efforts to reinstate Central Forest Reserves.
2. Communities currently have unregulated access to the forests to graze their multiple livestock species; cattle, sheep and goats.
3. There is indifference between the communities and forest management; the indifference arising from the perception of exclusivity of grazing rights, ownership of land and accusation of management practices by BFC perceived to cause livestock deaths.
4. The forest stands have limited herbaceous pasture species as well as reasonable browse species relevant to goats and sheep (browsers). Most of the grass species that are available in the plantation stands consist of increaser II species; grass species that increase in abundance when the grazing land is over utilised (e.g. *Sporobolus*, *Eragrostis*).
5. Herbaceous biomass available is varied across forest stands with some forest stands being decimal particularly eucalyptus stands.
6. The grass species analysed showed low crude protein levels but importantly varied across the forest plantations revealing inherent heterogeneity in the grazing locations in these landscapes. This implies that the livestock diets in these locations can best be maximised by open grazing to allow livestock to graze in different landscapes and eat multiple grass species in a given grazing period.
7. The carrying capacity of the forests is varied in overall and by stands due to variation in available dry matter as well as stand size. Overall, Bukaleba forest plantation has a higher grazing capacity to handle 5431 potential number of cattle compared to Kachung forest plantation.

In light of the above considerations, it is generally recommended that; BFC undertakes community sensitization of guiding laws, policies and regulations and work with teachers to sensitize students in the neighbouring primary and secondary schools (as these grow in the location they are the next users). Further, there is need to urgently manage community expectations including the feeling of

entitlement that is resident within the community. Whilst managing the community expectations, BFC also needs to manage, the apparent simmering conflict with the community over the cause of livestock deaths. This particularly could be approached through facilitated veterinary services visits to the communities jointly implemented with the community. Together with the community, BFC needs to explore alternative models and approaches to grazing management including the use of bunched grazing among others. Based on the results of this study, carefully managed grazing in the forest zones will allow for sustainable grazing of livestock in the forest plantations.

3.4.3. Key Findings or Considerations

- Designated access routes to water points within the plantation have been delineated on maps and provided to all communities.
- BFC has minuted the meetings conducted to attempt to introduce the zero grazing concept as an approach to solve the challenge associated with grazing of cattle. The communities have indicated that this approach is foreign to, and not acceptable in their culture.
- The 4 cattle grazing committees that have been established by representatives from different villages are mandated to resolve any grazing issues or infringements as they arise. As per community and BFC feedback these committees are functioning well.
- Despite the groundwork and baseline study now being in place it is essential that the reader consider the institutional framework in which allowing for grazing within the CFR presents - regardless of the fact that the carrying capacity if these is deemed to be low owing to a lack in suitable quality and quantity of grass/forage plant species.
- The carrying capacity report concludes that grazing remains of very limited potential and it raises the question as to given this status quo whether the NFA or GoU would consider this an acceptable proposition given these limitations.
- In summary, it appears that the low carrying capacity is unlikely to serve as an adequate justification for the GoU to allow this proposal to proceed.
- Only at such time as there is a determination by the GoU, NFA and other decision makers as to the viability (and authorisation) of grazing in the CFR will this intervention action be deemed fully compliant.
- BFC is deemed to be **Partially Compliant** with the aims and objectives of this requirement.

3.4.4. Proposed mitigation or corrective actions

- Finalise the GoU and NFA application process for grazing in the CFR. Whatever the outcome of this application may be, this avenue of action and enquiry can be closed out on final decision making by the NFA/GoU - in what will hopefully be the short term future.

3.5. Communication and Grievance Mechanisms

Problem statement: *Ineffective communication streams between BFC and stakeholders (including local communities), and an unsuccessful grievance process and management system. Leading to misunderstandings with stakeholders (including local communities), and inability to address and manage grievances.*

3.5.1. Aims

- Improve relationships between BFC and its stakeholders (both internal and external).
- Improve BFC's communications with its stakeholders (both internal and external), to help foster better relationships.
- To enable better lines of communication between stakeholders and BFC.
- To provide BFC's stakeholders with more information, and more ways for them to communicate with BFC.
- Create accessible, responsive and demonstrably fair channels to resolve communities' and workers' grievances in a mutually acceptable process.
- Create new and additional channels for receiving community and worker grievances.
- Serve as a tool to gain early warning signs of potential community and worker grievances, or

issues, stemming from project activities.

- Prevent grievances from accumulating and escalating to conflicts such as protests, sabotage, or strikes, which can be very costly to the company in terms of its reputation, work time, damage to assets, land access or additional demands.
- Allow the company to understand the project risks associated with a grievance through grievance triage. Protests, campaigns, and strikes, can sometimes arise from ‘unfounded’ grievances or misunderstandings. The grievance mechanism provides one channel that a company can use to rectify these sorts of misunderstandings or explain why a grievance is unfounded or is not within the company’s jurisdiction.
- Help manage negative publicity and activist campaigns. A company that operates responsibly and has effective grievance management channels can actively manage strike threats and hence reduce opportunities for activists to influence aggrieved workers and communities. In addition, effective communication with stakeholders and other groups will enable BFC to manage the perception of the company and limit the impact of negative press from activist groups.

3.5.2. **General Comments**

- BFC has developed and implemented a Grievance Mechanism and Communication Plan. The plans were developed using frameworks designed by Monkey Forest Consulting, a company hired by GRAS to train teams across the group resolve the challenge of communications and stakeholder engagement.
- Four grievances were lodged in 2015 and only one during 2016 and all were resolved in accordance with the stipulated process. BFC believes that the reduction in grievances received from communities is a result of improved communications with the local communities. Suggestion boxes were also erected in the communities in late 2016.

3.5.3. **Key Findings or Considerations**

- The required actions have been fulfilled and local authority and community meetings have indicated that there is a significant improvement in communications between stakeholders.
- When pressed by the author as to why so few grievances are evident on the register, FGD attendees indicated that generally any issues or concerns were discussed internally as a community and brought to the attention of the relevant BFC personnel for discussion. When minor issues do arise they are reported by the community to their leadership to be dealt with “informally”, if possible, before the formal grievance option is exercised.
- BFC is considered **Fully Compliant** to this requirement.

3.5.4. **Proposed mitigation or corrective actions**

- In light of the lack of formally lodged grievances it is recommended that the grievance register also be updated with minor issues or concerns that have been dealt with by BFC and the community without utilising the Grievance Mechanism.
- Accordingly, it is necessary for BFC personnel to be aware of this and ensure that all discussions with community members to this effect are reported to the relevant BFC personnel for recording purposes.

3.6. **Anti-Corruption**

Problem Statement: *Issues of staff not following BFC policies and rules, accusations of unfair treatment of local communities, and instances of corruption amongst BFC staff.*

3.6.1. **Aims:**

- Promote correct and lawful behaviour and to mitigate the risk of crime/ corruption/ abuse.
- Ensure all BFC staff are aware of the company’s anti-corruption policies, and zero-tolerance

to corruption, as well as all of the company's other rules and policies (through dissemination and explanation of the employee handbook and policy documents).

- Conduct anti-corruption training for BFC staff.
- Engagement with local leaders and communities to create effective and efficient awareness of BFC's policies and rules.
- Improve communications to allow for 'whistle-blowing' and other communication from staff and communities to highlight cases of crime/corruption/abuse associated with BFC's staff/activities.
- Reduce any instances of criminal/corrupt/abusive behaviour of BFC staff.
- Improve relationships with local communities by addressing instances of crime/corruption/abuse, and reducing these going forwards.

3.6.2. **General Comments**

- After the recorded harassment and attempted bribery incidents in 2015 BFC developed and implemented the required anti-corruption policy that is applicable to all employees.
- Employees have subsequently been subject to training on the contents and requirements of this policy.
- The personnel responsible for the above incidents were subject to disciplinary action (as recorded by BFC), and subsequently dismissed from employment
- No further incidents have been reported since. This was confirmed by attendees of the FGD sessions held in 3 villages over the site inspection period.

3.6.3. **Key Findings or Considerations**

- Seemingly there have been no further reportable instances of BFC personnel or security attempting to fine/extort money from persons collecting firewood or persons found grazing cattle in the CFR.
- BFC is considered **Fully Compliant** in this regard.

3.6.4. **Proposed mitigation or corrective actions**

- None identified.

3.7. Land Ownership and Boundaries

Problem statement: Village members claim ownership of land in Kachung Central Forest Reserve.

3.7.1. **Aims**

- To enhance awareness of Central Forest Reserves laws and regulations.
- To promote equitable and timely mechanism for addressing land associated grievances (this will be done in line with the aforementioned Grievance Management Plan).
- To create the synergy among NFA, Communities, Local Government leaders and BFC on forest land issues through effective communication and transparency
- Keep records of all land rights issues raised with the company.
- Keep effective records of all land rights court cases.
- Close all ongoing court cases as soon as possible.

3.7.2. **General Comments**

- BFC has been engaging with the Kachung communities on this issue on an ongoing basis.
- As reported by BFC, 17 village meetings and one stakeholder meeting were held to create awareness of the legislation under which it rents the land, and to ensure that all the issues associated with lands rights are effectively recorded and monitored. In the meetings, BFC

has ensured that the NFA representative is present in these meetings to affirm and differentiate the roles of the two entities, BFC and NFA.

- In addition, a map of CFR has been made available to each community through the village council offices so that each community, especially the leaders, are aware of the boundaries within the reserve.
- This decision was taken as a result of findings from the communities in Abenyonya B who mentioned to the author of this report in previous engagement session that in 2015 a television media crew had informed them that BFC intended to expand the boundary of the CFR to encroach on communal land. BFC does not intend to expand to other areas other than what has been designated by the GoU. As a result, maps delineating CFR boundaries were disseminated to all communities and BFC believes that this has helped to secure community confidence in their understanding of their operations and future activities/intentions.
- There is a keen awareness and stated knowledge of what the definitive boundary between the CFR and communal land is - by all attendees interviewed during the community and local authority meetings. It is unlikely that any of the ongoing court cases against BFC are likely to be successful given that they are ultimately not responsible for responding to these claims – the GoU should be the first respondent here.
- Based on the evidence available to the author, as well as his experience of the project's operations and engagements with community members and leadership over a period of 5 years, BFC cannot legitimately be considered to be transgressing any laws or responsibilities regarding the land issue. While there has been media coverage in the recent past of purported human rights abuses and assaults by government personnel and plantation security on Kachung community members going back some years, this is not in evidence now as per the author's discussions with community members .

3.7.3. **Key Findings or Considerations**

- The land question remains the most challenged and contested topic for all stakeholders, but ultimately cannot be resolved by BFC in isolation. In this regard the author deems BFC to be operating in accordance with the institutional and legal frameworks governing use and access to the CFR by surrounding communities.
- Ultimately, it is the mandate and responsibility of the GoU, and the NFA as the managing authority of CFR, to resolve these conflicting land use desires - ideally with the considered input of all stakeholders under discussion here.
- Despite the institutional constraints limiting the level of possible BFC action and intervention in this regard, BFC has assumed what responsibilities it can for resolving these ongoing claims and disputes.
- It is not the purpose of this report to determine which of these priorities should be considered paramount by affected persons and observers, or more ideally, how these conflicting aims and desires can coexist. In the opinion of the author it is probably incorrect to assume that free and unfettered access to the CFR by its surrounding communities will be the panacea for the challenges these communities face on a daily and ongoing basis. Whatever the legitimacy of community and individual's claims to the land, as well as the arguments to this effect that have been put forward by these communities and in media coverage and publications to date, any future shared use options of the CFR will need to be carefully considered.
- BFC is considered **Fully Compliant** in this regard.

3.7.4. **Proposed mitigation or corrective actions**

- Finalise outstanding court cases as soon as possible.

3.8. Firewood Collection

Problem statement: *Village members claim being denied access to firewood in the plantation.*

3.8.1. Aims

- Manage firewood collection to ensure that it is sustainable, and individuals are only collecting 'reasonable quantities' in line with legislation.
- Improve the relationship between BFC and local communities by ensuring that local communities have access to resources, and their rights are protected.
- Gain an understanding of why local people are not aware/do not understand BFC's firewood collection policy.
- Improve local people's understanding of BFC's firewood collection policy (and other policies).

3.8.2. General Comments

- The existing protocol is that collection will only be permitted/occur in areas that have been subject to pruning and tree thinning.
- BFC led sensitisation meetings on the protocol have been held in all villages that dealt with hours for firewood collection, type of firewood allowed to be collected, and tools that are acceptable within the CFR boundary.
- Access is reported by community members to be free and unrestricted, and in accordance with the protocol.
- As per BFC's reporting "*Community members are allowed to access the forest during the day time especially between 8am and 5pm, both for monitoring and health and safety reasons. This is difficult to implement as most of the community members prefer to collect firewood in the evening starting at 4pm to 7pm. This is mainly because they utilise the day for cultivation, and they collect firewood on their way home in the evening. Since the meetings have been held, improvement has been observed with most people vacating the forest by 6pm*".
- It is noted that no instances of harassment of community members by BFC security personnel has been reported since 2015 (as discussed in Section 3.6 above).

3.8.3. Key Findings or Considerations

- No issues or concerns have been identified here. Both BFC and the affected communities indicate that this protocol is adhered to by all community members.
- As discussed in Section 6 above no instances of harassment (or attempts at "fining") of individuals has been reported since 2015.
- BFC is considered **Fully Compliant** in this regard.

3.8.4. Proposed mitigation or corrective actions

- None identified.

3.9. Rehabilitation of Water Points

Problem statement: *Unsafe drinking water coverage in the villages surrounding the plantation.*

3.9.1. Aims

- Provide safe drinking water to communities in the 17 villages surrounding the plantation through the protection of water sources and provision of water access where open sources are not suitable. Thus reducing the incidence of waterborne disease outbreaks.
- Reduce the distance covered to collect water especially for the rural women and girls who culturally are tasked with this activity in the majority of households.
- Contribute to achieving Ugandan National Development Plan targets for water provision such as:
 1. 79% of rural communities and 100% of urban communities to have access to safe water

- coverage by 2020
- 2. Constructing safe water supply systems in rural areas
- 3. Rehabilitation of poor water systems

3.9.2. **General Comments**

- It must be noted that BFC is conducting this initiative over a long term period. as such, numerous historical interventions in this regard have been undertaken in this regard over the years. Between 2009 and 2015 a total of 8 community water sources were constructed or rehabilitated.
- Two boreholes were rehabilitated by BFC during the course of 2016, one in the village of Apeti and the other in Abenyonya A.
- Biannual sampling of communal water sources is a requirement in the company's Environmental and Social Management System (ESMS) monitoring programme. As per the authors findings in previous and ongoing audits on GRAS 'operations this requirement is being met and reported on by the Ugandan plantations.
- Ecologically sensitive and surface water features (swamps, wetlands streams) are delineated on the available GRAS maps of the Kachung plantation. These are designated as no go areas.
- Meeting attendees indicated that BFC has been responsible for the provision and/or maintenance of wells and water sources since the commencement of their presence/operations in the study area.
- Meeting attendees indicated that BFC has been responsible for the provision and/or maintenance of wells and water sources since the commencement of their presence/operations in the study area.

3.9.3. **Key Findings or Considerations**

- It is apparent that in the current prolonged dry period that the water point initiative has allowed for more reliable and it is assumed better quality water than surface dug wells.
- The Abenyonya village meeting attendees indicated that some water sources have become fouled and undrinkable. The author of the report could not establish whether this was the result of livestock faecal contamination, or simple over use (draw down) by community members.
- The same respondents indicated that as a result of the dry conditions these rehabilitated wells have become the only water source for some villages. Unsurprisingly, requests for additional well provision were made by these members and BFC has indicated that this will be a progressive programme roll out.
- BFC is considered **Fully Compliant** in this regard.

3.9.4. **Proposed mitigation or corrective actions**

- Owing to the prolonged lower than average rainfall/dry period being experienced by the study area, the emphasis on convenient and safe water sources has been subject to emphasis by member of all villages engaged in FGD sessions. Given the potential urgency of the situation should the dry period be significantly severe prior to the onset of the rainy season in March/April, any practical and cost efficient interventions in this regard should be considered as priority by BFC should the situation become critical. However, any expectation that BFC should be the sole entity responsible for ensuring the entire Kachung population potable water needs in the immediate future is unrealistic.

3.10. Road Maintenance

Problem statement: *Poor road conditions within and outside the plantation. This results in increased time to travel between sites for both BFC staff and local communities and increases the risk of road traffic accidents. Poor roads also limit the ability of local communities to sell their products at markets further afield.*

3.10.1. Aims

- Maintain the roads within BFC's plantations and in the communities surrounding the plantations.

3.10.2. General Comments

- There are no records available that specifically deal with road maintenance activities other than mention thereof in BFC's periodic progress reports; however, on site observations have indicated that these roads (inside and adjacent to the plantation) are in good condition. Indications are that ad hoc maintenance work does occur on a needs basis.
- Culverts have been constructed in some places to assist with adequate drainage in the wet season.
- Discussions with villagers have indicated that road conditions in the general area are good, however conditions are more difficult in the wet season. Road conditions were noted as being in a relatively good condition (it was the dry season at the time of the audit) to allow for the comfortable movement of vehicle and motorbike traffic alike.

3.10.3. Key Findings or Considerations

- BFC largely carries these repairs on an ad hoc basis with the exception of culverts constructed in areas that are prone to flooding that are identified in advance. BFC has indicated that during 2016 they *"maintained 35km of roads and continues to maintain roads in and around the plantation especially all bad spots as reported and identified during movement. This has mainly been in ensuring that culverts are placed in areas where they are needed to enable proper flow of water and establishing drainages along roads"*.
- The Adok LC3 (Sub-County Chairman) has requested that BFC consider assisting them with the creation of a new road between them and Apeti A village and a newly constructed health centre that services the larger Kachung community . BFC has indicated that this is being considered in conjunction with the District officials.
- BFC is considered **Fully Compliant** in this regard.

3.10.4. Proposed mitigation or corrective actions

- None identified.

3.11. BFC spending on KCDP implementation to date

BFC reports a **US\$ 39,388** spend to date (2016) implementing the KCDP projects or interventions discussed above. It is noted by BFC personnel that the envisioned 2017 implementation activities could be constrained by company financial limitations, but **US\$ 50,000** has been budgeted for KCDP projects during the course of 2017.

4. SUMMARY CONCLUSION

4.1. BFC Compliance to the KCDP Monitoring and Evaluation Criteria

Busoga Forest Company (BFC) is deemed to be non-compliant in demonstrating observable progress on the Food Security intervention outlined in the Kachung Community Development Plan (KCDP). While initial discussions or overtures to two pertinent NGO's operating in the Lira region have been made, no further progress is evident as yet and BFC will need to demonstrate progress in this regard in the next few months if this is to be implemented this year. Recent and prolonged dry spells have resulted in very low reported agricultural yields in the area that further highlights the crucial importance of this intervention area.

The two areas deemed partially compliant items are those of the Social and Environmental Impact Assessment (SEIA) and the Grazing Management issue. The SEIA is yet to be finalised and all relevant recommendations stemming therefrom will need to be incorporated by BFC into their existing impact management and monitoring programmes. The Grazing Management issue will in CES' opinion remain the most challenging KCDP intervention to implement successfully given the seemingly low capacity of the Central Forest Reserve (CFR) to support many livestock, and the fact that the Government of Uganda/National Forest Authority (GoU/NFA) will be required to arbitrate this matter in a time period and fashion that meets all stakeholder expectations. Should the CFR grazing option not be permissible according to the latter the discontent in relation to this issue amongst the affected villages and livestock owners is likely to remain unresolved. This remains partially compliant until such time as the relevant decisions are made.

Although BFC is deemed fully compliant with the Land Ownership and Boundaries requirements, it will also serve all stakeholders to strive to resolve these civil claims as soon as possible – either within or outside of the legal system. With regard to the remainder of the project implementation actions BFC is considered compliant as summarised in Annexure B

4.2. Outstanding Compliance Actions

High priority implementation options are the Food Security intervention and to a lesser degree, but still very crucial, the resolution of the ongoing land dispute question and legal challenges. The cattle grazing issue will remain an area of dispute should the GoU/NFA not permit this on the strength of the merits of the pending application to be made to them to this effect. It is not clear to CES at this time how this potential outcome can potentially be addressed or mitigated by BFC, but discussion around the potential options available to BFC, and the affected communities, needs to be prioritised.

As has been noted in the preceding chapter it remains a concern that the current budgetary limitations being experienced by BFC will constrain the speed and extent of these interventions if not adequately staffed and resourced by BFC. The preliminary identified interventions listed in this report, and those produced by external consultants (SEIA and Carrying Capacity), are likely to be subject to the same budgetary constraints that will affect the rate and efficacy of their implementation.

The M&E criteria outcomes that need to be reported by BFC on going forward must be undertaken in a cost effective, but methodologically defensible manner, in order to demonstrate the progress and compliance to these performance area objectives. It is critical that they set up/revise monitoring programmes to ensure that each of these performance areas continues to be proactively managed and monitored, and that appropriate KPIs in these are relevant to the KCDP M&E criteria. It is not readily apparent that BFC will be able to undertake this internally, or need to rely on external consultants. Given the budgetary and general resource constraints currently being experienced by BFC, it is possible that any implementation progress on partial and non-compliant actions identified in this report could be further delayed into 2017.

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ANNEXURE A: FOCUS GROUP DISCUSSION QUESTIONS

1. Social and Economic Assessment of Kachung's Local Population

1. General introductory discussion on aims and objectives of meeting and audit process.

2. Food Security

2. Are you aware of the agricultural extension services and projects that GR is engaged in locally?
3. What sort of training and assistance have you received to date?
4. What type of crops are you planting? Are there any "new" crop types that you have planted in recent years?
5. Do you believe that your crop yields and harvest have increased, or are of better quality since the involvement of GR in the community?
6. Are you selling much of your harvest? More or less than before?
7. What do you spend this money on?

3. Energy Saving Cook Stoves

8. Do all households in the village have the cook stoves? Have they been trained in the use thereof??
9. Does everybody use these regularly??
10. Is it working?
11. Any problems with it?

4. Cattle Grazing

12. What is the status of the cattle grazing agreement/system between the communities and BFC?
13. How is this controlled?
14. How often do BFC and the community discuss this issue?
15. What are common incidents or misunderstandings (if at all) around cattle grazing in the CFR?
16. How can it work better?

5. Communication and Grievance Mechanisms

17. Are you aware of the Grievance Mechanism?
18. Have you used it before?
19. How satisfactorily was the way it which it was dealt and the outcomes of the process agreeable?
20. Do you believe that it is effective?
21. Any concerns around the manner in which grievances are handled?
22. Do you receive feedback from GR on a regular basis regarding grievances that have been lodged?

6. Anti-Corruption

23. Have there been any incidents of plantation security trying to fine or harass community members?

7. Land Ownership and Boundaries

24. Do you feel that the CFR is clearly demarcated and the village knows where these boundaries are?
25. How often is this issue discussed between GR and the community?
26. Are these discussions or information sessions helpful / useful?
27. Does the community believe that this is still a substantial/major issue in their relationships with GR and the responsible government departments?
28. What is your knowledge of the ongoing court cases around this issue?

8. Firewood Collection

29. What is the current system/approach for collecting firewood within the CFR?
30. Does everybody adhere to this system?
31. Is it working?
32. Any problems with it?

9. Rehabilitation of Water Points

33. How has your village benefitted from well provision or maintenance?
34. Do you consider this to be a major benefit to the village?
35. Do you believe your water is safer as a result?
36. Are other water sources still utilised for drinking/cooking by the community?

10. Road Maintenance

37. Are you aware of any road maintenance activities in the past year?

ANNEXURE B: AUDIT CHECKLIST

AIMS	MONITORING & EVALUATION CRITERIA	SUPPORTING EVIDENCE/DOCUMENTATION	COMMENTS & FINDINGS	COMPLIANCE x ✓ ⊙ Non-Full-Partial
1. Social and Economic Assessment of Kachung's Local Population				
<ul style="list-style-type: none"> Perform a study to determine the social and economic changes that have occurred among the communities. This will be based on the baseline of 2008 (when the full ESIA study was conducted), and will use information from the 2013 and 2014 ESIA's. Using the study BFC will identify what impacts are due to the company's operations. The study will use a counterfactual analysis to assess that such changes are due to the company's operations, and would not have happened even if BFC had not been operating in the area. Use the study to evaluate the direct and indirect economic trends of the communities in relation to Kachung plantation. Use the study to highlight any areas where BFC's operations have had a negative impact on the local communities. Identify areas where BFC's operations have had positive impacts on the local communities. Investigate the causes of the negative impacts that activities have had. Develop a plan to address the negative impacts, as well as additional issues/ challenges raised by communities. Develop a review process to assess the implementation of the plan (to be designed by the external consultants). Build on the success of the positive impacts that the company has had on communities and where possible enhance these impacts further. 	<p>BFC will use a number of parameters (all of which will be tracked over time) which will include, but is not limited to the following:</p> <ul style="list-style-type: none"> Average Family Size. Average household income (separated by source of income and income earner). Level of employment in surrounding villages. Types of employment of the local population (divided by gender type and age). Number of small businesses in the area (shops, salons, catering). Dependence on subsistence farming. Food security (both through land for farming, and alternative incomes). Average number (and type) of livestock per household. School attendance. Average level of education in the local villages (divided by gender and age group). Instances of health issues such as Malaria, cholera, and HIV (all of which are linked to poverty and lower quality of life). Type of housing in the area - and number of different housing categories (mud huts, houses with corrugated roofing, brick housing). Average access to water (average distance travelled to collect water, and type of water provision - borehole, pump, well, river). Number of households with electricity (indication of mains or solar generated). Average time spent [weekly] on collecting fuelwood. 	<ul style="list-style-type: none"> A Socioeconomic Impact Assessment (<i>refer to Kyalimpa and Ssempebwa, November 2016</i>) of the Kachung operation's impacts on surrounding communities was undertaken during the course of late 2016 that largely addresses the aims and M&E criteria specified here. The SEIA report details the study area's demographic profile as informed by national census statistics and data stemming from the survey sample of representative households in the vicinity of the Kachung CFR. The household survey data is what informs the discussion and findings around the socio-economic aspects and forms of social or human capital that is under analysis by the authors of the SEIA. It is noted that respondent households report that the bulk of their income and nutritional intake is from subsistence farming. The report stresses the importance of the CFR as a resource for fuelwood, water points for livestock and what essentially constitutes all formal employment (permanent or seasonal) opportunities for both sub counties - Adok and Agwata - that constitute the study area and Kachung CFR host communities. The SEIA has identified intervention areas for BFC attention that do largely mirror those contained in the KCDP but with some variation, namely: <ul style="list-style-type: none"> Agricultural Support: Environmental Management Support Health & Medical Support: Education support: Access to improved water and sanitation: Roads Development: Business Support The above intervention areas have specific mitigation and management actions prescribed for each. 	<ul style="list-style-type: none"> The SEIA report concludes subsistence agriculture is essential to meeting the Kachung communities' nutritional needs, as well as being the main income generation strategy for respondent households. BFC is the largest employer of labour from these communities, with artisanal occupations, trade and other income generating activities being a minor contributor to household income sources. A general observation by CES is that while providing a useful "snapshot" of the Kachung socioeconomic context as at late 2016, adequately monitoring the specified M&E criteria if this will be challenging for BFC given its current financial constraints. As for other existing M&E criteria that BFC is obliged to report on (and discussed in the following sections), it is not apparent at this time how the criteria listed in this section will be monitored by BFC. Longitudinal baseline studies of this nature are time and resource intensive, and it is crucial that a pragmatic and cost efficient monitoring programme is implemented by BFC that fulfils these, and other M&E requirements. While the M&E criteria are valid areas and indicators of household security and wellbeing, unless the same sample group surveyed in the SEIA study is tracked over time it will difficult to credibly quantify and demonstrate changes - for better or worse - in household food security and economic status. It is crucial that BFC intentions in this regard are formulated soon. The SEIA described interventions or mitigation actions will need to be reviewed by BFC (and SEA) for applicability and incorporation into the existing KCDP and Environmental and Social Management System (ESMS) documentation. In light of the above unknowns BFC is deemed to be Partially Compliant with the overall aims and objectives of this requirement. 	<p style="text-align: center;">⊙</p>
2. Food Security				
<ul style="list-style-type: none"> Improving agricultural land productivity and increase food security in 17 villages and their households. Diversifying and improving agriculture income-generating activities of local communities. Special emphasis is to be given to women farmers and other minority groups (information on the identification of marginalised groups and how we can work with them is expected to be provided through the socioeconomic survey discussed in the above section). Promoting value addition in the production chain and minimising post-harvest losses. Improve the food security of the local communities. 	<ul style="list-style-type: none"> Number of people engaged in the program. Types of people engaged in training – including identification of number of minority group individuals who have been involved. Application of modern farming techniques by those engaged in the program. Transfer of knowledge between community members (beyond those trained). Application of modern farming techniques by additional members of the community. Yield output differences following the implementation of the scheme. Sales gained, and differences following the implementation of the program. Evaluation of food security of household pre and post project to evaluate success. 	<ul style="list-style-type: none"> BFC concedes that the Food Security program has not been implemented in the assessment period (2016 under review, largely as a result of company financial constraints, as well as the prolonged dry period experienced locally with lower than average rainfall recorded for the past 2 years. The latter being a lesser factor, but pertinent nonetheless, as this that has limited the range of interventions under consideration i.e. increased yield projects that could fail regardless as a result of poor growing conditions. BFC personnel have indicated that discussions on potential food security projects in collaboration with the relevant NGOs have been initiated, namely: <ul style="list-style-type: none"> <i>The Hive</i>: is a private company and a subsidiary of the hive group whose core business is honey and other bee products like pollen, propolis, royal jelly and bee venom. The objective is to commence with beekeeping projects amongst the community as an additional income (as well as nutritional) source. <i>Sasakawa Global 2000</i>: is an NGO that was established to relieve regional reliance on food aid, and build agricultural self-sufficiency in sub-Saharan Africa through increased productivity and improved incomes. In Uganda, they work with 	<ul style="list-style-type: none"> BFC has indicated its intention to target 400-500 households during in 2017 for various food security initiatives including training, provision of improved seed, training of farmers and establishment of demonstration plots. This has been noted by BFC as the main (and outstanding) KCDP intervention planned for 2017 - provided sufficient funds are available. It is anticipated that feedback on any progress in this regard will be forthcoming in the periodic monitoring reports generated by BFC. Financial constraints are likely to remain a key limiting factor in the implementation of this initiative/s. As a result of the lack of demonstrable progress in this regard BFC is deemed to be Non-Compliant. 	<p style="text-align: center;">x</p>

AIMS	MONITORING & EVALUATION CRITERIA	SUPPORTING EVIDENCE/DOCUMENTATION	COMMENTS & FINDINGS	COMPLIANCE x ✓ ⊖ Non-Full-Partial
		<p>farmer groups to provide quality seeds, farm inputs and secure market for farm produce.</p> <ul style="list-style-type: none"> BFC has indicated that it is hoping that these programmes/projects will commence in March 2017. Communities have been encouraged by them to form groups in addition to existing group that were identified during the SEIA fieldwork process. These community based organisations have been encouraged to submit their proposals and requests to BFC for consideration. 		
3. Energy Saving Cook Stoves				
<ul style="list-style-type: none"> To reduce the quantity of fuel wood used in households. To promote a clean cooking environment and avoid health hazards associated with conventional cooking. To address the leakage associated with fuel wood use. To reduce the hours spent by women and girls in collecting fire wood. 	<ul style="list-style-type: none"> Parameters shall include; number of women trained, number of cook stoves provided, Cook stove efficiency assessments and trends in per capita fuel wood usage. In light of issues associated with long-term adoption of new technologies assessments of use will be conducted at multiple intervals to assess long-term use. The number of houses using cook stoves will be reviewed compared to those who took part in the programme. 	<ul style="list-style-type: none"> There were 6 training sessions (over 6 days) for the energy saving cook stoves in 8 villages surrounding Kachung during 2016. Of particular focus those that had never received any training previously: Okile, Aputi, Amiakony, Te-amon, Omukuceke, Okwor and Tetugo. A total of 276 people were trained in 2016 compared to the 2015 total of 211 persons. One of the women (Ms. Betty Ojuka) who was trained in the early implementation of the project was hired by BFC on contract to train other community members in building cook stoves. No reliable statistics are available on the amount of stoves produced by communities subsequent to training, but discussions with villagers and BFC personnel indicated the uptake is around 40-50% of households over a period of time (since inception of the initiative). Community meeting attendees mentioned that these stoves were energy and time consuming to make, with women's groups subsequently building one or two at a time on every occasion that they meet to do so. Seemingly men have not got involved in the making of these stoves, which are largely being produced by women in a cooperative fashion. 	<ul style="list-style-type: none"> It is evident that BFC has fulfilled the training requirements for all surrounding communities. Anecdotal evidence from discussion with meeting participants indicates that the reduction in fuel usage is observable; however, it is not clear that BFC is meeting the M&E criteria in a manner that can actually demonstrate and quantify this reduction as yet. BFC will need to demonstrate the rate and volume of uptake over time to fulfil the M&E requirements, along with an assessment of fuel wood usage on these. As for other M&E criteria it is not readily apparent at this time how these monitoring requirements will be met by BFC. BFC is currently considered Fully Compliant in this regard. However, should they not be able to report appropriately on the relevant M&E criteria before the end of 2017 they should be considered Partially Compliant. 	✓
4. Cattle Grazing				
<ul style="list-style-type: none"> To bring cattle grazing in CFR under control as stipulated within the national laws of Uganda. Encourage farmers to make use of BFC's non-timber species cut and take practices to provide fodder for cattle outside of the forest reserve. To promote sustainable livestock keeping methods (such as advice on appropriate stock numbers and breeds for the area based on available fodder) amongst households involved in livestock keeping to enhance livelihoods. 	<ul style="list-style-type: none"> Number of people engaged in information sessions (on national legislation and company policies and actions). Number of incidents of cattle grazing within the plantation Number of incidents of repeat offenders (how many people are referred to the Chairman of the sub – county). Number of farmers taking fodder from the plantation to feed their livestock outside of the forest reserve. Monitoring of the impacts associated to change(s) in Livestock raising practices for those involved in livestock grazing. 	<p>As per the <i>Determining Grazing Stocking Rates (Carrying Capacity) of BFC Plantations</i> report terms of reference the objectives of the assignment were:</p> <ul style="list-style-type: none"> Ensure sustainable management planning for the existing natural resources based on well researched findings and recommendations from this assessment; Assess the carrying capacity of BFC plantations for grazing domestic animals (livestock) taking into account seasonal variations of the activity; and, Scientifically establish an estimate of available fodder for grazing during the wet and dry seasons, in order to establish sustainable grazing regimes based on number of livestock per ha. Assess the type of existing fodder in potential grazing areas of the plantations; Determine the number of livestock that can be sustainably accommodated per unit area; Identify potential adverse social and environmental impacts on different ecosystem types and propose potential mitigation measures; Propose feasible management regimes for the grazing activity taking into account the ownership of livestock and legal framework guiding such activities in central forest reserves; Provide scientific evidence on the proposed management regimes in relations to their effectiveness by citing local success stories; and, Propose practical monitoring and evaluation regimes based on scale, intensity and risk of the operation. <p>The report is comprehensive and addresses the prescribed</p>	<ul style="list-style-type: none"> Designated routes to water points within the plantation have been clearly indicated on a maps (as cattle are legally allowed to access water within the plantations) provided to all communities. BFC has reported conducted meetings to attempt to introduce the <i>zero grazing concept</i> as an approach to solve the challenge associated with grazing of cattle. The communities have indicated that this approach is foreign, and not acceptable in, their culture. The 4 cattle grazing committees that have been established by representatives from different villages are mandated to resolve any grazing issues or infringements as they arise. As per community and BFC feedback these committees are functioning well. Despite the groundwork and baselines study now being in place it is essential that the reader consider the institutional framework in which allowing for grazing within the CFR presents – regardless of the fact that the carrying capacity if these is deemed to be low owing to a lack in suitable quality and quantity of grass/forage plant species. The carrying capacity report concludes that grazing remains of very limited potential and it raises the question as to given this status quo whether the NFA or GoU would consider this an acceptable proposition given these limitations. In summary, it appears that the low carrying capacity is unlikely to serve as an adequate justification for the GoU to allow this proposal to proceed. BFC is deemed to be Partially Compliant with the overall aims and objectives of this requirement. Only at 	⊖

AIMS	MONITORING & EVALUATION CRITERIA	SUPPORTING EVIDENCE/DOCUMENTATION	COMMENTS & FINDINGS	COMPLIANCE x ✓ ⊖ Non-Full-Partial
		<p>terms of reference. it concludes that this capacity is limited in the CFR owing to mature stands of trees do not allow for the growth of extensive and suitable groundcover and grazing, with younger sapling areas not suitable for grazing by virtue of the damage that grazing animals inflict on young trees. As per the BFC progress reporting it is noted that:</p> <ul style="list-style-type: none"> • <i>“Meetings have been conducted in the 17 villages surrounding the CFR to discuss the issues associated with grazing within these, and explain the applicable laws. Through these meetings, livestock committees have been formed to address any incidents of herders who are arrested grazing in the areas that have been restricted. The committees report to the LC1 Chairman and are charged with the responsibility of disciplining any persons arrested.</i> • <i>Current practice in operation indicates that when livestock is found grazing in the forest, the owner of the animal is noted and number of animals recoded. The matter is then immediately reported to the head of the cattle committee and an immediate meeting with the cattle owner is held together with staff from BFC and committee members to resolve the matter amicably. BFC maintains a record of resolution reached and the matter is closed.</i> 	<p>such time as here is a determination by the GoU, NFA and other decision makers as to the viability (and authorisation) of grazing in the CFR has been determined by these role-players will this intervention action be deemed fully compliant.</p>	
5. Communication and Grievance Mechanisms				
<ul style="list-style-type: none"> • Improve relationships between BFC and its stakeholders (both internal and external). • Improve BFC's communications with its stakeholders (both internal and external), to help foster better relationships. • To enable better lines of communication between stakeholders and BFC. • To provide BFC's stakeholders with more information, and more ways for them to communicate with BFC. • Create accessible, responsive and demonstrably fair channels to resolve communities' and workers' grievances in a mutually acceptable process. • Create new and additional channels for receiving community and worker grievances. • Serve as a tool to gain early warning signs of potential community and worker grievances, or issues, stemming from project activities. • Prevent grievances from accumulating and escalating to conflicts such as protests, sabotage, or strikes, which can be very costly to the company in terms of its reputation, work time, damage to assets, land access or additional demands. • Allow the company to understand the project risks associated with a grievance through grievance triage. Protests, campaigns, and strikes, can sometimes arise from 'unfounded' grievances or misunderstandings. The grievance mechanism provides one channel that a company can use to rectify these sorts of misunderstandings or explain why a grievance is unfounded or is not within the company's jurisdiction. • Help manage negative publicity and activist campaigns. A company that operates responsibly and has effective grievance management channels can actively manage strike threats and hence reduce opportunities for activists to influence aggrieved workers and communities. In addition, effective communication with stakeholders and other groups will enable BFC to manage the perception of the company and limit the impact of negative press from activist groups. 	<ul style="list-style-type: none"> • An assessment of the implementation of communications plan, and the efficacy of the grievance management plan will be conducted every six months. For the communications plan, questionnaires to assess staff's knowledge and activity in line with the plans will be sent out. In addition, information on meetings, communications, press releases, articles and other forms of communications will be collected. At this stage, any changes to increase the efficacy or implementation of the communications plans will be discussed and out into place. • To assess the efficacy of the grievance management plan, a review of its implementation will be conducted, along with a survey of stakeholders to assess their attitude towards the grievance process. The review will assess the way in which grievances are being collected and processed, the rate of grievance closure and the average time taken to close grievances. If there are any issues, or changes noted based on the review or stakeholder feedback, these will be addressed to ensure the efficacy of grievance management. • As well as monitoring the implementation of the plans and evaluating their efficacy, the types of grievances and their management will also be monitored and evaluated. This will allow the company to identify if BFC is receiving a specific number of complains associated with any particular matter, if any grievances are noted over and above others, or any other such trends. All complaints shall be recorded and uploaded in Action Log, a system that shall be used to track each complaint. Through Action log, management shall be informed of actions taken for particular complaints and resolution status. In addition, monitoring of the number of Village Committees established to handle complaints, and the number of meetings they have had with BFC will be monitored. BFC will also use the above mentioned survey to investigate the communities' perspectives as to the efficacy of the Village Committees for raising complaints about the company. • A report shall then be generated on a monthly basis to 	<ul style="list-style-type: none"> • BFC has developed and implemented a Grievance Mechanism and Communication Plan. The plans were developed using frameworks designed by Monkey Forest Consulting, a company hired by GRAS to train teams across the group resolve the challenge of communications and stakeholder engagement. • Four grievances were lodged in 2015 and only one during 2016. BFC believes that the reduction in grievances received from is a result of improved communications with the local communities. • Suggestion boxes were also erected in the communities in late 2016. 	<ul style="list-style-type: none"> • The required actions have been fulfilled and local authority and community meetings have indicated that there is a significant improvement in communications between these stakeholders. . • BFC is considered Fully Compliant in this regard. 	<p style="text-align: center;">✓</p>

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	guide management decision for various actions that can be employed to address key areas of concern, given the grievances that have been handled through a given month or time frame.			
6. Anti-Corruption				
<ul style="list-style-type: none"> Promote correct and lawful behaviour and to mitigate the risk of crime/ corruption/ abuse. Ensure all BFC staff are aware of the company's anti-corruption policies, and zero-tolerance to corruption, as well as all of the company's other rules and policies (through dissemination and explanation of the employee handbook and policy documents). Conduct anti-corruption training for BFC staff. Engagement with local leaders and communities to create effective and efficient awareness of BFC's policies and rules. Improve communications to allow for 'whistle-blowing' and other communication from staff and communities to highlight cases of crime/corruption/abuse associated with BFC's staff/activities. Reduce any instances of criminal/corrupt/abusive behaviour of BFC staff. Improve relationships with local communities by addressing instances of crime/ corruption/abuse, and reducing these going forwards. 	<ul style="list-style-type: none"> Monitor Anti-corruption risk assessment activities. Records of staff who have signed statements that they have read the anti-corruption policy (to track the number of staff who are aware of this policy). Monitoring of the number of staff and community members who have attended anti-corruption meetings. Monitoring of the number of staff who have attended anti-corruption training. Review of places where the anti-corruption policies are being held. Review of the establishment of the Village Committees - conduct surveys of local communities to assess their perspectives on the efficacy of these committees to raise complaints and issues. Review of the number of complaints/grievances raised associated with corruption / abuse/ criminal behaviour. Assessment of the time taken to address complaints/grievances raised associated with corruption / abuse/ criminal behaviour. Review and assessment of the actions taken to address any identified issues of corrupt/criminal/abusive behaviour. 	<ul style="list-style-type: none"> After the recorded harassment and attempted bribery incidents in 2015 BFC developed and implemented the required anti-corruption policy that is applicable to all employees. The personnel responsible for the above incidents were subject to disciplinary action (as recorded by BFC), and subsequently dismissed from employment No further incidents have been reported since. This was confirmed by attendees of the FGD sessions held in 3 village over the site inspection period. 	<ul style="list-style-type: none"> Seemingly there have been no further reportable instances of BFC personnel or security attempting to fine/extort money from persons collecting firewood or persons found grazing cattle in the CFR. BFC is considered Fully Compliant in this regard. 	✓
7. Land Ownership and Boundaries				
<ul style="list-style-type: none"> To enhance awareness of CFR laws and regulations. To promote equitable and timely mechanism for addressing land associated grievances (this will be done in line with the aforementioned Grievance Mechanism). To create the synergy among NFA, Communities, Local Government leaders and BFC on forest land issues through effective communication and transparency. Keep records of all land rights issues raised with the company. Keep effective records of all land rights court cases. Close all ongoing court cases as soon as possible. 	<ul style="list-style-type: none"> Monitoring in line with the Grievance Mechanism (mentioned above). Records of the sensitization meetings about land rights associated with the forest reserve, land laws associated with the forest reserve, and user rights. Records of the sensitization meetings informing communities about our plan to promote equitable and timely mechanism for addressing land associated grievances. Monitoring on the time taken to address land associated grievances. Records on the number of land related litigation cases closed. Length of time taken to close land related litigation cases (this will be taken from the time which GR is made aware of the litigation case, to the time taken to close the case). Details on the number of out of court settlements among others. Reduction in the number of lands rights grievances and/or court cases/settlements within BFC's control. 	<ul style="list-style-type: none"> BFC has been engaging with the Kachung communities on this issue on an ongoing basis. As reported by BFC, 17 village meetings and one stakeholder meeting to create awareness of the legislation under which it rents the land, and to ensure that all the issues associated with lands rights are effectively recorded and monitored. In the meetings, BFC has ensured that the NFA representative is present in these meetings to affirm and differentiate the roles of the two entities, BFC and NFA. In addition, a map of Kachung Forest Reserve has been made available to all communities through the village council offices so that each community, especially the leaders, are aware of the boundaries within the reserve. This decision was taken as a result of findings from the communities in Abenyonya B who mentioned to the author of this report in previous engagement session that in 2015 a television media crew had informed them that BFC intended to expand the boundary of the CFR to encroach on communal land. BFC does not intend to expand to other areas other than what has been designated by the GoU. As a result, maps delineating CFR boundaries were disseminated to all communities and BFC believes that this has helped to secure community confidence in their understanding of their operations and future activities/intentions. 	<ul style="list-style-type: none"> This remains the most challenged and contested topic for all stakeholders, but ultimately cannot be resolved by BFC in isolation. In this regard the author deems BFC to be operating in accordance with the institutional and legal frameworks governing use and access to the CFR by surrounding communities. Ultimately, it is the mandate and responsibility of the GoU, and the NFA as the managing authority of CFR, to resolve these conflicting land use desires - ideally with the considered input of all stakeholders under discussion here. Despite the institutional constraints limiting the level of possible BFC action and intervention in this regard, BFC has assumed what responsibilities it can for resolving these ongoing claims and disputes. BFC is considered Fully Compliant in this regard. 	✓
8. Firewood Collection				
<ul style="list-style-type: none"> Manage firewood collection to ensure that it is sustainable, and individuals are only collecting 'reasonable quantities' in line with legislation. Improve the relationship between BFC and local communities by ensuring that local communities have access to resources, and their rights are protected. Gain an understanding of why local people are not aware/do not understand BFC's firewood collection policy. 	<ul style="list-style-type: none"> BFC will monitor the communities that they have conducted meetings and sensitisation tasks with. In addition, meetings with governmental officials and law enforcement will also be tracked. The collection of the firewood will also be monitored, and recorded (including using pictures). Records of individuals who are removing non-allowed products, such as logs, will be recorded. Every year, BFC will assess the efficacy of the firewood 	<ul style="list-style-type: none"> The existing protocol is that collection will only be permitted/occur in areas that have been subject to pruning and tree thinning. BFC led sensitisation meetings on the protocol have been held in all villages that dealt with hours for firewood collection, type of firewood allowed to be collected, and tools that are acceptable within the CFR boundary. Access is reported by community members to be free 	<ul style="list-style-type: none"> No issues or concerns have been identified here. both BFC and the affected communities indicate that this protocol is adhered to be all community members As discussed in Section 6 above no instances of harassment (or attempts at "fining") of individuals has been reported since 2015. BFC is considered Fully Compliant in this regard. 	✓

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<ul style="list-style-type: none"> Improve local people's understanding of BFC's firewood collection policy (and other policies). 	<p>management plan.</p> <ul style="list-style-type: none"> If reviews indicate that changes need to be made, a new version of the plan will be compiled, and the communities, and officials, will be briefed about the changes. 	<p>and unrestricted, and in accordance with the protocol.</p> <ul style="list-style-type: none"> As per BFC's reporting "Community members are allowed to access the forest during the day time especially between 8am and 5pm, both for monitoring and health and safety reasons. This is difficult to implement as most of the community members prefer to collect firewood in the evening starting at 4pm to 7pm. This is mainly because they utilise the day for cultivation, and they collect firewood on their way home in the evening. Since the meetings have been held, improvement has been observed with most people vacating the forest by 6pm. BFC plantation workers are encouraged to help family members collect firewood by taking it with them as they return home from work. This has helped many women in the community and fostered better relationships in their families as the women feel their husbands are helping". It is noted that no instances of harassment of community members by BFC security personnel has been reported since 2015 (as discussed in Section 6 above). 		
9. Rehabilitation of Water Points				
<ul style="list-style-type: none"> Provide safe drinking water to communities in the 17 villages surrounding the plantation through the protection of water sources and provision of water access where open sources are not suitable. Thus reducing the incidence of waterborne disease outbreaks. Reduce the distance covered to collect water especially for the rural women and girls who culturally are tasked with this activity in the majority of households. Contribute to achieving Ugandan National Development Plan targets for water provision such as: <ul style="list-style-type: none"> 79% of rural communities and 100% of urban communities to have access to safe water coverage by 2020 Constructing safe water supply systems in rural areas Rehabilitation of poor water systems 	<ul style="list-style-type: none"> BFC will monitor the extent of water provision within the communities surrounding its plantations. Identification of all water sources to be protected will be developed and the progress of protecting these sources will be reviewed every 6 months. BFC shall continue to conduct water quality assessment of open water sources twice a year (dry and wet seasons) to ensure that water accessed by the communities is not contaminated to cause disease. <ul style="list-style-type: none"> The assessments will be conducted by legally mandated bodies (either the National Water and Sewage operation, or the Directorate of water resource management). BFC will collect the samples in accordance to the guidelines given by the body that the company works with, and then the contracted organisation will conduct the water analysis. For areas where no open water sources are available a list of alternative approached to water provision (boreholes, wells, etc.) will be developed, and the progress of providing these alternatives will be assessed every 6 months. BFC communicates the results to local communities through stakeholder consultation meetings, in the simplest way possible. The company will continue to do this going forwards. 	<ul style="list-style-type: none"> Two boreholes were rehabilitated by BFC during the course of 2016, one in the village of Apeti and the other in Abenyonya A. Between 2009 and 2015 a total of 8 community water sources were constructed or rehabilitated. Biannual sampling of communal water sources is prescribed by BFC in their ESMS monitoring programme. As per the authors findings in previous and ongoing audits on GRAS 'operations this requirement is being met and reported on by the Ugandan plantations. Ecologically sensitive and surface water features (swamps, wetlands streams) are delineated on the available GRAS maps of the Kachung plantation. These are designated as no go areas. Meeting attendees indicated that BFC has been responsible for the provision and/or maintenance of wells and water sources since the commencement of their presence /operations in the study area. 	<ul style="list-style-type: none"> It is apparent that in the current prolonged dry period that the water point initiative has allowed for more reliable and it is assumed better quality water than surface dug wells. The Abenyonya village meeting attendees indicated that some water sources have become fouled and undrinkable. The author of the report could not establish whether this was the result of livestock faecal contamination, or draw-down by community members. a lowered water table is likely to be the prime cause. The same respondents indicated that as a result of the dry conditions these rehabilitated wells have become the only water source for some villages. Unsurprisingly, requests for additional well provision were made by these members and BFC has indicated that this will be a progressive programme roll out. BFC is considered Fully Compliant in this regard. 	✓
10. Road Maintenance				
<p>Maintain the roads within BFC's plantations and in the communities surrounding the plantations.</p>	<p>All stakeholders including the communities and local district shall monitor the state of roads and report to BFC management. A team including BFC, district leadership and community leaders shall then decide on which roads should be graded or maintained given the funds available.</p>	<ul style="list-style-type: none"> There are no records available that specifically deal with road maintenance activities other than mention thereof in BFC's periodic progress reports; however, on site observations have indicated that these roads (inside and adjacent to the plantation) are in good condition. Indications are that ad hoc maintenance work does occur on a needs basis. Culverts have been constructed in some places to assist with adequate drainage in the wet season. Discussions with villagers have indicated that road conditions in the general area are good; however conditions are more difficult in the wet season. 	<ul style="list-style-type: none"> BFC has indicated that during 2016 they "maintained 35km of roads and continues to maintain roads in and around the plantation especially all bad spots as reported and identified during movement. This has mainly been in ensuring that culverts are placed in areas where they are needed to enable proper flow of water and establishing drainages along roads". The Adok LC3 (Sub-County Chairman) has requested that BFC consider assisting them with the creation of a new road between them and Apeti A village and a newly constructed health centre that services the larger Kachung community . BFC has indicated that this is being considered in conjunction with the District officials. BFC is considered Fully Compliant in this regard. 	✓