



THE REPUBLIC OF UGANDA

**MINISTRY OF AGRICULTURE, ANIMAL INDUSTRY AND  
FISHERIES (MAAIF)**

**PRESS RELEASE**

**STATEMENT FROM THE MINISTRY OF AGRICULTURE, ANIMAL  
INDUSTRY AND FISHERIES - GOVERNMENT OF UGANDA,  
REPUDIATING VODP-BIDCO, KALANGALA LAND GRABBING  
ALLEGATIONS**

**August 2015**

The Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) wishes to respond to and repudiate print and electronic (social) media publications alleging and/or attempting to infer motives and actions of land grabbing by investors in the oil palm and vegetable oils sub-sector. M/S BIDCO Uganda Ltd, the lead private sector partner in the Government of Uganda (GoU) Vegetable Oil Development Project (VODP) on Bugala Island in Kalangala District has been the main target of these allegations.

The Ministry (MAAIF) wishes to give the farming community, the general public, and all interested partners, the facts as follows:

A handwritten signature in black ink, consisting of a stylized 'S' shape with a crossbar and a small 'x' mark.

- The VODP was conceived by the Government of Uganda; to address the then (1997) high poverty levels in the project area;
- The VODP implementation strategy was crafted to be delivered through a Government of Uganda (GOU) - Public-Private Partnership (PPP) arrangement;
- Under the PPP Agreement, the Government of Uganda undertook the sole responsibility of acquiring land for oil palm development;
- The Private Sector Partner, M/S BIDCO Uganda Ltd., committed itself to provide investment resources and technology for oil palm development, and value addition;
- The Government purchased 5,500ha of land from landlords in Kalangala District on willing-buyer, willing seller-basis; and in addition, it allocated 3000 hectares out of public land in the same district for the project; hence providing 8,500 hectares of land for the nucleus estate. Certificates of Title for these lands are available in the names of Uganda Land Commission which is the custodian of all Government land;
- The Project has developed 6,500 hectares of oil palm plantations under nucleus estates and 4,700 hectares under smallholder farmers as out growers. A total of 1,700 households are involved as out growers and they have tremendously benefited from the project;



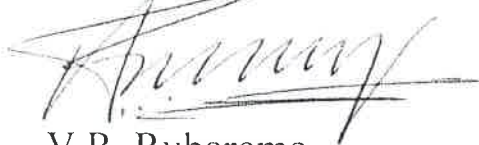
- For the 6,500ha Nucleus Estate, M/S BIDCO Uganda Ltd; did not execute any land transactions with the farmers and/or residents of Kalangala District ;
- No land under forest reserves was used for the project. Bugala Island had 13 forest reserves at project inception and all 13 forest reserves are still (2015) protected under the National Forest Authority (NFA) and no forest reserve, or part of a forest reserve, was converted into oil palm plantations. In addition, the 200 metre lakeshore buffer zone including part of the land purchased under the VODP was left in its natural state. Accordingly VODP investment has increased protected forest areas by more than 1,000 hectares;
- The VODP project carried out enrichment planting of trees in the buffer zone and in parcels of marginal lands, under the project, using indigenous species of trees;
- Oil Palm, being a tree crop, has increased tree cover on the Island given that a large percentage (about 60%) of the land used for the project was grassland. In March 2014, the Global Forest Watch, a project by the World Resources Institute, reported that Kalangala is one of the few places in Uganda with intensive forest gain since 2000. (*World Resources Institute provides near real time Global information on deforestation based on Landsat data and other analysis of forest change.*);

- The VODP complied fully with the environmental and social impact assessment (ESIA) requirements, adhering to the approval conditions by the National Environmental Management Authority (NEMA);
- Details of all lands transactions are available at the Project Office in Kampala and at Kalangala District Agriculture Office. A total of 1700 out growers are actively supported by the VODP;
- Out of the total land acquired (8,500 hectares) for the project since the year 2000, only about 25 hectares i.e 0.003%.was ever in dispute, and it remains a matter between tenants and the private Land Owner;
- The project leased a piece of land measuring 134 hectares (330 acres) at Bumanji from a landowner Ms Sylvia Gloria N.K Sempa for a period of 50 years. Of this, about 25 hectares (60 acres) is disputed by tenants/squatters, and the matter was tendered in court for arbitration; with the process currently still on-going.

The VODP (Project) has brought substantial prosperity to Kalangala's farming communities; and its residents. Kalangala Island now enjoys infrastructure- including electric power, roads, ferries, and medical facilities; all established in conjunction with the Project. Outgrower farmers whose crop reached maturity are



currently earning an average of UGX 600,000 per hectare per month from sale of their oil palm fruits to the palm oil factory. In 2014, BIDCO Uganda Ltd is reported to have paid UGX 120bn in taxes (Corporate tax & VAT). The company is currently employing some 3,500 Ugandans in the Oil Palm Plantations, Palm Oil Mill in Kalangala and the Jinja Oil Refinery. Kalangala Island has risen from a very low position of 71 out of 76 districts (2005) in poverty rankings; and it is currently (2014) rated to be among the higher income top 10 districts out of 112 districts in per capita income levels in Uganda.



V.R. Rubarema

**Permanent Secretary,**

**Ministry of Agriculture, Animal Industry and Fisheries**