



## Setting the Record Straight on Green Resources' Carbon Credit Project in Uganda

September 2019

With the recent publication of [\*Evicted for Carbon Credits: Norway, Sweden, and Finland Displace Ugandan Farmers for Carbon Trading\*](#), the Oakland Institute has brought forward irrefutable evidence that villagers were forcibly evicted to make way for the Norwegian company, Green Resources' tree plantation in Kachung, Uganda. The establishment of the plantation on land previously used by subsistence farmers has precipitated an on-going food security crisis that the company, its financiers, and the Ugandan government have failed to address.

Following the publication of [\*Evicted for Carbon Credits\*](#), the Oakland Institute received responses from Green Resources and its financiers, Norfund, Finnfund, and the Swedish Energy Agency (SEA), and a letter from the certification agency, Forest Stewardship Council (FSC). Here we respond to them jointly to set the record straight.

- **Finnfund and Norfund claim the forestry plantations have had a “beneficial” impact in Kachung through the creation of 130 permanent staff positions and 250-300 contract employees.**

Prior to the establishment of the Green Resources' plantation, thousands of farmers relied upon this land for subsistence farming, cattle grazing, collecting firewood, and medicinal plants. The plantation stripped communities of their access to the land that was vital to their livelihoods. In exchange for decimating their valuable resource, Green Resources has employed less than 3 percent of the 10,000 people that live in the 17 villages adjacent to the project. Those who have taken jobs from Green Resources do so out of desperation, as the majority of the jobs created are precarious contract positions that pay extremely low wages (from US\$0.50 to under US\$3 a day) and involve arduous labor.<sup>1</sup>

- **Norfund, Finnfund, and the SEA along with the auditing agencies claim that the responsibility for land rights disputes lies with the Ugandan government and that they cannot be held responsible for the evictions.**

Despite the government of Uganda designating areas of land as forest reserve in the 1980s, the surrounding villages maintained access to the forests for their livelihoods.

Evictions were carried out with the arrival of Green Resources and continued with the expansion of its plantation.<sup>2</sup> As a result, Green Resources cannot hide behind the legality of the project and ignore its role in driving these evictions. It is imperative that actors like Norfund and Finnfund recognize common and customary land rights – beyond just the legality of contracts and land leases.<sup>3</sup>

- A [statement](#) made by a SEA representative further rejects any responsibility for the evictions: “Compare it with the situation in Sweden and Norway. What would happen if someone settled in our national forest reserve? That would also be against the law.”

This appalling response underscores how clueless the financial backers of Green Resources are. The evicted villagers, prior to the establishment of the plantation, had access to the forest area for growing and gathering food, firewood, cattle grazing, and medicinal plants.<sup>4</sup> Trivializing these evictions via comparison with Scandinavian countries, SEA representative Ola Westberg, demonstrates his ignorance of the social, economic, and cultural reality on the ground and a complete disregard for the African farmers.

- **Finnfund, Norfund, SEA, and Green Resources cite the project’s certification by FSC, the global “premier forestry standard,” in defense of their positive impact.**

There is abundant evidence of serious oversight within audits conducted by the FSC to certify Green Resources as a socially and environmentally responsible project. The FSC’s monitoring [report](#) from 2018 stated that “no person had been displaced or evicted,” and that the company did not acquire “Kachung land forcefully.” It claims that the boundary issues have been addressed, and that there is no record of complaints over the three surveillance periods from 2011 to 2018. This is a shocking misrepresentation of the relations between the communities and Green Resources given the aggressive actions the company took to deny villagers access to their customary land, as revealed by the [official documents released](#) by the Institute.<sup>5</sup>

The FSC’s monitoring report blatantly contradicts the [EOH performance audit](#) commissioned by the SEA in March 2017 to assess the “social issues and impacts arising” from the project. Whereas the FSC monitoring report stated that there are no [“current unresolved disputes over tenure and use rights,”](#)<sup>6</sup> the EOH audit urged Green Resources to find a solution “as soon as possible” to several ongoing court cases related to land ownership disputes.<sup>7</sup> The FSC report omitted that since [2008](#), a group of 300 villagers has been in protracted court cases against Green Resources demanding compensation for the loss of land.<sup>8</sup> Despite the EOH audit’s recommendation to resolve these disputes, no progress has been made in the two years following its publication. The contradictions between the FSC report, the audit commissioned by the SEA, and reports by [independent organizations](#) and [media](#) demonstrate the failure of the FSC to accurately evaluate and

monitor the activities of Green Resources. When presented with evidence disproving the findings in their own audit, the FSC failed to investigate the discrepancies.

- **In their response letter, the FSC directed the Oakland Institute to reach out directly to Green Resources and voice concerns through the grievance mechanism currently in place.**

The FSC's lack of accountability, despite its failure to accurately audit the Green Resources project, raises questions about the agency's reputation as the premier standard for "responsible" forest management. Instead of acknowledging their blatant error in providing certification to the project, the FSC deflects blame onto Green Resources.

In addition, the FSC shamefully recognizes that its grievance mechanism "is not always easily accessible to subsistence farmers facing the possibility of eviction or other threats to their livelihoods."<sup>9</sup> One must question the system FSC has in place to certify that projects "[promote environmentally sound, socially beneficial and economically prosperous management of the world's forests.](#)" They must be held accountable for the certification they provide.

- **Financial backers of Green Resources claim the project abides by the International Finance Corporation's (IFC) Performance Standards on Environment and Social Responsibility.**

The Oakland Institute's reports and the audits of the project provide ample evidence that Green Resources has been in violation of IFC standards for over a decade. The IFC performance standards on Environment and Social Responsibility include specifications on land acquisition and involuntary resettlement. In addition, cases such as Green Resources' – involving economic displacement – require developing a "Livelihood Resettlement Plan" and to "compensate affected persons or communities" who have faced a loss of assets or means of livelihood.<sup>10</sup> Despite the abundance of evidence detailing the impact the project has had on land availability and livelihoods, the people of Kachung have received no compensation to date.

Following previous reports on Green Resources, SEA froze payments to the project in [2016](#). For the carbon credit deal to resume, Green Resources had to implement a ten-point action plan covering food security, water availability, cattle grazing, and roads to improve the company's relationship with the local communities. A subsequent audit, however, found "[no significant actions](#)" had been taken to [boost agricultural land productivity, diversify income-generating activities and improve food security](#). This failure to develop a plan or provide adequate compensation is in direct violation of the IFC standards around economic displacement.

- **Different stakeholders in the Green Resources' project claim that the tree plantations have a "positive impact" on improving local climate and "contributing to improving food security." Finnfund claims: "The recent**

**reports by the UN [Intergovernmental Panel on Climate Change] (IPCC) are a strong endorsement of our forestry focus.”<sup>11</sup>**

Efforts to mitigate climate change are absolutely essential. The displacement of farmers and their livelihoods, however, cannot be justified by the plantation’s supposed beneficial impact on local climate – especially when planting non-native pine trees that will be harvested and sold as timber.

Finnfund uses the most recent IPCC report to portray its support of Green Resources’ plantation forests as a tool to “maintain water resources and contribute to improving food security.”<sup>12</sup> Yet it has missed the clear warnings within the report on the serious adverse outcomes that non-native tree plantations result in.<sup>13</sup>

The IPCC report highlights several negative impacts that monoculture projects like Green Resources’ plantations can have, including: restricting the rights and access of local people to forest resources and negatively impacting food security.<sup>14</sup> The report additionally contradicts the claims made by Finnfund, warning that afforestation efforts can reduce water availability, soil nutrient levels and biodiversity,<sup>15</sup> in line with the findings from previous scientific studies.<sup>16</sup>

The Oakland Institute’s in depth field research between 2012 and 2017, revealed firsthand how these exact issues with monoculture forest plantations are playing out in Kachung.<sup>17</sup> Green Resources’ plantation stripped thousands of access to their primary source of food and farmland. Community members who were able to maintain gardens were also adversely impacted – those adjacent to the plantation experienced diminished productivity and the loss of bees and ants stemming from chemicals used at the plantation.<sup>18</sup>

As stated by the latest IPCC report, the way forward to fight climate change remains reducing carbon dioxide emissions. When it comes to forestry, agro-forestry and agro-ecology are key. Endorsed by the IPCC and evidenced by the [successful agro-ecology case studies](#) produced by the Oakland Institute, these options have been found to combat desertification, improve soil fertility, increase agricultural production, and food security. Unlike tree plantations, agro-forestry and agro-ecology do not require forcibly evicting farmers from their land and instead, actually help to bolster farmer livelihoods.<sup>19</sup>

- **Actors involved in the Green Resources’ project have invited the Oakland Institute to voice concerns through an open and frank discussion and project review with Green Resources.**

Following years of in-depth field research, our three publications, and nearly a dozen audits and monitoring reports, Green Resources and its financiers continue to call for further review. The displaced people in Kachung do not need another audit to demonstrate the damage Green Resources has inflicted on their lives.

Instead of wasting further time in discussing the project with a US-based think tank while the Ugandan villagers suffer, those responsible for Green Resources need to stop ignoring

the consequences of their actions. They can no longer hide behind the guise of the falsely granted “responsible forestry certification” and must be held accountable for the damage inflicted. Given Norfund’s mission to “create jobs and improve lives by investing in businesses that contribute to sustainable development”<sup>20</sup> and Finnfund’s “sole mission to build a more sustainable world,”<sup>21</sup> – their continued financing of Green Resources directly contradicts their mandated purpose. Development finance institutions cannot shirk responsibility when the outcome of their project violates human rights, devastates livelihoods, and threatens the very survival of communities they purport to help. From the onset, Green Resources’ pine tree plantation in Uganda has been the wrong project in the wrong place and must be ended immediately.

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<sup>1</sup> Lyons, K. and D. Ssemwogerere. Carbon Colonialism: Failure of Green Resources’ Carbon Offset Project in Uganda. The Oakland Institute, 2017. <https://www.oaklandinstitute.org/carbon-colonialism-failure-greenresources-carbon-offset-project-uganda> (accessed September 10, 2019).

<sup>2</sup> *Ibid.* p.11.

<sup>3</sup> *Ibid.* p.16.

<sup>4</sup> Lyons, K., Richards, C. and P. Westoby. The Darker Side of Green: Plantations Forestry and Carbon Violence in Uganda. The Oakland Institute, 2014.

[https://www.oaklandinstitute.org/sites/oaklandinstitute.org/files/Report\\_DarkerSideofGreen\\_lorez.pdf](https://www.oaklandinstitute.org/sites/oaklandinstitute.org/files/Report_DarkerSideofGreen_lorez.pdf) (accessed September 9, 2019).

<sup>5</sup> The Oakland Institute. “Evicted for Carbon Credits: Documentation”. *Publications*.

<https://www.oaklandinstitute.org/evicted-carbon-credits-documentation> (accessed September 11, 2019).

<sup>6</sup> SGS Qualifor. Forest Management Certification Report. November 2018.

<http://fsc.force.com/servlet/servlet.FileDownload?file=00Pf300000t135LEAQ>

(accessed September 11, 2019), p.35.

<sup>7</sup> EOH Coastal and Environmental Services. Kachung Community Development Plan Performance Audit.

<https://www.energimyndigheten.se/globalassets/klimat--miljo/cdmji/kachung/bfc-kachung-community-development-plan-audit--final-report-march-2017.pdf> (accessed September 9, 2019), p.19.

<sup>8</sup> Lyons, K. and D. Ssemwogerere. Carbon Colonialism: Failure of Green Resources’ Carbon Offset Project in Uganda. *Op. Cit.* p.11.

<sup>9</sup> Kim Carstensen. Letter to the Oakland Institute. *FSC*. Sent: September, 2019.

<sup>10</sup> International Finance Corporation. *Performance Standards on Environmental and Social Sustainability*. January 2012. [https://www.ifc.org/wps/wcm/connect/24e6bfc3-5de3-444d-be9b-226188c95454/PS\\_English\\_2012\\_Full-Documents.pdf?MOD=AJPERES&CVID=jkV-X6h](https://www.ifc.org/wps/wcm/connect/24e6bfc3-5de3-444d-be9b-226188c95454/PS_English_2012_Full-Documents.pdf?MOD=AJPERES&CVID=jkV-X6h) (accessed September 10, 2019).

<sup>11</sup> Jaako Kangasneimi . Letter to the Oakland Institute. *Op. Cit.*

<sup>12</sup> *Ibid.*

<sup>13</sup> Smith P., Nkem, J., et al. *Chapter 6 Interlinkages between Desertification, Land Degradation, Food Security and GHG fluxes: synergies, trade-offs and Integrated Response Options*. 2019.

[https://www.ipcc.ch/site/assets/uploads/2019/08/2h.-Chapter-6\\_FINAL.pdf](https://www.ipcc.ch/site/assets/uploads/2019/08/2h.-Chapter-6_FINAL.pdf) (accessed September 9, 2019), p. 4, 17, 29-30, 82.

<sup>14</sup> *Ibid.*

<sup>15</sup> Smith P., Nkem, J., et al. *Chapter 6 Interlinkages between Desertification, Land Degradation, Food Security and GHG fluxes: synergies, trade-offs and Integrated Response Options*. *Op. Cit.*

<sup>16</sup> Bernhard-Reversat, F. *Effect of exotic tree plantations on plant diversity and biological soil fertility in the Congo savanna: with special reference to eucalypts*. Cifor, 2001. <http://www.fao.org/forestry/42677-0641c6b278b5916899e198a24444dc455.pdf> (accessed September 9, 2019).

<sup>17</sup> Lyons, K., Richards, C. and P. Westoby. The Darker Side of Green: Plantations Forestry and Carbon Violence in Uganda. *Op.Cit.*

<sup>18</sup> Lyons, K. and D. Ssemwogerere. Carbon Colonialism: Failure of Green Resources’ Carbon Offset Project in Uganda. *Op. Cit.*

<sup>19</sup> Mbow, C., Rosenzweig, C. et al. *Chapter 5: Food Security*. 2019.

[https://www.ipcc.ch/site/assets/uploads/2019/08/2f.-Chapter-5\\_FINAL.pdf](https://www.ipcc.ch/site/assets/uploads/2019/08/2f.-Chapter-5_FINAL.pdf) (accessed September 11, 2019), p.100.

<sup>20</sup> Tellef Thorleiffson. Letter to the Oakland Institute. “Oakland Institute’s latest report regarding Green Resources”. *Norfund*. Sent: September 4, 2019.

<sup>21</sup> Jaako Kangasneimi . Letter to the Oakland Institute. “Your Letter of 30 August 2019”. *Finnfund*. Sent: September 6, 2019.