
Uganda: BIDCO oil palm plantations at the cost of pristine rainforests in Bugala

The growing trend of establishing plantations of oil palm has taken its toll primarily on tropical forests, where this palm finds enough soil, water and solar energy to fill its needs (see WRM Bulletin 47).

The typical procedure is to log a certain area of forest and then establish the plantation aimed at the production of oil and kernel oil. But it also happens that plantation companies may “clear” the entire forest by setting it on fire –as has been the case with the notorious fires in Indonesia.

Palm oil is indigenous to West Africa, and semi-wild plants have been traditionally harvested in small scale and inter-cropped with food crops by local populations. The present push for oil palm is presented in the usual globalised package: export-driven large scale monocultures that excludes any other scheme. Quite far from diverse nature.

However, in his attempt to get Ugandan people enthusiastic about the business, their President Yoweri Museveni went to say that clearing of forests for the plantation did not pose environmental danger because the palm plantation would be a forest in its own. How could a “green desert” (only one tree crop) be equated with the intertwined diversity of the forest ecosystem?

There is no possible reply on “how” but there are some on “why”.

BIDCO Oil Refineries Ltd., the largest and fastest growing manufacturer of vegetable oils, fats, margarine, soaps and protein concentrates in East and Central Africa is investing in a multi-million dollar oil palm plantation on Bugala islands in Kalangala. The project is planned to cover 26,500 hectares and produce 140,000 tonnes of palm kernel oil. BIDCO counts with investment partners including Archer Daniels Midlands of America, Wilmar Group of Malaysia and Josovina of Singapore. Within the Vegetable Oil Development Project (VODP) scheme, the International Fund for Agricultural Development (IFAD) and the World Bank have granted a \$10m loan to support the plantations and supporting infrastructure, while the Government will contribute \$12m in the form of land, electricity and roads, and BIDCO will invest \$120m.

Several interests coincide around the oil palm business. It is a foreign exchange source for an indebted country like Uganda; a lucrative business for conglomerates which benefit from the massive promotion that leads to reduction of world prices and stimulation of consumption; and a financial service to profit from for the World Bank. Local sources inform that increasingly local elite are also benefiting by providing political clout to secure favourable trade terms with the government and securing business deals such as lucrative outgrower concessions for themselves.

But the project encounters stiff opposition from Members of Parliament. Also some residents of the islands are deeply concerned about the oil palm project which is taking place on one of the only pristine natural large scale rainforests left in Uganda. A beautiful island called Bugala Island with one of the most unique eco-systems in the world. Over 5,500 hectares of rainforest are being destroyed, and the rare grey talking parrot is nesting in the capital city for the first time (180km away by road,

80km straight line) showing that something is wrong.

Large scale oil palm plantations (as well as in other monocultures) are typically related to violation of land rights and other human rights, since they take large areas of indigenous or peasant population's lands leading to conflicts.

The government is trying to convince the residents of the islands to lease their land to the plantation and "make money" but there are reports of many family conflicts developing because of the project. After losing their land, where will those people work? Presumably in the oil palm plantations, affected by the widespread use of agrochemicals in oil palm production, in temporary jobs, poorly paid, and in bad conditions as experience in other countries shows. What is certain is that the benefits won't go for the people but for large enterprises -increasingly foreign- which control production, industrialization and commercialization of palm oil.

No attempt is made to provide space for debate on the matter. This has led to distrust and dismay on the part of the islanders and indigenous land-owners. Maybe now is the time for them to put the pressure on the government to put forward their concerns.

Article based on information from: "BIDCO to undertake largest private Project", The New Vision 2000-2005, 10th November, 2005, <http://www.newvision.co.ug/D/8/220/464984>; "Museveni Launches Bidco", New Vision (Kampala), November 2, 2005, <http://allafrica.com/stories/200511020416.html>, and personal local sources.