Carbon Colonialism: Failure of Green Resources' Carbon Offset Project in Uganda

Green Resources – a Norwegian tree plantation, carbon offset, wood products, and renewable energy company – champion themselves as a good corporate citizen. They claim to have planted more trees in Africa than any other private company in the last ten years, and to have invested over 125 million US dollars in tree planting, as well as providing an array of community development initiatives. (1) Despite such claims, the devastating impacts of Green Resources have been exposed over a number of years. In its 2014 report, for example, the Oakland Institute documented Green Resources' misconduct at its two project sites in Uganda – Kachung and Bukaleba. (2) The social, cultural, and environmental damage caused by Green Resources was called out as carbon violence, given that the suffering and destruction reported was directly tied to the company establishing industrial monoculture tree plantations for entry into carbon markets. (3) The idea behind these markets is to measure the potential amount of carbon dioxide that a specific land area with trees can sequester and to place an economic value upon this "service." This economic value is turned into carbon credits, which are mostly sold to governments and industry in order to "offset" their pollution.

Following the exposure of Green Resources' poor conduct at its Kachung site, the state owned Swedish Energy Agency, Green Resources only carbon credit buyer, (4) stopped payments to the company in November 2015. (5) It outlined ten actions for the company to undertake for reinstatement of payments. In explaining its decision to withdraw from the buying arrangement, the Swedish Energy Agency drew attention to human rights concerns. (6) The deep flaws in Green Resources' conduct have cost the company access to its carbon market.

How has Green Resources responded to the loss of its sole carbon buyer? In December 2017, The Oakland Institute released a follow-up report entitled "Carbon Colonialism: Failure of Green Resources' Carbon Offset Project in Uganda." (7) This report reviews the company's claims against those villagers on the ground at Kachung. These findings point to the on-going failure of Green Resources to take seriously complaints directed towards the company, or to respond responsibly in the face of the adverse social and environmental impacts arising as a direct consequence of its project.

Background

Northern Uganda comprises some of the most vulnerable communities in Uganda. (8) Rates of poverty are high and life expectancy is low. The region also faces limitations in access to vital services, including education, safe drinking water, sanitation and health. (9) It is here that Green Resources operates under the names Busoga Forestry Company (BFC) and Lango Forestry Company. Green Resources reports having between 80 and 105 private shareholders, including major players such as Diversified International Finance (20.1 per cent), New Africa/Asprem (9.6 per cent), and Sundt AS (8.7 per cent). (10) Green Resources has also received significant support – approximately 33 million US dollars (11) – from public Development Finance Institutions, including Norfund (Norway), FMO (The Netherlands) and Finnfund (Finland).

Green Resources obtained a license from the National Forestry Authority (NFA) to establish an industrial tree plantation in the Kachung Central Forest Reserve in 1999. Afforestation operations commenced in 2006, and planting is now complete, with the establishment and management of mostly monoculture plantations (with around 90 per cent of trees planted Pinus carribea hondurensis, and the remainder various Eucalyptus species) on approximately 2,050 hectares. The project is certified with the Forest Stewardship Council (FSC), recognized as a Clean Development Mechanism (CDM) project, and was validated under the Climate Community and Biodiversity Standard (CCBS) in 2011. Kachung's only carbon credits were purchased by the Swedish Energy Agency; a government agency that reports to the Ministry of the Environment and Energy. While the Swedish Energy Agency initially paid 150 thousand US dollars to Green Resources, the remaining payment is in doubt, with a decision to resume payment pending in 2018. (12)

There are 17 villages directly adjacent to Green Resources' license area within Kachung Central Forest Reserve and affected by the company. Their livelihoods are dependent upon small-scale subsistence farming, fishing, and livestock herding. (13) Given the very high reliance upon land for subsistence food production and grazing, the loss of land due to the plantation project presents acute challenges for local communities.

Carbon colonialism

The Oakland Institute's latest report lays bare the false solutions to climate change promoted by Western corporations and institutions in Africa. Extensive on-the ground research conducted between November 2016 and August 2017 in Uganda, reveals how Green Resources undermines food security and livelihoods by excluding people from their own land.

The report exposes that Green Resources over-inflates the employment opportunities it provides, as well as sidestepping responsibilities related to the health and safety conditions for its workers. Villagers also continue to struggle to secure access to firewood and water, challenges Green Resources has done little to address. Most profoundly, villagers continue to struggle to access land to grow food and graze animals, driving food insecurity in the region.

The industrial monoculture tree plantation and carbon offset project run by Green Resources at its Kachung site is, quite simply, incompatible with the presence and needs of local people who rely upon the same land for their livelihoods. The outcomes of this project directly undermine local livelihoods and threaten local villagers' very survival.

Carbon markets fail people and the planet

The failings of Green Resources' industrial tree plantation and carbon offset project exposes, more broadly, the limits of carbon markets. While local villagers carry the social, environmental and other costs of this project, the company is allowed to profit even more from its destructive plantations, framing them as "carbon sinks".

This system is carbon colonialism (14) at work, with the natural resources of an African country exploited by foreign interests under the guise of sustainable development, and at a high cost for the people and the environment.

Such circumstances should be a matter of serious concern to Green Resources' shareholders and financers, who share responsibility with the company in supporting a project that has such a detrimental impact on local populations.

As the Swedish Energy Agency reassesses whether to resume payments to Green Resources in early 2018, the Oakland Institute's latest report is an irrefutable indictment on the failure of Green Resources to take responsibility for the harmful impacts on local communities that derive from its' project activities.

You can access Oakland Institute's latest report here: https://www.oaklandinstitute.org/carbon-colonialism-failure-green-resources-carbon-offset-project-uganda

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