



May 2016

CLIMATE**FOCUS**

Charlotte Streck
Charlie Parker
Simon Koenig
Elly Mawampa

Kikonda Project Assessment Report

**Investigation of Alleged
Social and Environmental
Conflict and Conflict of
Interest**

Kikonda Project Assessment
Report - Investigation of Alleged Social and
Environmental Conflict and Conflict of Interest

April 2016

Authors:

Charlotte Streck, Climate Focus
Charlie Parker, Climate Focus
Simon Koenig, Climate Focus
Elly Mawampa, Platinum Associated
Advocates

Climate Focus
1730 Rhodes Island Av NW #601,
Washington D.C. 20036
United States of America



CLIMATE**FOCUS**

Contents

1.	Background	4
2.	Social and Environmental Conflict	5
2.1	Project Background	5
2.2	Certification and Standard Requirements	6
2.3	Assessment of Allegations	6
2.4	Resolution of Social and Environmental Conflict	15
3.	Conflict of Interest	18
3.1	global-woods AG	19
3.2	The CarbonFix Standard	20
3.3	The Gold Standard Foundation	21
3.4	Potential Conflict of Interest	22
3.5	Prevention of Conflict of Interest	23
4.	Bibliography	25
5.	Annexes	26

1. ■

Background

The Kikonda Carbon Tree Plantation Project located in Uganda (“Kikonda Project” or “Project”) is the subject of allegations that were published by Spiegel Online¹ on 9 December 2015 (the “Article”), and by other journalists and researchers prior to the Article.²

Having become aware of allegations against the Project and the Gold Standard Foundation (GSF), GSF has contracted Climate Focus to carry out a grievance investigation into the:

1. Social and environmental conflict alleged against the Project; and
2. Conflict of interest (COI) alleged to exist between GSF staff and the project sponsor, global-woods International AG (Global Woods or GW).

The social and environmental allegations brought against the Kikonda Project are being investigated separately by Accreditation Services International³ on behalf of Forest Stewardship Council, and by Climate Focus for the GSF.

Our assessment of the allegations consisted of a series of expert interviews held during the period 15 February - 7 April 2016. A site visit to Uganda was held in March 2015, including a meeting with the alleged victim in the Article, Mr Lawrence Kamonyo. Meetings were also held with Global Woods staff, local council members, district officials and police officers, and national authorities.⁴ The COI evaluation included a review of company records held publicly by the German trade registry, as well as contractual and other company documents regulating the relationship between GSF, its employees, contractors and projects’ sponsors.

This report summarizes the findings of this investigation. It is divided into two parts. Chapter 2 looks at the allegations that relate to a potential conflict over land and participation on the Project land. Chapter 3 discusses a potential COI between individuals under contract by GSF and Global Woods.

¹ <http://www.spiegel.de/wissenschaft/natur/uganda-waldprojekt-raubt-bauern-lebensraum-a-1065963.html>

² A full list of these reports can be found in Annex I of this report.

³ ASI tasked SGS South Africa to conduct an audit that was executed by Dr. Nelson Turyahabwe, Department of Community Forestry and Extension, Makerere University, Kampala in January 2016.

⁴ A full list of interviews and meetings can be found in Annex II of this report.

2.

Social and Environmental Conflict

2.1 Project Background

The Kikonda Project is located in a legally designated forest reserve by the Ugandan National Forestry Authority (NFA). The Kikonda Forest Reserve (KFR) was initially gazetted in 1968. The KFR is managed by the NFA and is registered with the Uganda Land Commission, the body responsible for all Public Land in Uganda. As described in the Annexes to this document, Uganda's natural resources are vested in the State, and the KFR belongs to the Government of Uganda which holds it on behalf of the Citizens of Uganda.

Section 44 (4) and (5) of the Land Act provide that the NFA and District Land Boards will not provide leases on alienated land or natural resources but rather they will grant licenses to individuals to utilize and manage the same. This is reiterated in Section 41 (b) of the National Forestry and Tree Planting Act, which provides that Licenses may be issued to persons to manage forest reserves.

Under this arrangement, the NFA reserves the utmost power of overseeing the land utilization and it retains the powers to sue and evict encroachers on the KFR land.

The KFR is currently managed under a 50-year forest plantation license. The license is held by Global Woods⁵ and became valid in September 2001. Global Woods is required to manage the land according to the provisions of the license it received from the NFA, i.e., the dedicated land use is limited to plantation forestry. Under its license, Global Woods will establish plantations on 7,321 ha on degraded land, bush and grasslands with *Pinus caribea* (and some *Pinus oocarpa*) plantations that will be harvested in an 18-year rotation cycle (Global Woods 2008).

While the license to the plantation/forest (including the rights to harvest the benefits of the land, such as timber or monetizing emission reductions and removals) is held by Global Woods, management of the Project, including employment of staff, is carried out by a separate company, Continental Forests Ltd., a Ugandan public company managing forest operations in Western Uganda.⁶

⁵ For all details on the ownership structure of Global Woods as well as changes to the ownership structure over time, please see the COI discussion in Section 3 of this report. In this section we refer to Global Woods, which implies reference to the actual license holder.

⁶ For reasons that are unclear, the previous company, Sustainable Use of Biomass (SUB), was closed and management passed to Continental Forests.

2.2 Certification and Standard Requirements

The Kikonda Project was originally validated and verified under the CarbonFix Standard (CFS) (TÜV SÜD 2009a; TÜV SÜD 2013), but transitioned in 2013 to the Gold Standard (GS) (Gold Standard 2013) following the transfer of CFS intellectual property to the GSF in September 2012. Between 2009 and 2014, the Project was simultaneously validated under the Climate, Community and Biodiversity (CCB) standards (TÜV SÜD 2009b), however the Project did not seek verification from CCB in 2014 due to an overlapping application with the FSC (Baldus 2016).

The Kikonda Project is currently dually certified under FSC using the SGS Forest Management Standard for Uganda, version 4 (SGS 2011), and under the GS through a transition from the CFS. The transition process is outlined in a transition document (Gold Standard 2013a), which required project developers to fill out a short template (Gold Standard 2014) in order to transition and register a project.

Furthermore, under the Gold Standard Afforestation/Reforestation (A/R) Requirements (Gold Standard 2013b), FSC-certified projects can use FSC standards in place of GS sustainability requirements:

“With respect to potential dual certification The Gold Standard recognizes that FSC certification can replace the requirements of section ‘3. Sustainability’ (except for chapter ‘3.5 Legal Rights’) and chapter ‘7.4 Reporting’ of the ‘A/R Requirements’.”

The allegations brought against the Kikonda Project can be divided between those that violate local law and those that violate standard requirements going beyond local law. Considering that both FSC and the GS requires legality of any certified Project, the majority of the allegations brought against the Kikonda Project constitute a potential violation of FSC standards⁷, and by extension – a violation of GS requirements. This means that while the Project is accredited under the GS, many of the processes governing these allegations are managed by FSC. This arguably opens up the GS to risk that it is not able to mitigate directly. This is an issue that will be revisited in the conclusions of this report.

2.3 Assessment of Allegations

There were five main allegations raised in the Article against the Kikonda project⁸:

1. Use of violence against Mr. Lawrence Kamonyo and his children, including a beating of his children;
2. Illegal expulsion of Mr. Lawrence Kamonyo and his children from the Project land;
3. Destruction of Mr. Lawrence’s house by burning it down; and
4. Chemicals used in the plantations that were causing cattle to become sick and die more often.

⁷ The project uses the SGS Qualifor Forest Management Standard (AD33) adapted for Uganda, version 4 of 16 August 2011.

⁸ The use of violence and destruction of private property have been grouped together in our analysis, since they both allegedly occurred during the same incident.

For each of these allegations, we will: (i) state the allegation; (ii) we will then move on to say which statutes, including FSC and GS standards, and national and international laws are implicated by the allegation; and (iii) provide a summary of our findings.

Table 1 Summary of investigated allegations raised against project

<i>Allegation</i>	<i>FSC/ GS</i>
Use of violence against a local farmer and his property	Principle 1.1. that requires legal compliance of all FSC certified operations
Expulsion to make way for the plantations and have an even smaller area to grow their food.	Principle 2.3 states that “Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights”. Disputes of substantial magnitude involving a significant number of interests will normally disqualify an operation from being certified. The GS A/R Sustainability Requirements under Indigenous Peoples and Local Communities requires that a GS project “shall not involve and shall not be complicit in the involuntary relocation of people.”
Chemicals used in the plantations are causing harm to cattle	FSC Criteria 10.7 states that project developers shall “aim at eliminating the use of chemical pesticides” and “shall not use any chemical pesticides prohibited by FSC policy.”

2.3.1 General Observation

The Article is written with a clear bias against the Project and GW. While some of the allegations have their roots in actual events, the way the incidents are described in the Article is very one-sided and exaggerated for dramatic effect. The description of the incidents is very general and lacks nuance. The main purpose of the Article is to show how GW is trying to make money on the back of African farmers, a conclusion that is not shared by the authors.

2.3.2 Use of Violence

According to the Article, ‘the house of the family Kamonyo was burned down, children of Lawrence Kamonyo were beaten, and he was arrested’ by Global Woods Employees.

Relevant statutes

FSC Criterion 1.1 states that **“Forest management shall respect all national and local laws and administrative requirements”** (emphasis added).

The violence against the members of the local community, if proven to be true, would violate:

- Article 24 of the Constitution of The Republic of Uganda which condemns violence, inhuman and cruel treatment of people;
- Sections 235 and 236 of the Penal Code Act which provide that it is a criminal offence for a person to assault another.

The destruction of the house(s), if proven to be true, would violate:

- Article 26(2) of the Constitution of The Republic of Uganda which protects private property;
- Section 32 of the Land Act that provides for a court order to be produced before breaking/evicting a structure on land of a lawful or bona fide occupant.

On the criminal side, committing arson is penalized under Section 327 (a) of the Penal Code Act. Arson refers to unlawfully setting fire to any building or structure. Malicious damage to property falls under Section 335 of the Penal Code Act.

Details of findings

Although the Article fails to provide correct details, our investigation confirms the beating of Lawrence Kamonyo's son and two other ranchers by Continental Forests employees, and the destruction of a makeshift house on Mr Kamonyo's land in October 2013.

According to our interview with Mr Kamonyo held at his home in Kiteredde village on Saturday, 12 March 2016, he has experienced problems with GW dating back to 2010. At that time, Mr Kamonyo was grazing cattle close to his home and on one occasion his cattle crossed over the main highway and encroached on the KFR. Mr Kamonyo was arrested and held in prison for two days (no arrest report was seen for this incident) and his cattle were impounded. This incident was confirmed with GW/Continental Forests at a meeting held on Monday, 14 March 2016.

According to the police report dated 4 October 2013 and that of Mutumba Johnson, a Continental Forests security guard, dated 7 October 2014, in the early morning hours of the previous day six Continental Forests guards led by Mutumba Johnson entered the grazing land occupied by Lawrence Kamonyo (for details on the dispute over this land see the following section). According to GW, this follows conflict over Mr. Kamonyo's cows repeatedly entering the young planted forest. It was the conflict over Mr. Kamonyo's cows repeatedly entering the young planted forest which triggered the conflict that culminated into the unlawful outbreak of violence.

Whether Lawrence Kamonyo's cows had entered the KFR on the morning of the day the incident occurred is not clear. Mutumba Johnson and the other security guards waited for the ranchers (including Mr. Kamonyo's son) to arrive. Upon their arrival, they forced them to the ground and punished them each with 'five strokes of canes'. They also burned down their 'grass thatched house' 'as an assurance that they would never come back'.

Following the incident, Mr. Johnson and one other Continental Forests employee were detained at a local police station and were presented before court and released on bail. They were charged with committing arson and assault under Articles 327 and 236 of the Penal Code. The other forest guards who supported Mr. Johnson were at large and could not be apprehended.

Mr. Johnson and the other employee implicated in the incident disappeared after the bail hearing and the case was adjourned pending their reappearance. Mr. Kamonyo claims that Mr. Kasaana Kankiriwo, the manager of community outreach for Continental Forests, was also complicit in the actions state above, however Continental Forests strongly denies these allegations.

On 8 October 2013 Continental Forests terminated their contract with Mr. Johnson without further notice due to '*gross indiscipline and violation of company policies*'. The Continental Forests employees John Mary Kitembo and Kasaana Kankiriwo also went to Mr. Kamonyo's home and apologized for the incident, advising him that Mr. Johnson and his group acted of their own accord and that Continental Forests had terminated their contracts with immediate effect.

Regarding compensation for losses suffered, Mr. Kamonyo recorded a list of items lost and expected compensation amounting to UGX 9,780,000 (US Dollars 2,910).⁹ In our interviews, Mr. Kamonyo claimed that he did not hear anything from GW/Continental Forests following this claim until the Article was published in Spiegel Online. GW in turn stated that they had been in regular contact with Mr. Kamonyo and that payment was pending until the court case was finalized to avoid any undue interference between state legal action and private voluntary settlements. The uncontested fact is that there was no compensation for more than three years after the incident.

On 15 December 2015, following publication of the Article, GW/Continental Forests agreed to pay Mr. Kamonyo Uganda shillings 2 million (US Dollars 600) for the property destroyed (documents on file). In our interview, Mr. Kamonyo stated that he felt he had little choice for negotiation of the remuneration amount and accepted it because it was "*better than nothing*". GW, on the other hand, claimed that the company had intensively consulted with members of the local cattle keeper community regarding what would be considered a fair amount of compensation in this and similar cases. GW informed us that the remuneration ultimately paid was double the amount of what is traditionally regarded as fair compensation in such cases.

Since the incident in 2013, Mr. Kamonyo claims that he has tried to build a new house for his children and other ranchers to stay on his leasehold land. Mr. Kamonyo alleges that he sent a lumberjack to cut down a tree to use for construction and the man was arrested by Continental Forests' guards (no report seen for this). Mr. Kamonyo also claims that he went again to talk to Continental Forests, informing them the land was his and not a forest reserve, and he was arrested and taken to Kikonda Forest reserve Police Post and kept there for two days (unconfirmed because no arrest records were provided despite our request).

Assessment

Based on our interviews and other documentary evidence referred to herein, we consider it highly likely that Continental Forests' staff and contractors (namely Mr. Johnson and the other staff mentioned above) are responsible for criminal assault (beating), arson (setting fire to the hut), and property damage (destruction of the hut). These violations were reported

⁹ According to GW (M Baldhus), items allegedly lost included several pairs of trousers and shoes and 6,000,000 UGX (app. 1,800 USD) cash stored in a pair of trousers.

and sanctioned by local police. Their legality is independent of whether Mr. Kamonyo held a valid lease or not (which is contested, see below). Immediately following the incident GW/Continental Forests took action and fired the responsible staff.

Continental Forests emphasizes that the employees were acting of their own accord and not under instructions given by company management (see attached statement by John Mary on file). Even though Mr. Johnson was operating “outside of company policies”, the company is liable for the actions of its employees, both under Criminal and Civil Proceedings, as long as the employees were operating within working hours and their actions were in fulfillment of their obligations at work. While there is no doubt that GW/Continental Forests management have strongly condemned Mr. Johnson’s actions, he acted within the execution of his (however wrongly interpreted) work duties.

The company did not pay any compensation until late 2015.

The conflict that gave rise to the reported incidents relates to conflicting land claims and the fact that Mr. Kamonyo allegedly grazes his herds in the plantation area, thereby damaging the trees (according to Mr. Johnson’s statement). See below for a more details on the land conflict.

2.3.3 Illegal Expulsion

The Article claims that GW “selected his [Lawrence Kamonyo’s] land for climate change measures” and because he was not ready to give up his land, he was forcefully expelled.

The underlying allegation is that Lawrence Kamonyo was evicted from his land, and that community land was used for plantations resulting in the loss of land by cattle herders.

Relevant statutes

FSC Principle 2.3 states that *“Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights. The circumstances and status of any outstanding disputes will be explicitly considered in the certification evaluation. Disputes of substantial magnitude involving a significant number of interests will normally disqualify an operation from being certified.”* (emphasis added).

The GS A/R Sustainability Requirements under **Indigenous Peoples and Local Communities** requires that a GS project *“shall not involve and shall not be complicit in the involuntary relocation of people”* (Gold Standard 2013b, p.15). However, as highlighted in the previous section, given that this Project is dual certified (FSC and GS), there is no current requirement that a Project should fulfill this criterion.

Article 26 (2) of the Constitution of Uganda provides for the right of every person to own land and to only be deprived of such a right if they are adequately compensated or with approval of Court. Furthermore, Section 32 of the Land Act lays down the basic requirements before evicting a lawful or bona fide owner of land from registered land and that requirement is a court order.

The process of eviction has to be conducted through the NFA. While by no means a conflict-free process, the NFA has adopted the following procedures in the case of title disputes (National Forestry Authority 2011):

- Re-opening¹⁰ the boundaries so people can know where they are
- Informing local communities that are found with overlapping titles in the reserves;
- Sensitizing local communities, encroachers, civic and political leaders to visualize the encroachment problem differently;
- Process for communities to register and resolve conflicting land titles; and
- Issuing a court order for conflicting title owners to vacate their lands followed by cancellation of titles.

Details of findings

In 2010, Mr. Kamonyo applied for a lease on a 38-acre plot of land from the District Land Board to graze his cattle. On 7 July 2012, the application for Mr. Kamonyo's lease for a period of 49 years with an initial period of five years was approved (lease documents on file). The approval by the local Land Bureau confirms that Mr. Kamonyo at that time had occupied the land for five years without having been subjected to an eviction order. The lease document grants a real right to the land to Mr. Kamonyo through a leasehold tenure, which is valid for the period specified in the lease document. The leasehold allows Mr. Kamonyo to perform "*mixed farming*" as well as to build permanent structures on his property.

GW claims that the land Mr. Kamonyo occupies lies in the KFR. As with all other Central Forest Reserves, the KFR is held in trust by the National Forestry Authority. The law states that no person may cultivate or graze in a Central Forest Reserve and any such action amounts to an offence under the said Act.

The question whether Mr. Kamonyo was trespassing on the KFR or grazing his herds on land he was entitled to use stands at the center of the dispute between Mr. Kamonyo and GW/Continental Woods.

GW opines that the Lease/Sub-Lease Offer issued by the Kyankwanzi District Land Board on 12 July 2012 to Mr. Kamonyo is not valid and does not authorize Mr. Kamonyo to use the land. According to a legal opinion provided by GW, Mr. Kamonyo failed to provide the "necessary approval or consent required by law" (text of the Lease/Sub-Lease Offer) that the lease was conditional upon. The legal opinion concludes that the land in question belongs to the KFR, and that GW had the right to expel the local herdsmen who violated the boundaries of the Central Forest Reserve.

According to our research and legal advice that we obtained, Mr. Kamonyo procured the necessary approvals from the District Land Board, which confirmed that the land in question is public land outside of the KFR.

During our site visit, Mr. Kamonyo produced two letters from the Kyankwanzi District Land Board dated 5 July and 12 October 2012 addressed by the Chairman of the Board, Mr. Mpagi-K. Godfrey, to the District Police Commander stating the following:

¹⁰ The "re-opening" exercise actually consists of demarcating forest boundaries identified using GPS with concrete pillars placed at periodic intervals around the boundary.

- The land in question is public land held by the District Land Board;
- The land was surveyed;
- Mr. Lawrence Kamonyo had already paid the premium and ground rent; and
- The land in question had been sold to Mr. Kamonyo under Sections 59 and 60 of the Land Act.

We conclude that the lease is considered valid by the District Land Board and that Mr. Kamonyo does occupy the land legally. Nevertheless, we also acknowledge that the NFA may have considered the land to form part of the KFR. The conflict is therefore likely to be due to two overlapping and conflicting land use authorizations.

Under the terms of his lease, Mr. Kamonyo constructed a dwelling for his son and a makeshift straw hut for his employees (including his son). On 2 October 2013, Mr. Kamonyo's son and the two other ranchers were expelled from the land over which Mr. Kamonyo held a lease. According to his own statement, Mr. Johnson told them to *"go and never come back"*. Continental Forest staff emphasize that Mr. Kamonyo had been repeatedly asked to leave this area. In their opinion (and possibly according to their license), Mr. Kamonyo was illegally encroaching on the plantations and grazing his cattle in the reserve.

GW has repeatedly stressed their long-term commitment to the Project and the area. Their operations rely on good working relations with the local community, and they claim to be eager to find a compromise. Following the expulsion of Mr. Kamonyo's laborers from the land where they were grazing their cattle, it was informally agreed between Continental Forest management and Mr. Kamonyo that Mr. Kamonyo could continue to keep cattle on the contested land provided that he did not build any permanent structures.

The conflict between Mr. Kamonyo and GW/Continental Forest resulting from overlapping land titles is not unique to the area. Pre-existing conflicts have become more prominent since an investigation of the land demarcation by the district land surveyor. It is expected that the new demarcation will eventually reduce land conflicts. It is also the first step required by the NFA to implement a Collaborative Forest Management agreement that would formally and legally allow people, other than GW, to graze cattle inside the forest reserve.

While being a step towards solving land title issues, the opening of the boundary to the KFR has increased tensions between the NFA and the local communities in the short term. The conflict with the NFA can then potentially affect the company that is licensing or leasing the land, in this case GW. According to GW, several meetings were held concerning the boundary opening exercise where NFA was present and where all people with land claims, including Mr. Kamonyo, were given the chance to present copies of their titles for verification. To the best of our knowledge, Mr. Kamonyo has not presented his land claim to the NFA to resolve the issue of the boundaries.

No evictions have been made or authorised by the NFA since they are still at the stage of sensitization and demarcation (see below) (confirmed in an interview with NFA official Mr Jimmy Ouna (encroachment specialist) on Tuesday 15 March).

Assessment

The incidents of 4 October 2013 resulted in – albeit temporary – the expulsion of Mr. Kamonyo's son and the other two cattle ranchers from Mr. Kamonyo's leasehold land. Continental Forest staff was acting on the assumption that Mr. Kamonyo was illegally trespassing with his herds on the KFR. Mr. Kamonyo instead drew on his right to use the land in his confirmed land lease and according to the opinion of the local Land Bureau.

Unless the old NFA demarcation of the KFR overrules the lease subsequently issued, Mr. Kamonyo is a lawful occupant of the land, and according to Section 32A (1) of the Land Act as Amended, he cannot be evicted from registered land except upon an order of eviction issued by a court. In as much as one may claim NFA land does not fall within the ambit of Section 32 (eviction by court order), the fact that there were two overlapping interests on this piece of land requires a court order that Continental Forests did not possess. Continental Forests is therefore acting outside of GW's license agreement and the laws of Uganda by taking these matters into its own hands.

Recognizing the dispute and overlapping claims over the land in question, it stands without question that the land is disputed. The 2012 FSC certification report states that *"There are no disputes over tenure and use rights within the certified area of the Forest Reserve, but there are disputes in some parts of the rest of the reserve, excluded from the scope."* SGS (2012) However, based on our limited time in the area, our assessment is that there is still a significant number of disputes among neighboring communities affecting the area of plantation that remain unresolved.

The boundary re-opening exercise initiated by the NFA, while expected to alleviate these disputes in the long term, has heightened tensions surrounding the KFR. The 20 land tenure disputes could be caused by one or two underlying problems:

- The land title was correctly issued (i.e., there is not a conflict on paper), or either the KFR boundaries or the community owned land is incorrectly demarcated on the ground. In this case, either the KFR or the community land needs to be correctly demarcated.
- There is a conflict in a given area of land between land that is public, the title issued either by the District Land Board or under an earlier form of traditional *Mailo* tenure, and the zoning of the KFR. If the land title was issued after the original KFR zoning, then the District Land Board is at fault and should recompense the community land owners, either with an equivalent area of land outside the KFR or by remunerating the land costs. If the NFA falsely gazette the KFR (i.e., without checking for conflicts of *Mailo* tenure) then the KFR should adjust its boundaries to accommodate the predating *Mailo* claim.

These problems may have been exacerbated by the occasional fraudulent issuance of claims by corrupt officials at the district level.

We conducted an interview in Kawungera Village on Sunday, 13 March 2016 with Mr. Kijjambu George who indicated that his land, which had been held and allocated by the Kabaka/King (*Mailo* land tenure system) and under *Mailo* tenure since 1934, had also been marked off as part of the KFR under the recent boundary opening exercise (see title documents on file). We further discovered that the boundary opening exercise had affected

almost two dozen people who claimed that their land was being encroached on by the KFR (documents on file).

Whether these conflicts amount to conflicts of significant magnitude is beyond our ability to judge. GW stresses that land conflicts are common in Uganda and that the 20 contested land tenure claims capture less than 20% of the total 12,000 hectare KFR and less than approximately 5% of the immediate neighbors of the forest. Only about 1,400 hectares are contested, of which 700 hectares are claimed by one individual. GW also confirms that since 2011 there have been 5 FSC field audits conducted by auditors with substantial, life-long experience in African forestry as well as a visit by the FSC board of directors. All audits have rated the disputes to be of no substantial magnitude.

In addition, to comply with GS criterion 5 on Indigenous Peoples and Local Communities “*on sites with significant disputes, all operations should be stopped until the disputes are resolved.*” The identified dispute relates to whether: (i) the community members’ (including Mr. Kamonyo) land is correctly demarcated; (ii) the KFR boundaries are correctly demarcated; and (iii) the District Land Board or the NFA have issued land titles falsely (i.e., without checking for conflicts) or not. GW has confirmed that they are in the process of addressing this issue by felling trees on the contested land and making it available to the neighbors claiming land rights.

It is not uncommon in Uganda that overlapping titles can exist for the same area of land. This can arise due to poor land management at the district level, where district authorities do not seek the appropriate approval from national authorities, or because of existing titles that have not been appropriately recorded in national land registries. In both of these cases, it is the responsibility of the district and national authorities to resolve these disputes.

2.3.4 Harmful Use of Pesticides

The Article claims that cattle entering the plantation to graze become sick and cause miscarriages in pregnant cows.

Relevant statutes

FSC Criteria 10.7 states that project developers “*shall aim at eliminating the use of chemical pesticides*” and “*shall not use any chemical pesticides prohibited by FSC policy.*” Further, the FSC pesticides policy (FSC 2005) requires:

- The identification and avoidance of ‘*highly hazardous*’ pesticides¹¹;
- Promotion of ‘non-chemical’ methods of pest management as an element of an integrated pest management strategy; and
- Appropriate use of pesticides.

Under Ugandan Law, if exposure to the pesticides used by Continental Forests were proved to be poisonous and allegedly causing injuries to animals, then they would be liable under the tort of nuisance and

¹¹ This definition includes insecticides, rodenticides, acaricides, molluscicides, larvaecides, fungicides and herbicides

negligence. Their criminal actions would be in contravention of Section 57 of the National Environment Act, Cap. 153 that prohibits any person from polluting the environment. Since there is a claim for injuries to animals, then GW could be held criminally liable for causing injury to animals under Section 334 of the Penal Code Act.

Details of findings

During an interview conducted in Kyakabuga village on Sunday 13 March, we met several cattle keepers who repeated the allegation that Continental Forests was using chemicals that were causing miscarriages and blindness in villagers' cattle. The cattle keepers claimed that this chemical usually affects the cattle when they drink water from dams after it has rained. They further explained that even when they do not use dams in the forest reserve, rainwater from the forest contaminates other dams elsewhere.

The Kikonda Project documents list Glyphosate for weed control and Confidor for the control of termites in the field and caterpillars in the nursery. The FSC certification report (SGS 2010 criterion 6.6) states that both of these chemicals have been approved as safe to use. The certification report further notes the concern by villagers (ibid p 56 Para. 3) and states GW should *"take this issue up with the community and create awareness about the use and potential impacts of Glyphosate"*.

GW has carried out several tests to ascertain the purity of water and has started sensitization exercises amongst cattle keepers and farmers on the chemicals they use. These tests showed that chemical levels in valley dams were well below acceptable levels. Hotlines have also been put in place by GW and other stakeholders such as Uganda Wildlife Authority and the District Veterinary officer, who the cattle keepers can call in the event of any poisoning incidents.

Assessment

Given the diverse landscape of activities in the neighbourhood of the KFR, it is very difficult to link cattle mortality to the operations of GW. GW, however, has committed to monitor its use of chemicals in the area. An investigation of the surfactants used in the glyphosate compound could be useful.

Furthermore GW has stated that they would prefer "mechanical" weed control through cattle grazing over chemical weed control. This would also be preferable for local communities since they would have access to the reserve. This issue has so far been hampered by NFA who strictly enforce the license which permits only timber plantations and no other activities.

2.4 Resolution of Social and Environmental Conflict

Overall, GW as a company appears to be trying to develop a forestry project that is working closely with and improving the livelihoods of local communities. Many factors in our field visit highlighted the strong relationship that GW/Continental Forests has with certain community members and the positive impacts that the Project was having in the area. Construction of valley dams, agricultural extension services and other community activities have all helped to improve the livelihoods of

neighboring villages. There was certainly no evidence of ill intention in GW management interviewed during our field visit, and contrary to the tone of many allegations, we did not get the impression that this was a company trying to develop a forestry plantation without concern for the welfare of local communities.

Notwithstanding this, however, there are conflicts around land tenure in the Project area that remain to be resolved. It is our understanding that disputes over land tenure form the basis of the majority of grievances and if resolved would be a significant improvement in the companies' standing with local communities. While the Project may have been found to be compliant with FCS requirements by auditors, the issues should be considered by GSF as they may not meet the high standards of GS certification. Issues related to land conflicts should have been flagged as issues for corrective action/non-certification during Project verification. In light of this, we have the following recommendations for the Kikonda Project.

1. Resolve existing land tenure disputes within the KFR boundary and - until conflicts are resolved - cease operations around these areas.

Principle 2.3 of FSC guidelines clearly states that "*Disputes of substantial magnitude involving a significant number of interests will normally disqualify an operation from being certified.*"

There are at least 20 open land tenure conflicts in the KFR. The boundary re-opening exercise conducted by the lessor, NFA, is slow and has not yet served to alleviate these conflicts surrounding the Kikonda Project. On the contrary, based on our interviews, this process has exacerbated tensions in the project area and - given the unclear relationship between NFA and GW – has created a negative impression of GW with the local communities.

We recognize that GW/Continental Forests have ceased to plant on these conflict areas until appropriate resolutions through official channels have been reached. Since GW can expect significant additional negative press resulting from the conflict with NFA, it may be in their interest to further facilitate the process of land title resolution with local communities in a transparent and equitable manner. This could include the continued submission of land titles to NFA, or the provision of independent legal support for local communities to individually submit and resolve land title disputes.

2. Any enforcement of land disputes should be left to the appropriate authorities, i.e., NFA, to resolve. Notwithstanding this, it might be in the interests of GW to support communities to resolve their land tenure.

There have been many cases of international forestry companies being in the press¹² for the (legal) eviction of local communities from their lands in Uganda. The process of eviction often leads to a large and often public outcry against the heavy hand of the NFA and by association, the lessor or leaseholder of the land. This was, however, not the case in Kikonda, and to date NFA have not had any involvement in the eviction of local communities from the KFR.

¹² See e.g. http://www.fsc-watch.org/archives/2008/02/12/Accreditation_Servic, <http://www.redd-monitor.org/2014/11/04/carbon-violence-the-impact-of-green-resources-carbon-plantations-in-uganda/>

Under Ugandan law, it is the responsibility of the lessor (not the licensee), NFA, to enforce open disputes of land tenure. For Continental Forests staff to have taken independent action against Mr. Kamonyo (albeit arguably without the company's full awareness) is a violation of Ugandan law as well as FSC Principle 1. It is unclear how this violation would impact GS certification since GS remains quiet on the enforcement of national laws.

- 3. The decision to allow dual certified projects to use FSC certification to replace the GS requirements of section '3. Sustainability' potentially opens the GS up to significant risk. We recommend that dual certified projects should individually maintain sustainability criteria including separate grievance mechanism processes.**

We recognize that dual certification improves the efficiency of project accreditation where there are overlapping requirements of project principles and criteria. At the same time, this process also significantly lowers the involvement of GS in potential issues of non-conformance with areas that are covered by FSC certification.

Specifically for the Kikonda Project, grievances that relate to issues of sustainability would normally be under GS remit, and may arguably have been caught earlier if they had been a part of GS grievance procedures. The GS continuous input and grievance mechanism guidelines (Gold Standard 2012b) provide four options (three of which are mandatory for project developers). This process also requires that upon verification a table of grievances "*must be provided to the DOE/Objective Observer at the time of verification and to The Gold Standard Secretariat at the time of request for issuance.*"

We therefore recommend that grievances for dual certified projects be reported under GS processes. There may be cases where grievances are more easily handled by one or other standard, in which case notifying both will allow the best equipped party to respond. More importantly, however, it would mean that grievances could be responded to by both secretariats, eliminating the chance that these things are not dealt with at all.

3.

Conflict of Interest

A conflict of interest (COI) between the Kikonda Project and GSF was alleged by the Article to result from the employment contracting of Moriz Vohrer as Technical Director, Land Use & Forests by GSF as well as his prior involvement in founding and managing technical aspects of the CFS, and the role of his father, Manfred Vohrer, as Founder, Chairman, and shareholder of the Kikonda project developer GW.

A COI arises in a situation that has the potential to undermine the impartiality of a person because of a possible clash between the person's self interest, public and professional interest. One can distinguish real, potential and perceived COI. A real COI is where the person has different interests than his or her duty would command. A potential COI is where a person is in the situation where a clash of interests could arise, and a perceived COI exists where a third party could have the impression that a person's private interest could improperly influence the performance of their duties now or into the future. While COI situations have the potential to undermine a person's impartiality and are therefore to be avoided, the existence of a COI does not necessarily imply that impartiality is generally compromised, or that a person indeed generates unfair advantage or disadvantage.

There are a number of COI risks related to GSF staff executing technical assessment of projects:

- There is a real COI where staff has to safeguard the integrity of the GS while having a personal interest in the credits issued by projects it supervises;
- There is potential COI where staff involved in the transition from projects from the CarbonFix to the GS and has a simultaneous interest in a specific project; and
- In this case, there is also a potential or perceived COI that relates to the fact that Moriz Vohrer works for GS and his father has an interest in the Project.

In the case of Moriz Vohrer, the perception of the COI situation is further corroborated by the fact that Moriz – although he is serving GS as a contractor or consultant – is acting towards third parties as GSF employee. In fact, external persons would mistake Moriz Vohrer easily for an employee. This situation is not specific to Moriz Vohrer..The reason why this investigation focuses on Moriz Vohrer is that his case was highlighted and given specific attention in the Article.

In order to comprehensively assess situations that may have led to personal COI, we investigated the activities of GW, CFS, GSF, Moriz Vohrer, and Manfred Vohrer since 1999. The investigation relied on:

1. Online research on the activities by GW, CFS, GSF, as well as the positions held at different points in time by Moriz Vohrer and Manfred Vohrer;

2. Company registration documents available on different GW companies, including global-woods international AG (GWI) downloaded from the German Trade Register;
3. Documentation relating to the acquisition of intellectual property (IP) rights from CFS by GSF, including documents exchanged during the due diligence process;
4. Information relating to the management of GSF, including staff manuals, contracts, and agreements with providers;
5. Project documentation from the Gold Standard Registry relating to project registration, transition, approval, and crediting;
6. Personal interviews and electronic correspondence with GW, former CSF, and GSF staff including:
 - Matthias Baldus – CEO, global-woods AG
 - Moriz Vohrer – Technical Director, Land Use & Forests, GSF
 - Pieter van Midwoud – Director of Business Development, Land Use & Forests, GSF
 - Owen Hewlett – Chief Technical Officer, GSF
 - Lisa Rosen – Chief Operating Officer, GSF

The subsequent chapters summarize our investigation of the evolving relationship between GW, CFS, and GSF, as well as the involvement in particular of Moriz Vohrer, Manfred Vohrer, and others as applicable.

We acknowledge that results of this investigation as presented are based on information available from the above sources at the time of writing.

3.1 global-woods AG

It is unclear precisely when GW was founded. GW started the operation of the Kikonda Project in Uganda in 2001, as described in previous sections. Documents from the German Trade Register indicate that as of 2007, the company was owned by Manfred Vorher (EUR 380,000 share capital), Compania Eurobal S.A. (Uruguayan company with a share capital of EUR 919,000), Moriz Vohrer (EUR 200,000)¹³, Holger Starp (EUR 501,000), and Franz Nick (EUR 250,000), with voting power distributed proportionately. Manfred Vohrer acted as Chairman. In addition to the Kikonda Project, the company held assets and liabilities in other countries, including Argentina and Paraguay.

After having abandoned ambitions of registering the Kikonda as a clean development mechanism (CDM) project, the company pursued CFS¹⁴ certification. In July 2009, the Project got accepted as a CFS project following successful validation by TUEV SÜED.

In September 2009, the shareholders of GW decided to split up the company into GW and GWI. GW retained all assets and liabilities relating to the Kikonda Project including the tree farming license no. 389 and Project operations in Uganda, aside however from rights to emission reductions from the Kikonda Project's 1,500 planted hectares in the order of 300,000 tCO₂. GW was subsequently sold to the [REDACTED]. The precise ownership structure is unclear. All former board members including Manfred and Moriz Vohrer resigned from their positions. A new board was appointed with Matthias Baldus as Chairman and Manfred Vohrer as a board member.

¹³ According to Moriz Vohrer, these shares were transferred by his father to him to recognize his engagement and support for the Project.

¹⁴ In parallel, the Project also received initial Climate, Community and Biodiversity Standard validation.

GWl was founded as a new company with assets and liabilities relating to the rights to emission reductions from the above-referenced Kikonda Project and a range of non-Kikonda related positions formerly belonging to GW. The company was founded with a total initial share capital of EUR 675,000 and headed by Manfred Vohrer as Chairman. Shareholders include Manfred Vohrer (EUR 387,300), Franz Nick (EUR 225,000), Moriz Vohrer (EUR 60,000), and Matthias Baldus (EUR 2,700) with voting power distributed proportionately.

Since 2009, the German Trade Register contains no significant changes to ownership structure of either company aside from a few changes to board positions of global-woods AG not pertaining to the above-mentioned. With regards to ownership interests, it can be concluded that Moriz Vohrer currently retains 8.8% of GWl shares.

3.2 The CarbonFix Standard

CarbonFix e.V. was registered as a non-profit, tax exempt organization by Manfred Vohrer as President in 1999. The CarbonFix team started developing a carbon standard in 2008. In June 2008, new bylaws were approved by the board, establishing a new governance structure, including a Technical Board ("Technischer Beirat") whose members were to be appointed by the board, and whose tasks included, among others:

1. Development of the CarbonFix Standard (the IP later purchased by GSF);
2. Validation of projects submitted to CFS for approval;
3. Quality control of CFS projects seeking certification;
4. Selection of independent advisors; and
5. Selection of a chair by the majority of its members

According to interviews conducted, Moriz Vohrer was later elected Chair of the Technical Board and played an instrumental role in developing the CFS. In December 2008, the management structure of Carbon Fix e.V. was changed and Manfred Vohrer was replaced as President¹⁵:

1. Roland Irslinger became President
2. Holger Feser became Vice-president
3. Pieter van Midwoud became General Secretary

In December 2009, a contract was signed between Carbon Fix e.V. (Pieter van Midwoud) and GWl (Manfred Vohrer) granting GWl discounted certification fee payments for the first two verification periods of the Kikonda Project (an incentive also granted to other so-called 'pilot projects' certified under CFS). This would be in line with all emission reduction related positions and rights being transferred to GWl.

In 2011, Pieter van Midwoud and Holger Feser, acting on behalf of Carbon Fix e.V., created a company called CarbonFix Standard UG as a GmbH (German limited liability company) to house and further develop CFS. According to interviews conducted, the for-profit company was created to enable acceptance of fee payments from registered projects to CFS, which Carbon Fix e.V. as a non-profit tax exempt entity was unable to receive.

¹⁵ At the same time Manfred Vohrer also left the organization as an active team member and manager.

Pieter van Midwoud was appointed as CEO of the newly founded company. In 2012, the CFS intellectual property rights were sold to GSF, since when Carbon Fix e.V. and CarbonFix Standard UG have shown fairly little, if any activity.

3.3 The Gold Standard Foundation

In September 2012, GSF purchased the CFS IP from MERULA AG (an entity that previously received the CFS IP from Moriz Vohrer and Pieter van Midwoud) in exchange for fixed monthly payments going forward and a commission based on GSF revenues received from A/R based credit issuance, up to a maximum amount. It is understood from interviews with GSF and Moriz Vohrer that no commission payments have been made to date.¹⁶

Moriz Vohrer and Pieter van Midwoud, through their German company eFormic, were contracted by GSF as Technical Director, Land Use & Forests, and Director of Business Development, Land Use & Forests, respectively, to expand GSF land use expertise and manage the transition of CFS, including CFS certified projects, to GSF. Their monthly remuneration equals the fixed monthly payments to be made by GSF according to the IP purchase agreement.

We understand from interviews that in their respective roles, Moriz Vohrer and Pieter van Midwoud served on the GSF Secretariat and coordinated the transition of Kikonda and other CFS projects to GSF. It is important to distinguish their roles from the independent GSF Technical Advisory Committee (TAC) that conducted the project review against GSF standards and requirements and ultimately approved the Project's transition. It appears that both Moriz Vohrer and Pieter van Midwoud handled project documentation but not, however, the actual project review and approval.

According to information received about the due diligence process that preceded the purchase of CFS IP by GSF, no direct inquiries were made regarding the engagement or interest of any CFS employees in the certified projects. However, as part of the service agreement signed between GSF and eFormic, a COI declaration was signed by Moriz Vohrer and Pieter van Midwoud which certified and declared that the company in connection with the certification activities it would be performing, in no way had any bias in favor of or against any person, firm, corporation, or business entity involved with GSF, and understood that such bias would disqualify it as an independent contractor. eFormic further declared that if during the process of evaluation, any person employed by the company should become aware of any interest of bias or potential interest that may disqualify eFormic in any capacity, that such persons would report the potential conflict of interest immediately to GSF.

It has been suggested by Moriz Vohrer that his prior engagement by the Kikonda Project had been known by GSF staff involved in the purchase negotiation, a claim which could not be confirmed. Moriz Vohrer further suggested that his involvement in the Project could have been detected through a web search on his person. What is also clear however is that neither eFormic nor any of its employees (Moriz Vohrer and Pieter van Midwoud) to date have formally reported a potential or real COI to GSF. The service agreement between GSF and eFormic currently remains in place.

¹⁶ Moriz Vohrer also stresses that ..

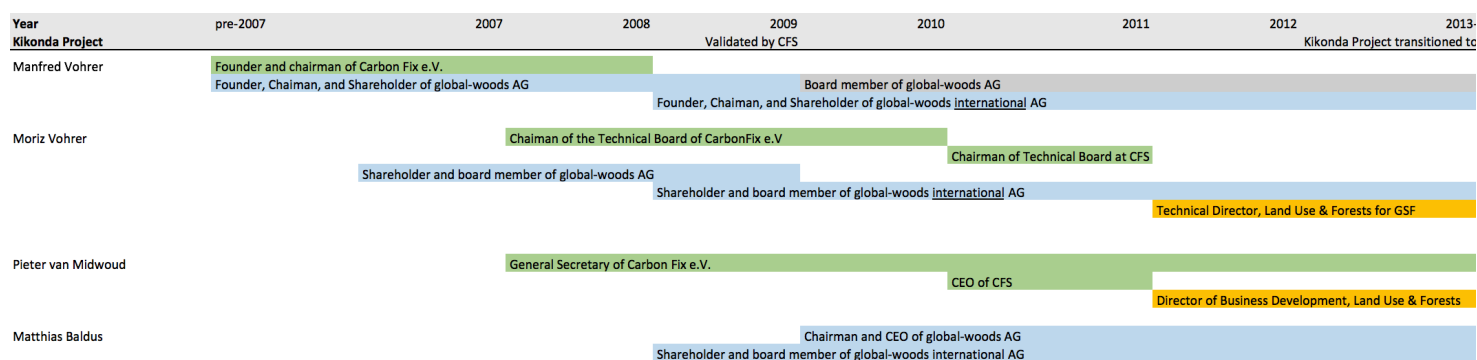
3.4 Potential Conflict of Interest

According to our investigation and the findings presented above, different layers of COI exist. Allegations of potential COI between Moriz Vohrer and Manfred Vohrer are not unfounded, although they are mostly perceptual. However, there is also and more significantly a COI related to the fact that Moriz Vohrer himself is and has been a shareholder of companies that did business with CFS and GSF while holding senior level positions at both organizations which are not clearly and obviously removed from interaction with said companies. The historic overlap of interests and roles at CFS and GSF is presented below.

Considering the particular responsibilities associated with roles held by Moriz Vohrer at CFS and GSF over the course of the past 10 years in terms of standard setting, project review and approval, project transition, and quality control (not all of them applicable to the role at GSF), the existence of possible COI with his involvement in global-woods AG and global-woods international AG is, and would have been, clear from a legal and compliance perspective.

It appears that CFS did not maintain a COI policy. Interviews suggest that it was widely known that Moriz Vohrer had been “involved” in the Kikonda Project in one form or another. Conversations with Moriz Vohrer further suggest that standard setting through a technical board and third-party verification of projects were perceived as sufficiently independent as to guarantee integrity and eliminate potential individual influence over decisions, which from a legal perspective and definition of COI is clearly insufficient.

Figure 1 Historic Development of the Ownership and Management Structure of the Kikonda Project



We obtained copies of the GSF employee handbook and service agreement entered into by GSF and Moriz Vohrer and Pieter van Midwoud respectively, which include clear and instructive COI policies. We were informed by Moriz that the employee handbook was only issued in 2016. According to the information available, we conclude that the COI policy was not complied with as a concrete COI did exist at the time of signature and to this day: Moriz Vohrer has worked for the Project, he is the son of Manfred Vohrer and has an ownership interest in GWI, which owns the emissions reductions from the Kikonda Project. While Moriz and Pieter submitted their CVs to GSF that clarified Moriz's position with respect to the Project, the COI was not formally declared.

The COI should have been declared at the time of signature by Moriz Vohrer and Pieter van Midwoud, had he had specific knowledge of that fact. There is no evidence that Pieter van Midwoud knew about Moriz Vohrer's ownership interest in GWI, and he has denied it. Furthermore, while no COI existed in relation to Pieter van Midwoud, his declaration demands that any known COI by eFormic staff should have been reported to GSF immediately. Pieter van Midwoud knew that Moriz Vohrer previously worked at GW on the Kikonda Project, and he knew that Manfred Vohrer was involved with GWI. Therefore, he should have declared these facts at the time.

While we confirm the existence of COI, it also seems clear that Moriz Vohrer has not taken advantage of his position with GSF to promote his own financial or family interests. It is beyond the scope of this review to determine whether undue influence was exercised. It may be in the interest of GSF to conduct further internal reviews of relevant correspondence, meeting minutes, and committee decisions in relation to the Kikonda Project to come to a conclusion on the matter and apply existing GSF policy to determine adequate action.

3.5 Prevention of Conflict of Interest

GSF takes standard and project-related decisions through its Technical Advisory Committee - TAC. Projects are independently verified by approved auditors and subsequently reviewed and approved by the TAC. It is therefore fair to assume that the ability to influence decisions either by Moriz Vohrer (as a member of the Secretariat) or indeed anyone else involved in the process would have been limited, e.g., taking individual decisions in favor of the Kikonda Project.

This appears to be the position that Moriz Vohrer maintains. From a legal and ethical perspective however, decision-making by committee and independent verification is in itself insufficient to address COI. It is preferred and indeed recommended to establish and follow a dedicated COI policy that demands the identification of COI situations and defines adequate steps to prevent actual COI from arising, for example by temporarily or selectively removing individuals with potential COI from processes and decisions that might conflict with their other interests. This should include the meticulous documentation of conflict of interest reports and specific actions taken to manage identified COI to ensure a paper trail exists for compliance purposes.

Guidance on the identification and reporting of COI exists in the GSF employee handbook, however we were unable to find specific reference to processes and procedures that are to be applied to proactively isolate and

manage specific COI situations once identified. We were also unable to find any documentation in relation to actions that may have been taken to manage COI in relation to Moriz Vohrer's involvement in the Kikonda Project, which is likely due to the fact that despite its obvious existence, no COI ever seems to have been declared or reported.

It is beyond our remit to propose revisions to Gold Standard policy, however we believe that the involvement of GSF staff in GSF certified projects or other entities with which GSF may do business (either directly or indirectly), does not have to imply their general disqualification from GSF employment as long as COI is proactively managed. **This can be achieved through the definition of measures that clearly and permanently remove identified individuals from information flows and the realm of influence over certain projects, tasks, or processes.**

While policies currently exist to identify and report COI, the GSF may consider the development of clear processes and procedures aimed at managing COI proactively once identified. This may include:

1. **Identification by a compliance officer or committee of all overlaps between a person's roles**, responsibilities, and tasks in line with GSF employment and their potential interests in or relationship to persons, firms, corporations, or business entities involved with GSF.
2. **Determination of and agreement to measures to be taken to clearly and permanently eliminate such overlaps and potential conflicts**, such as:
 - a. Temporarily relieving a person from specific tasks either entirely or as they related to interests in other entities;
 - b. Electing an alternative person to act as a temporary or permanent substitute for specific tasks; and
 - c. As necessary, establish additional or modified communication channels and procedures to ensure persons with potential COI are clearly excluded from information flows relating to identified entities, tasks, and decisions.
3. **Formal documentation of identified COI and measures taken and agreed by GSF and the conflicted staff member.**
4. **Training on COI of all GSF staff, as well as technical advisors and associated consultants.**
5. **Communication of identified COI and measures agreed to relevant staff to ensure the specific measures regarding a particular COI**, decision-making process, and person involved are known and can be taken into account in the day-to-day operations of GSF.

4.

Bibliography

Baldus (2016) Interview with Matthias Baldus

Global Woods (2008) Project Design Document (PDD) of the Certification of the Kikonda Forest Reserve in Uganda according to the CarbonFix Standard.

FSC (2002) FSC Principles and Criteria for Forest Stewardship FSC-STD-01-001 (version 4-0) EN

FSC (2005) FSC Pesticides Policy, FSC-POL-30-001 (2005) EN

Gold Standard (2012a) ANNEX H - Guidance for Do No Harm Assessment

Gold Standard (2012b) ANNEX W - Continuous Input and Grievance Mechanism

Gold Standard (2013a) The Gold Standard Transition Guideline for CarbonFix projects

Gold Standard (2013b) The Gold Standard Afforestation/Reforestation (A/R) Requirements version 0.9 (Road-Test)

Gold Standard (2014) Kikonda Project CarbonFix Transition

Nel, Adrian (2014) Sequestering market environmentalism: Geographies of Carbon Forestry and Unevenness in Uganda: A Thesis Submitted for the degree of Doctor of Philosophy at the University of Otago, Dunedin, New Zealand

National Forestry Authority (2011) Guidelines on eviction of encroachers in Central Forest Reserves

Peskett, Leo et al (2010) Carbon Offsets for Forestry and Bioenergy: Researching Opportunities for Poor Rural Communities

SGS (2011) SGS Forest Management Standard (AD33) adapted for Uganda, version 4 of 16 August 2011

SGS (2012) SGS Qualifor Forest Management Certification Report
TÜV SÜD (2009a) Validation Report: Validation of the CarbonFix-Project: Kikonda Forest Reserve Reforestation Project. Report No. 1196712
TÜV SÜD (2009b) Validation Report: Validation of the CCBS-Project: Kikonda Forest Reserve. Report No. 1196712-CCBA

TÜV SÜD (2013) Certification Report: Management Unit Certification
Validation of the CarbonFix-Project: Kikonda Forest Reserve (KFR). Report No. 600501098

5.

Annexes

Annex I: Articles containing allegations of misconduct in the Kikonda Project

Eklöf, G. (2013). REDD Plus or REDD "Light"?-Biodiversity, communities and forest carbon certification

Nel, Adrian (2014) Sequestering market environmentalism: Geographies of Carbon Forestry and Unevenness in Uganda: A Thesis Submitted for the degree of Doctor of Philosophy at the University of Otago, Dunedin, New Zealand

Peskett, Leo et al (2010) Carbon Offsets for Forestry and Bioenergy: Researching Opportunities for Poor Rural Communities

REDD Monitor (2015) Global Woods' plantations in Uganda: Trees versus food <http://www.redd-monitor.org/2016/01/08/global-woods-plantations-in-uganda-trees-versus-food/>

Spiegel Online (2015) Umstrittene Aufforstung in Uganda: Bäume pflanzen, Bauern verdrängen <http://www.spiegel.de/wissenschaft/natur/uganda-waldprojekt-raubt-bauern-lebensraum-a-1065963.html> (the Article).

Annex II List of interviews held during site visit

SN	Name	Organization	Contact
1.	Mathius Baldus	CEO- Global Woods	
2.	Fracois Jacobs	Estates Manager- GW	
3.	John Mary Kisembo Mzee	Sustainability Manager- GW	
4.	Kabanda T	Land Management Officer/ Secretary District Land Board- Kyankwanzi District	+256 777809755
5.	Mr. Mwesigwa	District Land Management Officer	
6.	Bernard Opur	NFA- Boundary Specialist	+256 775343550
7.	Jimmy Ounar	NFA- Encroachment Specialist	+256 772 604050
8.	Namugerwa Justine	LC I Chairperson- Kyakabuga	+256 706020191
9.	Kalema Vicensio	LC I Chairperson- Kawungera	+256 779370412
10.	Lukwago Pasciano	LC I Chairperson- Lwenkibibi	+256 783162301
11.	Kezron Rukyeza	LC I Chairperson- Kalungu	
12.	Jackson Senkubuge	LC I Chairperson- Mbaali	
13.	Lawrence Kamonyo	Affected Villager- Kiteredde	+256 773497592
14.	George Kijambu	Affected Villager- Kawungera	
15.	Gervis Byamugisha	Kikonda FR Police Post	

Annex III - Legal Framework of Land in Uganda

Uganda covers 241,040 square kilometers (197,000 square kilometers) of land, of which at least 24% is forest land [Property Rights and Resource Governance; United States Agency International Development]. The Ugandan Government has set up strict rules to control the ownership of land. Notwithstanding that, as in many developing countries, the enforcement of these laws remains frail, and institutional capacity is weak. In addition, there are overlapping laws and institutions governing the use of land, which often leads to conflicts of ownership.

Prior to colonialism, Ugandan Kingdoms owned land either communally or on the basis of sovereign trustees. With the coming of the British colonialists, individualized ownership of property rights was introduced through the signing of the 1900 Agreement in which they allocated 8958 square miles to the *Kabaka* of Buganda Kingdom. The land allocated to the Kabaka/King was referred to as *Mailo* land and it became legally inheritable and thus gave birth to the *Mailo* land tenure system. The land that was owned by the protectorate (Crown Land) became public land from which the freehold and leasehold tenure systems were derived. This approach spread throughout other parts of Uganda, however the areas where this did not take effect remained with the customary ownership of land.

In 1975, H.E Idi Amin Dada introduced the Land Reform Decree that converted all individually owned land into land owned by the State. Under this reform, individuals could only have leases to the land instead of

freehold, as initially introduced by the British in 1900. However due to political tension - and though passed by Parliament - this Decree never came to be implemented.

With a change in regime, Uganda set up several commissions to formulate a land tenure system that could reconcile the state ownership and private ownership of land, viz. communal ownership of land [Odoki Commission; 1987]. As a result, the Constitution and the Land Act (Cap. 227) provide that land in Uganda may be held in only four tenure categories namely; freehold, leasehold, *Mailo*, and customary tenure. These four tenure systems are elaborated below.

TENURE SYSTEM	DESCRIPTION
Freehold tenure	Freehold tenure may involve either a grant of land in perpetuity, or for a lesser specified time period. The Land Act specifies that the holder of land in freehold has full power of ownership. This means that he or she may use it for any lawful purpose and sell, rent, lease, dispose of it by will or transact with it in any other way as he or she sees fit. Only citizens of Uganda are entitled to own land under freehold tenure. Non-citizens may lease it for a period up to 99 years.
Leasehold tenure	Under leasehold tenure one party may grant to another the right to exclusive possession of land for a specified period, usually in exchange for the payment of ground rent. Any owner of land in Uganda whether through freehold, <i>Mailo</i> or customary tenure may grant a lease to another person. In practice, much of the land that is leased was previously owned by government bodies, particularly the Land Commission and the District Land Boards, and these tend to impose some development conditions on the land's subsequent use.
Mailo tenure	<i>Mailo</i> tenure entails permanent ownership of a large plot of land which belongs to landlords who acquired it through the 1900 Buganda agreement. Under <i>Mailo</i> tenure, owners have perpetual ownership and are free to sell or pass on their rights to their heirs. The Constitution states that <i>Mailo</i> land owners are not allowed to use their powers against the interests of customary tenants, bona fide or lawful occupants. This provision was introduced in 1998 and revised further in 2010 with the aim of inhibiting the possible eviction by landlords of people occupying <i>Mailo</i> land as customary tenants or squatters.
Customary tenure	70% of Uganda's Land is held under customary tenure. The 1995 Constitution restored recognition of the rights of those who held interest in such land and the Land Act explicitly recognized that customary law should regulate this form of land tenure. There are a number of different types of customary land tenure in different parts of Uganda. In some places the land is held communally, in some it belongs to a particular clan, while in others it is held by individuals. An individual can obtain a private certificate of title under customary tenure. The claimant has to agree with the community (the clan or tribal chiefs) that they own the land, and then the district and government land boards take up the process of issuing the title. Under the Constitution, an individual may also turn communal tenure into freehold or leasehold tenure.

Management of Public Land in Uganda

The Uganda Land Commission holds and manages all land vested in or acquired by the government. It maintains records of leases on state land, and is engaged in the acquisition and allocation of public land to the private sector for investment purposes. District Land Boards (DLBs), on the other hand, hold and allocate land that is not owned in the district, and facilitate the registration and transfer of interests in land. In urban areas, land committees play an advisory role to the District Land Boards. Also several ministries and government agencies are responsible for certain lands, such as the Uganda Wildlife Authority, Uganda Investments Authority and the National Forestry Authority, which have jurisdiction over protected areas. Hence through their line Ministries, they may allocate land within their jurisdiction to investors or individuals.

Land Administration in Uganda

The Government of Uganda adopted and still uses the Torrens system of land title under which the government operates a central registry that keeps all land ownership records. Under the Torrens system, two certificates of title are formulated for each piece of land, one being the original certificate of title kept at the central land registry, and another title which is the duplicate certificate of title which is issued to the registered owner of the land. The Uganda Lands Registry is currently in the process of digitalizing all certificates of titles.

Land in Uganda is currently managed by the Ministry of Lands, Urban Planning and Development. This Ministry is in charge of all land registration processes in Uganda. Within the Ministry is the Lands Registration Department, headed by the Commissioner Land Registration who oversees all District Land Registries in Uganda and Registrar of Titles in the specific Districts.

Relevant Laws in Uganda

The following table outlines the laws in Uganda that govern land use.

LAW	PURPOSE
Constitution of the Republic of Uganda [1995] As Amended	<ul style="list-style-type: none"> • This is the Supreme Law of the State • Establishes the Land Tenure Systems in Uganda • Provides for the Human Rights enjoyed by Citizens relating to Land • Fiduciary Relationship between the Government and Citizens of Uganda • Administrative System of Land in Uganda
Land Act, Cap 227 [2010], As Amended.	<ul style="list-style-type: none"> • Defines the Land Tenure Systems established under the Constitution • Details administrative structure of Land management and Administration in Uganda, i.e., District Land Boards and Tribunals • Introduction of the customary tenure system and process of obtaining Customary Certificates of Titles • Protection of Bona fide and Lawful tenants, i.e., Squatters on Land

Registration of Titles Act, Cap. 230	<ul style="list-style-type: none"> • Basically deals with Registered Land in Uganda, i.e., it governs or lays down the Laws relating to Registered Land, thus unregistered interests can only be recognized herein as equitable interests that can be registered through Caveating. • Land tenures such as the Freehold, Mailo and Lease are the most recognized under this Law.
National Forest and Tree Planting Act, 2003	<ul style="list-style-type: none"> • Provides for the conservation, sustainable management and development of forests; • Declaration of forest reserves for purposes of protection and production; the enhancement of the productive capacity of forests; promotion of tree planting; • Consolidation of law and establishment of the National Forest Authority and the District Forestry Office under the Forestry Inspection Division.
National Environmental Act, 1998	<ul style="list-style-type: none"> • Deals with environmental management and Controls and it established the National Environment and Management Authority (NEMA). • NEMA overall body overseeing proper utilization of the environment in the best interest of the Citizens.
Uganda Wildlife Act, 2000	<ul style="list-style-type: none"> • This provides for the establishment of the Uganda Wildlife Authority. • Act Vests all Lands gazetted for Wildlife and wildlife Conservation to be lands of this Authority.
Local Government Act, 1997	<ul style="list-style-type: none"> • In terms of Revenue, the LGA gives the District Local Councils powers to receive 40% of all revenue collected from Central Forest Reserves located in the district and 100% of all revenue collected from the Local Forest Reserves.
Water Act, Cap 152	<ul style="list-style-type: none"> • This law provides for the use, protection and management of water resources and supply; to provide for the constitution of water and sewerage authorities; and to facilitate the devolution of water supply and sewerage undertakings.
Forestry Policy, 2011	<ul style="list-style-type: none"> • Includes Guidelines on eviction of encroachers in Central Forest Reserves. These spell out the steps to be taken by the National Forestry Authority (NFA) officials before evicting persons from forest reserves. The essence of these regulations was to see to it that the measures used by NFA officials meet the basic human rights of individuals on right to property and life.