

List A Joint Statement¹

On Uganda's NOPP (EB 2025/146/R.5)

1. Without opposing the adoption through the batch procedure, List A would like to explicitly point out the following problematic aspects of the additional finance proposal for the National Oil Palm Project in Uganda.
2. We recognize that the project supports rural livelihoods and responds to a concrete and well-identified need in the region. We also appreciate the Environmental and Social Impact Assessment (ESIA) transparency policy and welcome IFAD's confirmation that, even if the ESIA is completed after the signature of the financing agreement, no substantive investment activities will be undertaken until the ESIA results are publicly disclosed and no objections are received within a set deadline.
3. At the same time, we would like to draw attention to a set of risks inherent to the project and request further oversight, monitoring, and risk-mitigation measures.
4. **Environmental risks.** Oil palm cultivation carries significant ecological risks. We appreciate IFAD's awareness of these concerns and the countermeasures integrated into the project design. However, the mid-term review² indicates that afforestation and reforestation efforts are lagging behind. We therefore encourage IFAD to strengthen and intensify the monitoring of this issue to reinforce implementation where gaps have been identified and ensure full compliance with the environmental objectives originally set. We would also encourage IFAD to closely monitor agronomic practices to mitigate risks related to soil nutrient depletion and potential pesticide runoff into sensitive ecosystems, which could lead to contamination and potential biodiversity loss.
5. **Land governance.** We acknowledge and appreciate IFAD's efforts to mitigate risks associated with the land acquisition process undertaken by the Government of Uganda linked to a nucleus estate under the previous project and for a processing plant under the additional finance project. We also welcome the decision to focus the project entirely on smallholder production and recognize that this significantly reduces tenure risks. At the same time, we remain concerned that chronic shortages in government funding are delaying the compensation of vendors. This not only constitutes a bottleneck for the overall progress of the project, but also poses a substantial risk to the physical and economic resettlement of smallholder farmers, with potential adverse implications for their livelihoods. We encourage sustained close oversight of these dynamics, invite IFAD to use its close affiliations with the International Land Coalition (ILC) or other independent actors to provide third-party monitoring and community legal advice, and we request further clarity on how IFAD intends to help mitigate the negative impact of delays in compensation, including measures to safeguard the real purchasing power of compensation amounts in the face of payment delays.
6. **Reputational risk.** We remind IFAD that the main private partner, *Bidco Uganda Ltd.*, has faced allegations of illicit land acquisitions and farmer evictions that have not followed due process. While we recognize the monitoring systems that IFAD has put in place, we reiterate the importance of maintaining vigilant oversight of this aspect and expect IFAD to retain the ability to promptly suspend operations should any substantiated case of wrongdoing emerge.

¹ With the exception of the United States.

² Report no. 7240-UG, date: 19/06/2025, to be found [here](#).

7. **Nutrition and food security.** To drive the needed Food Systems Transformation, build smarter and more resilient food systems, and reduce rural poverty, it is essential to give strong and sustained attention to nutrition, an area where IFAD has made clear commitments. In this spirit, we encourage IFAD to concentrate its future investments even more on value chains that supply nutritious foods to domestic markets. While we recognize that, in the Ugandan context, palm oil is largely used for household consumption and can therefore play a role in meeting basic dietary fat requirements, we also note its poor nutritional profile. Accordingly, we expect IFAD to monitor the extent to which the use of palm oil meets a demonstrated need for minimally processed and locally produced sources of fats, for which this program has a recognized potential.
8. **Protection of human rights and the inclusion of anti-discrimination safeguards.** We would like to underline the importance of clarifying who will be responsible, and what measures will be implemented, to ensure the protection of human rights and the inclusion of anti-discrimination safeguards, especially for marginalized groups.
9. In conclusion, we reiterate our appreciation for IFAD's ongoing monitoring and due diligence efforts on this initiative and look forward to continued clarity and strengthened measures on how the identified risks will be managed to ensure that the project's intended benefits can be achieved in a sustainable, responsible, and development-focused manner. We also encourage IFAD to continue assessing that the project, while aligned with Uganda's national priorities, remains fully consistent with IFAD's operational niche and value addition.