

FEBRUARY 2025

Assessment Report

Uganda Grain Development Project: Agilis-01, Uganda

IFC Project number: 605676

About CAO

The Office of the Compliance Advisor Ombudsman (CAO) is the independent accountability mechanism of the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA), members of the World Bank Group. We work to facilitate the resolution of complaints from people affected by IFC and MIGA projects in a fair, objective, and constructive manner, enhance environmental and social project outcomes, and foster public accountability and learning at IFC and MIGA.

CAO is an independent office that reports directly to the IFC and MIGA Boards of Executive Directors. For more information, see www.cao-ombudsman.org/about-us.



List of Acronyms

CAO	Office of the Compliance Advisor Ombudsman
GBV	Gender-Based Violence
IFC	International Finance Corporation
LRP	Livelihood Restoration Plan
MIGA	Multilateral Investment Guarantee Agency
UGDP	Uganda Grain Development Project

1 Executive Summary

In July 2024, CAO received a complaint from Witness Radio, a Ugandan non-governmental organization, on behalf of local community members in Kiryandongo District, Uganda. The complaint related to Agilis Partners, an IFC client, and raised concerns about the impacts of the company's farming operations and land acquisition process on local community members in Kiryandongo.

CAO found the complaint eligible in August 2024 and initiated an assessment during which the complainants and company expressed interest in engaging in a CAO-facilitated dispute resolution process. In accordance with the CAO Policy,¹ CAO is therefore transferring the complaint to its Dispute Resolution function.

This assessment report provides an overview of CAO's assessment process, including a description of the project, the complaint, and the assessment methodology. The report summarizes the views of the complainants and the IFC client (the "parties") heard by the CAO team and describes next steps based on the decisions taken by the parties.

2 Background

2.1 The Project

Since June 2022, IFC has an active Advisory Services project (Uganda Grain Development Project or UGDP, project number 605676) with Agilis Partners. The primary goal of the project is to create a sustainable business model for 6,000 smallholder farmers and thus maximize both the quality and volume of maize being supplied to Agilis Partners over three years. According to IFC, the UGDP has four components: 1) enabling smallholders to expand maize production, increase quality, and access pre-financing to buy quality inputs, while providing a ready market for their maize; 2) providing farmers with an organized digital marketplace to sell agricultural produce and buy quality inputs; 3) improving and streamlining processes in Agilis Partners' commercial farm to accelerate growth and expand production of maize, soybean, and sunflower; and 4) advising Agilis Partners on applying the highest land acquisition and involuntary resettlement standards.²

The issues raised in the complaint are mainly related to this fourth component. According to IFC, component 4 activities encompass support for internal environmental and social (E&S) functions, including job descriptions and the selection process; reviewing the resettlement memorandum; reviewing the Terms of Reference (ToR) for the development of the Livelihood Restoration Plan;

¹ During the assessment process, the complainant/s and the client and/or sub-client decide whether they would like to initiate CAO's Dispute Resolution or Compliance function. If both parties agree to undertake dispute resolution, CAO will facilitate this process. If there is no agreement on a function, the complaint will be transferred to CAO's Compliance function. For more information about the CAO Policy, see: <https://www.cao-ombudsman.org/policies-guidelines>

² For more information on IFC's project, see: <https://disclosures.ifc.org/project-detail/AS/605676/uganda-grain-development-project-agilis>

assessing deliverables and providing advice on implementation; and reviewing the monitoring and evaluation framework to assess the status of the process and ongoing monitoring of livelihood restoration initiatives.

2.2 The Complaint

In July 2024, CAO received a complaint submitted by Witness Radio, a Ugandan non-governmental organization, on behalf of local community members of Kiryandongo District, Uganda. The complaint raised concerns relating to Agilis Partners’ resettlement process in 2017; inadequate compensation for loss of land and livelihoods; lost access to water sources, schools, and health centers; as well as concerns related to threats and reprisals and gender-based violence.

CAO found the complaint eligible in August 2024 and initiated an assessment. The issues raised during the assessment are described in more detail below.

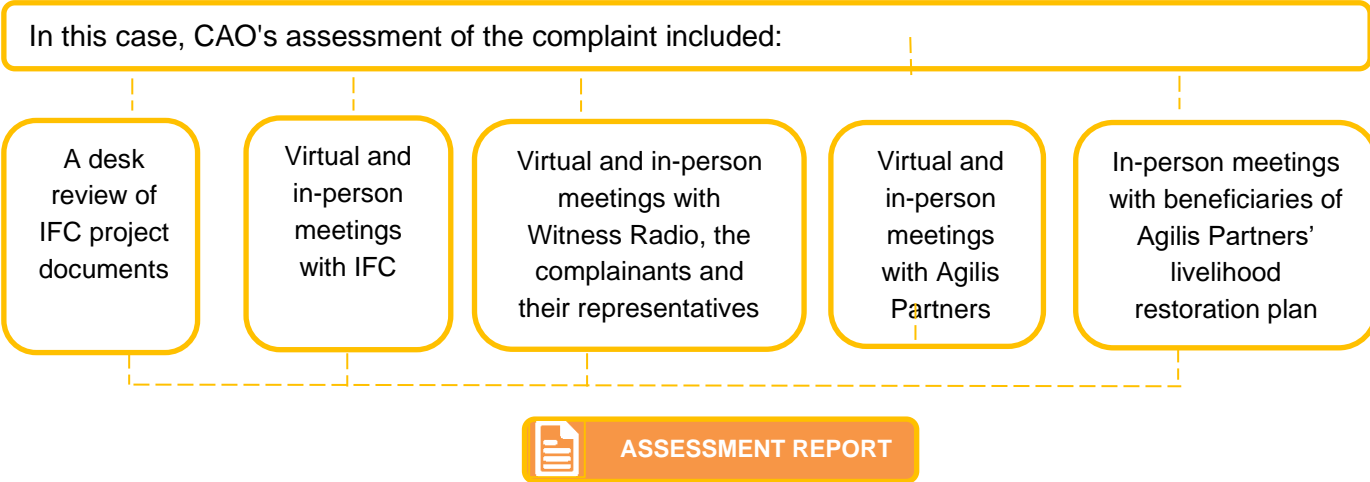
3 Assessment Purpose & Methodology

3.1 Assessment Purpose

The aim of an assessment process is for CAO to develop a thorough understanding of the issues and concerns raised by the complainant(s), gather information on the views of different stakeholders, and determine whether the complainant and IFC client (the “parties”) would like to pursue a dispute resolution or compliance process (see Appendix A).

CAO’s assessment process does not entail a judgment on the merits of the complaint; rather, CAO seeks to understand the parties’ perspectives and empower them to make informed decisions about how to address the issues raised in the complaint.

3.2 Assessment Methodology



The CAO team conducted the assessment, with the support of a local interpreter and a local gender-based violence (GBV) expert. The team also conducted an assessment trip to the project site. The views of the complainants and IFC client heard by the CAO team are described below.

4 Complainants' Perspective

The complainants consist of several hundred households who once lived on Ranches 20 and 21 ("the ranches"), in Kiryandongo district, until Agilis Partners acquired the ranches in 2017. During the assessment process, CAO was able to meet with around 45 complainants. Of these, 11 identified themselves as leaders and representatives of the whole complainants' group and the remaining 34 indicated that they were representing themselves.

4.1 Resettlement Process

According to the complainants, most of them were forced by Agilis Partners to relocate in 2017 without a resettlement action plan, while some resisted the resettlement and are, to this date, still on the land. The complainants shared that when Agilis Partners acquired the ranches, the police and the company's security personnel used threats and violence to convince them to leave. The complainants recounted various forms of abuse against themselves and their families, including destruction of property, use of tear gas, physical violence, wrongful imprisonment, and other threats. Some complainants claimed they were beaten, while others were arrested and put in custody. Others indicated that their houses were burned and their crops destroyed in an effort to force them to leave the land. The complainants stated that the use of force exercised by the company during the resettlement process brought significant trauma and disruptions to their lives.

4.2 Inadequate Compensation and Loss of Livelihoods

According to the complainants, Agilis Partners offered compensation to most of them but not all. For those who received compensation, it was allegedly only limited to the value of the assets existing on the land, for example, planted trees, and not for the land itself. Furthermore, the complainants felt that the amounts offered, which allegedly ranged between UGX 200,000 and 1 million, were inadequate to provide for the resettlement of their families. According to the complainants, the amounts offered were barely enough for them to move their assets and family members off the land. Therefore, the complainants disagree with the compensation that was offered to them, as they consider it too little for the value of their assets and because it excluded the value of the land itself. However, many community members ended up accepting the compensation offered and left the land due to fear of threats.

When CAO asked the complainants how they came to be on the land, some explained that they had purchased their plots from other individuals, while others claimed that the government had given them permission to settle there. Others indicated they were born on that land and their family had lived there for decades. Before the resettlement, the complainants explained they used to have cattle, pigs, hens, and crops such as maize, bananas, and cassava on the land, which ensured their sustenance. The complainants expressed that since leaving the land, they have been struggling to restore their livelihoods. Some indicated that they had to go live with relatives

or ask a local church to give them shelter. Some were able to rent a small piece of land in other districts, while others said that they have become homeless.

4.3 Loss of Access to Services and Resources

Several complainants indicated to CAO that their children used to go to a school on the ranches. However, since the resettlement, children have been out of school for several reasons. Firstly, families lost their sources of income and have been unable to afford school fees, supplies and transport costs for children. Secondly, the quality of education of the schools in the areas where the families resettled is considered very poor, and parents cannot afford the transport costs associated with sending their children to different schools of higher quality. Finally, affected families have had to rely on their children to work to help support their households. The complainants added that there was also a health center on the ranches, which was used by community members, and that the facility was allegedly destroyed when Agilis Partners came in, along with the school.

A subgroup of the complainants told CAO they are still living on Ranches 20 and 21. They reported having lost part of their land and homes as Agilis Partners only left them a very small plot of land on which to live. Some expressed that they lost access to water sources, while others said that they had no access roads to their land. Some indicated that they still have cattle, but since the company destroyed the fences, their cattle sometimes wander into the company's fields. When that happens, the company allegedly confiscates their cattle and only returns them in exchange for money.

4.4 Fear of Threats and Reprisals, and Internal Conflicts

The complainants remaining on the ranches expressed living in constant fear that the company may use violence against them, and some indicated having received threats, including death threats. Some claimed that Agilis Partners uses pesticides in their fields, negatively affecting their crops. Some complainants indicated that they had attempted different ways to get justice, including reaching out to local government, members of parliament, the courts, and even the President of Uganda. However, they expressed frustration that none of these efforts have yielded any result, and their situation has not changed. The complainants explained that Witness Radio helped them file judicial complaints, bring their issues to public attention, and supported them when criminal charges were brought against them, including by bailing them out of prison.

The complainants also shared that the resettlement brought conflict within the community and separated families, as some family members left the land to find jobs elsewhere and never came back, while other families broke up from internal disagreements on whether to take the compensation offered by Agilis Partners.

4.5 Gender-Based Violence (GBV)

CAO also engaged with individuals who reported experiencing sexual violence allegedly perpetrated by Agilis Partners' employees and/or by security contractors hired by Agilis Partners. These incidents occurred between 2018 and 2021 and involved women and girls of different ages. Survivors reported enduring lasting physical, psychological, and socio-economic impacts, including pregnancies, sexually transmitted infections, trauma, and significant challenges in maintaining their livelihoods. The survivors additionally expressed fear of stigma, social rejection,

and uncertainty about the future of their own children. As a result of the sexual abuse, some survivors reported that they were rejected and chased out of their homes by their partners, leaving them alone to take care of their children. Although some incidents were reported to the Ugandan authorities and to the companies employing the alleged perpetrators, the survivors said these efforts have yielded no response or resolution.

The complainants also expressed concerns that they may be retaliated against or threatened for lodging a complaint to CAO. As a result, they requested CAO to keep their names confidential at this stage.

During the assessment process, the complainants confirmed to CAO their interest in pursuing a CAO-facilitated dispute resolution process with Agilis Partners to discuss all the complaint issues and try to find mutually beneficial solutions. The complainants informed CAO that there may be more affected households than those that the complainants' representatives were able to consult with during CAO's assessment process.

5 IFC Client's Perspective

5.1 Resettlement Process and Compensation

In response to the concerns raised in the complaint, Agilis Partners maintains that the land acquisition process and resettlement of the individuals that were found on the land were carried out in accordance with Ugandan law.

The company said extensive consultations were conducted with the affected communities before any resettlement efforts began. These included multiple community meetings and engagements with the locally elected leadership and project-affected people. During these sensitization meetings, an entitlement matrix was established, which formed the basis of the compensation subsequently offered by Agilis Partners to the households. Following sensitization and a digital census, the company said that they engaged a professional independent surveyor to survey the ranches and confirm assets existing on the ranches as well as ownership of those assets. The company then offered compensation for the assets, and if the household agreed, an agreement was executed between the household and Agilis Partners, with their counsel, the locally elected leadership, and a translator serving as witnesses, where necessary. The company explained that once the project-affected people were ready to depart, they were instructed to travel to the compensation payment center nearest to them and collect their agreed compensation amount. If the individual did not agree to the compensation proposed, the individual could object through a formal redress process set up by the company or choose to remain on the land. Agilis Partners considers that the presence of remaining households on the land further supports their point that due process was followed and that no one was forced from the ranches.

The company reported that after consulting with legal advisers and relevant government authorities, they confirmed that none of the occupants had title or any other legal, customary, or bona fide claims to the land. Despite this, they took proactive measures to compensate those individuals for their lost assets. The company told CAO that, over the years, there have been various lawsuits brought against Agilis Partners by resettled individuals claiming to have land rights, but that these suits were all dismissed by the Ugandan courts. In response to claims raised by some of the complainants that they purchased their plot of land from other individuals, Agilis Partners stated that the complainants may have dealt with individuals who pretended to be the

legal owners. The company added that the previous owners of the land also confirmed that there were no prior purchase agreements with any of the project-affected people on the ranches.

5.2 Access to Services and Support for Livelihood Restoration

Agilis Partners told CAO it prides itself on being a champion for sustainable agriculture and that the company received the Award for Corporate Excellence (ACE) from the U.S. Secretary of State in 2019. In response to claims that the company restricted access to water for the local communities, Agilis Partners responded that the allegations are based on inaccurate information, given that there were no water sources on the land when the company acquired it. With regard to the claims related to the company's use of pesticides and fertilizers affecting the community, Agilis Partners informed CAO that all the products used by the company are approved by the Uganda National Bureau of Standards (UNBS) and that strict Standard Operating Procedures are in place to ensure the safety of all individuals and surrounding communities.

In response to the complainants' assertion that the company destroyed their school and health center on the ranches, Agilis Partners informed CAO that no school or health center was located on the land when Agilis Partners acquired it, and that the local government had clarified that no district plans existed to establish schools or health centers there. Agilis Partners concluded that no children lost access to educational and other community resources as a result of the resettlement.

During CAO's assessment trip to Uganda, Agilis Partners shared a detailed presentation explaining their livelihood restoration plan (LRP), which was developed with IFC's support. The company stated that over 200 former occupants of Ranch 20 and 21 are currently benefiting from the plan, and they have plans to expand it. In 2022, the company did a survey of the households found on, or in the vicinity of, the ranches to identify beneficiaries for the livelihood restoration plan. The eligible beneficiaries are smallholder farmers to whom Agilis Partners provides farming inputs and support for crops, as well as support for those smallholders to access the marketplace.

The company is aware that some individuals are still residing on the ranches and informed CAO that they are in communication with them. Agilis Partners said they are seeking to achieve a mutually agreeable resettlement and livelihood restoration plan for these households, resulting in their voluntary departure from the ranches. In the interim, the company stated that they had demarcated portions of the ranches for each of the remaining households so they can cultivate crops. In addition, residence demarcated areas include buffer zones to ensure that the community members are not negatively impacted by the company's operations.

In response to the complainants' claim that those still residing on the ranches have lost road access since the company's arrival, Agilis Partners argued that the allegations are unfounded, given that there are roads on the ranches that the company is also using for their operations.

5.3 Fear of Threats and Reprisals

When CAO informed the company that the complainants expressed fear of being retaliated against for bringing their complaint to CAO, Agilis Partners said they had no intention of retaliating against the community members. They referred to the fact that individuals who previously objected to the proposed compensation have continued to reside on the property without being forced to leave. The company also reaffirmed its commitment to finding an amicable resolution to this issue.

5.4 Use of Force and Gender-Based Violence

Agilis Partners denies any allegations of use of force, including burning of properties, and violence against community members. The company cites the continued presence of some households on the ranches as evidence that no force was used. They explained that the police were not involved in the resettlement process, but they were only present for the protection of the company's farming equipment. Additionally, a third-party security contractor was hired to provide security services for the company's operations.

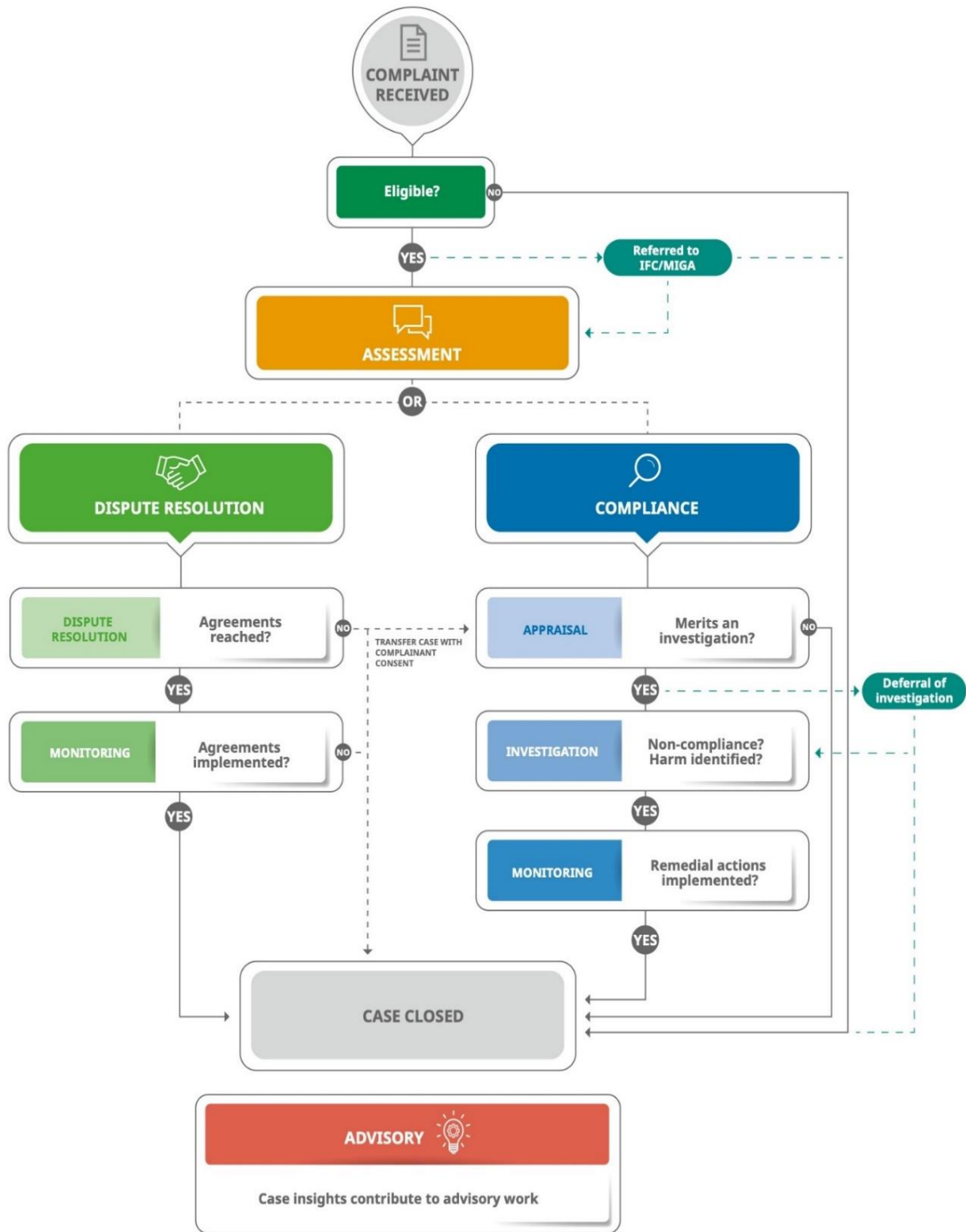
The company acknowledges that the claims submitted to CAO in relation to the use of force and GBV are serious and they view them with the utmost importance. Agilis Partners asserted that no claims about GBV had ever been brought to the company's awareness until the complaint was filed to CAO, and that the company has a zero-tolerance policy on GBV. The company also stated its willingness to support the victims in their pursuit of justice. Agilis Partners further explained that the company has a grievance mechanism, which has been strengthened as part of IFC's Advisory Services program.

During the assessment process, Agilis Partners expressed willingness to engage with the complainants in a CAO-facilitated dispute resolution process to address all the issues raised in the complaint, especially in regard to GBV and sexual offences.

6 Conclusion & Next Steps

Since both the complainants and company have expressed interest in addressing the issues through a voluntary dispute resolution process, CAO is transferring the complaint to its Dispute Resolution function. CAO will facilitate the dispute resolution process, including assisting the parties in preparing for dialogue, agreeing on ground rules and on the scope of the dialogue, and working collaboratively with the parties to try to reach a resolution of the issues raised in the complaint and summarized in this assessment report.

Appendix A: CAO Complaint Handling Process



As per the IFC/MIGA Independent Accountability Mechanism (CAO) Policy, the following steps are typically followed in response to a complaint that is received:

- Step 1: **Acknowledgment** of receipt of the complaint.
- Step 2: **Eligibility:** A determination of the complaint's eligibility for assessment under the mandate of CAO (no more than 15 business days).
- Step 3: **Assessment:** Assessing the issues and providing support to stakeholders in understanding and determining whether they would like to pursue a consensual solution through a collaborative process convened by CAO's Dispute Resolution function or whether the case should be handled by CAO's Compliance function to review IFC's/MIGA's environmental and social due diligence. The assessment time can take up to a maximum of 90 business days, with the possibility of extension for a maximum of 30 additional business days if after the 90-business day period (1) the parties confirm that resolution of the complaint is likely or (2) either Party expresses interest in dispute resolution, and there is potential that the other Party will agree.
- Step 4: **Facilitating settlement:** If the parties choose to pursue a collaborative process, CAO's Dispute Resolution function is initiated. The dispute resolution process is typically based on or initiated by a Memorandum of Understanding and/or mutually agreed-upon ground rules between the parties. It may involve facilitation/mediation, joint fact finding, or other agreed resolution approaches leading to a settlement agreement or other mutually agreed and appropriate goals. The major objective of these types of problem-solving approaches will be to address the issues raised in the complaint, and any other significant issues relevant to the complaint that were identified during the assessment or the dispute resolution process, in a way that is acceptable to the parties affected.

OR

Compliance Appraisal/Investigation: If the parties opt for an investigative process, the complaint is transferred to CAO's Compliance function. The complaint is also transferred to the Compliance function when a dispute resolution process results in partial or no agreement. At least one Affected Community Member must provide explicit consent for the transfer, unless CAO is aware of concerns about threats and reprisals. CAO's Compliance function reviews IFC/MIGA's compliance with environmental and social policies, assesses related harm, and recommends remedial actions where appropriate following a three-step process. First, a compliance appraisal determines whether further investigation is warranted. The appraisal can take up to 45 business days, with the possibility of extending by 20 business days in exceptional circumstances. Second, if an investigation is warranted, the appraisal is followed by an in-depth compliance investigation of IFC/MIGA's performance. An investigation report will be made public, along with IFC/MIGA's response and an action plan to remediate findings of noncompliance and related harm. Third, in cases where noncompliance and related harm are found, CAO will monitor the effective implementation of the action plan.

- Step 5: **Monitoring and Follow-up**