6.1.12 Uganda



Context

The case centres on an agro-processing factory in Lapem village, Koch-Goma sub-county, Nwoya district, in Uganda's Acholi region. Northern Uganda's investment landscape has been shaped by market-oriented land reforms, wartime displacement and post-war poverty, increasing the vulnerability of customary land and rural livelihoods to externally driven investment. The company purchased its factory land in 2013 and inaugurated the facility in 2020 as an agro-processing and green-energy investment.

The factory produces ethanol from cassava as an alternative clean-cooking fuel to charcoal and firewood. A government-supported initiative encouraged farmers to cultivate cassava as an industrial feedstock. A public development body acquired a minority stake, while national and international financing supported the company's clean-cooking products. The case examines how a project with valuable climate and development potential became an unjust transition because its supply chain, benefits and accountability mechanisms failed to include the communities expected to sustain it.

Conflict description

The principal land-related issue is not a dispute over the factory site, but the project's effects on land use and the rural economy. Farmers responded to assurances that the company would purchase cassava and maize by allocating substantial portions of arable land to these crops, sometimes at the expense of food production. This altered the agricultural landscape by orienting smallholder land, labour and expectations towards an industrial market that was not adequately secured.

The company later prioritised traders capable of supplying in bulk and required dried rather than fresh cassava, while local producers lacked drying equipment and could not individually meet the required volumes. Public agricultural support also distributed a cassava variety reported to deteriorate rapidly. Crops consequently rotted, prices fell and farmers lost income and food security. Residents described this as "indirect land grabbing": land was not formally taken, but its productive use was redirected towards a promised value chain from which local farmers were subsequently excluded.

The economic effects extended beyond the initial harvest losses. Market oversupply depressed cassava prices, and by the time factory demand stabilised, many farmers had lost confidence and reduced production. The company increasingly sourced raw material outside the district, while intermediaries bought local produce cheaply and resold it at higher prices. Community members also reported declining maize prices and limited local employment. The project therefore failed to connect industrial demand with

household income and rural development. Instead, it increased the vulnerability of farmers who had committed scarce land and resources to the scheme.

This failure also weakened the project's environmental rationale because, without reliable earnings from cassava, some households returned to commercial charcoal production. Meanwhile, surrounding communities were not effectively integrated into the distribution or use of the clean-cooking equipment: Residents reported limited knowledge of the products, insufficient training and prices beyond their means.; those expected to supply and benefit from the biofuel economy therefore remained dependent on firewood and charcoal, while the expanding clean-energy market benefited actors elsewhere.

These outcomes reflect governance failures across the design of an intervention that is framed as contributing to climate change mitigation. Farmers were not meaningfully involved in project design, procurement or price negotiations. Agreements among public, commercial and intermediary actors did not adequately test whether smallholders could meet the proposed conditions. District authorities had responsible-investment guidelines and memoranda with the company, but sub-county officials often lacked copies and could not enforce them. Coordination between local authorities and associated agricultural initiatives was weak, while no actor organised farmers to aggregate supply or established drying infrastructure before production was promoted.

Accountability was further weakened by limited information disclosure, the absence of accessible engagement forums and insufficient monitoring. Local authorities reported difficulties obtaining information and enforcing commitments on local procurement, employment, taxation and pollution. Community grievances were mostly channelled indirectly through local leaders. Public and international support for the green-energy component continued even though mechanisms for local economic inclusion remained inadequate. The project's green credentials and market expansion therefore advanced more effectively than its commitments to the host territory.

Resistance and pathways forward

Community responses have focused on dialogue, local-government engagement and civil-society legal-empowerment work rather than direct protest. These processes documented grievances and opened discussions among farmers, the company and public authorities. The study does not reject the factory's climate potential. It argues that the project could still contribute to cleaner energy and rural development if its governance were redesigned around local participation and accountable benefit-sharing.

Farmers should be organised into cooperatives capable of aggregating cassava, negotiating prices and supplying the required volumes, reducing dependence on intermediaries. Community drying centres would enable smallholders to meet procurement requirements without individually bearing unaffordable costs. Clear purchasing agreements and predictable prices should be established before farmers commit land to production.

Surrounding households should also be integrated into the clean-energy transition through training and affordability measures for stoves and fuel. A multi-stakeholder platform should bring together the community, company, public authorities, financing partners and civil society, supported by a formal grievance mechanism and transparent monitoring. Public and international financing should be conditional on responsible-investment standards and demonstrable local benefits.

These reforms could reconnect cassava production, household income and cleaner cooking. Without them, the project risks preserving the appearance of green progress while undermining the rural communities on whose land and labour the transition depends.