



## Contributing to a Peace Economy in Northern Uganda: A Guide for Investors

June 2009



## About International Alert

International Alert is an independent peacebuilding organisation that has worked for over 20 years to lay the foundations for lasting peace and security in communities affected by violent conflict. Our multifaceted approach focuses both in and across various regions; aiming to shape policies and practices that affect peacebuilding; and helping build skills and capacity through training.

Our field work is based in Africa, South Asia, the South Caucasus, Latin America, Lebanon and the Philippines. Our thematic projects work at local, regional and international levels, focusing on cross-cutting issues critical to building sustainable peace. These include business and economy, gender, governance, aid, security and justice. We are one of the world's leading peacebuilding NGOs with more than 120 staff based in London and our 11 field offices.

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In finalising the *Guide*, we have drawn considerably on the expertise of several reviewers and contributors, as well as input from international NGO peers working in related fields. David Mayonga, Anti-Corruption Coalition in Uganda (ACCU)/ MS Uganda contributed substantially to Step 4 of this *Guide*; Julius Moto, Mid-North Private Sector Development, conducted a detailed editorial read of the draft; International Rescue Committee assisted Alert in identifying businesspeople in Lira and Kitgum with whom to work and provided their own insights; and Conciliation Resources, Oxfam and Norwegian Refugee Council have been important interlocutors along the way. While the work has been led at International Alert by Jessica Banfield, country manager; Zeru Abukha, senior programme officer; and Robinah Kajwenge, project officer, the rest of the team have also played an important role throughout. Colleagues at Alert's office in London have provided fresh insights at peer review stage and in assisting with the final publication.


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## Foreword, Q. B. Kitara McMot

Land is a major factor of investment in any part of the world, and a key element of production and development. Land policy should therefore support investment. Land for investment in the north of Uganda is available in plenty. The people are also quite aware that the economy of the country is over 98% agro-based. What we now refer to as commercial farming existed as far back as the late 1950s in Acholi sub-region. Over 40 farmers ran large-scale farming in Acholi district from the mid-1960s to the early 1980s, for example. It is only as a result of the war that the region's large-scale farmers lost their farm machineries and tools, abandoned their lands and spent all their incomes that could otherwise have been used to expand the economy.

Northerners are very open to investment to their region. During recent months Gulu district alone gave lands for a Commonwealth Youth Center, 100 acres to the Jesuits to construct a big secondary school, 100 acres to Childvoice International to construct a vocational education centre for war-affected youths, 50 acres to Kampala Pentecostal Centre for abandoned children, 20 acres for Joint Clinical Research Centre for HIV/Aids research, and 200 acres to Watoto Children. Amuru district gave a large chunk of land to one John Hunwick in Purongo for putting up a country star hotel and a private airstrip. There are also six new banks in Gulu municipality alone. These examples indicate that Northerners can give lands for investment. The challenge has been a lack of guidelines to help interested investors make the right approach. This *Guide* will address this knowledge gap.

I urge all stakeholders, especially investors, to help land owners see clearly the purpose and benefits of giving land – both in the short and the long-term; and to sensitise communities so they are better informed on these issues. I am convinced that the content of this *Guide* can help the enhancement of peace in the post-conflict districts of Northern Uganda.



**Q. B. KITARA McMOT**  
LC5 Vice-chair  
Gulu district local government

## Foreword, Dr. Maggie Kigozi

A new day has come for the people of Northern Uganda. For over 20 years, Northern Uganda has been plagued with war and civil strife that led to hundreds of people being displaced, businesses collapsing, as well as untold poverty and misery. Today, however, this region wakes up to renewed hope. The war is over and life is slowly returning to normal as people try to rebuild their lives, re-establish small businesses and send their children to school.

While the government of Uganda, NGOs and other international institutions engage in the reconstruction of Northern Uganda, the Uganda Investment Authority (UIA), a semi-autonomous investment promotion agency, is pushing forward with the investment agenda for the region. Since its inception, the UIA has been evolving systematically and has continued to consolidate its role in policy advocacy for a better investment climate through strategic planning, in collaboration with the existing private sector bodies, the Uganda National Chamber of Commerce and Industry (UNCCI), development partners and other pertinent stakeholders. With the dawn of a new era in Northern Uganda, the UIA's promotional efforts have also been geared towards building a conducive investment climate in the region, as well as encouraging potential investors, both local and foreign to invest in the region.

In this regard, UIA commends International Alert which has been at the helm of these investment promotion efforts by bringing together various stakeholders to discuss the new investments in the region. Steps 1 to 4 in this publication are the direct result of these engagements, and will go a long way in guiding potential investors on the “hows” of doing business in Northern Uganda and best practices to abide by, including the thorny issue of land allocation.

By encouraging investments in Northern Uganda, we are not only saying to the world that the region is safe and open to business, but also informing the local citizens of Northern Uganda that maintaining peace and harmony in their region is crucial for both individual and regional growth and development.



**Dr. Maggie Kigozi**  
Executive director  
Uganda Investment Authority

## The role of the Uganda Investment Authority (UIA)

The UIA is the agency set up by an Act of Parliament (Investment Code 1991) to promote and facilitate private sector investment in Uganda. The agency serves to:

1. Provide firsthand information on investment opportunities in Uganda;
2. Issue investment licences;
3. Assist in securing other licences and secondary approvals for investors;
4. Help investors to implement their project ideas through assistance in locating relevant project support services;
5. Provide assistance in the acquisition of industrial land;
6. Help to obtain work permits and special passes for investors and their staff;
7. Arrange contacts for potential investors and organise itineraries for visiting foreign missions in the country;
8. Assist investors in seeking joint venture partners and funding; and
9. Review and make policy recommendations to government about investment.

### Getting started

Foreign investors require a minimum of US\$100,000 in planned investment in order to secure an investment licence from the UIA, while for local investors the minimum is US\$50,000. Local investors may proceed with their investment without a license from the UIA, but for foreign investors the license is the instrument that legalises their investment in Uganda. For both foreign and local investors, obtaining an investment license qualifies them for a number of investment incentives, including allowances on plants and machinery, start-up costs, VAT refunds on building materials, and other benefits.

For further information see <http://www.ugandainvest.com>

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## Preface

War remains a fundamental problem of our contemporary world. Armed violence exacts a terrible human, economic and social cost – and the 22-year long conflict in Northern Uganda has been particularly painful. As societies descend into war, peace can seem ever more elusive. Mistrust, revenge, short-term self-interest, chaos and destruction become the order of the day. Promoting and sustaining peace is a formidable challenge for the 21st century. Strikingly, more peace agreements have been signed since the end of the Cold War than were agreed in the entire two centuries prior. But peace is complicated – about half of all peace agreements fail within five years of being signed.

A sustainable peace is much more than just an agreement – indispensable though the written agreement may be. Peace requires long-term commitment by political and military leaders and the broad population alike. All social groups have a role to play: the media and academics, citizens' organisations, and the private sector.

It is often assumed that economic development led by the private sector will alleviate conflict and assure peaceful development. There is evidence to support this argument, but there is also evidence that shows how misjudged private sector development can exacerbate the potential for conflict. In some places, specific businesses have played particularly negative roles. Good business can be good for peace, but in practice the mechanisms for achieving this are complicated.

At a meeting organised by International Alert in Kampala in May 2008, attended by businesspeople both from Northern Uganda and larger Kampala-based businesses, an idea emerged to develop guidance for investors interested in doing business in Northern Uganda on how to avoid generating hostility and further friction in the troubled region. The genesis of the idea came from a representative of the Uganda Manufacturers' Association (UMA) who, having listened to the address of the representative of the chairman of the Local Government Association for the North, commented on the difficulties faced by investors who are under-informed — both about the activities of potential regional business partners from the various districts, and about the correct approach to doing business given the cultural and socio-political context.

The idea of a *Handbook of Do's and Don'ts for Investors in Northern Uganda* was discussed at a further meeting of representatives of Northern business and taken forward with contributions from businesspeople from the region made at several subsequent workshops. It grew into the present draft *Contributing to a Peace Economy in Northern Uganda: a Guide for Investors* which seeks both to provide contextual background information about the region and to outline steps investors can take to signal their positive intentions, develop necessary levels of trust and contribute to peace through business in the region.

The overall goals of the guide are to:

- Help reinvigorate the Northern Ugandan economy and stabilise society; and
- Promote the balancing of interests of local people, investors and the local business community, in order to identify win-win opportunities that will contribute to long-term peace in the region.

Alert has had the privilege of working with a range of stakeholders to the region's peace economy over the past year in order to finalise this document. Most recently, the guide has been the subject of discussion with investors, civil society, cultural and religious leaders in the region, MPs, district leaders and development partners at workshops held in Kampala, Amuru/ Gulu, Kitgum and Pader. Its pages therefore reflect local attitudes, hopes and fears concerning the economic recovery of the region in general, and specifically, the role of private sector investment. It is our hope that investors will find its contents useful and informative, helping them to pursue a conflict-sensitive approach to doing business in the region that will contribute to lasting peace and recovery in Northern Uganda.



**Jessica Banfield**  
Country manager  
International Alert – Uganda

## Map of Uganda highlighting Acholi and Lango regions



Source: United Nations Office for the Coordination of Humanitarian Affairs (OCHA).

## Acronyms

APG	Acholi Parliamentary Group
AU	African Union
CAO	Chief Administrative Officer
CBOs	Community-based organisations
CR	Corporate responsibility
DFA	District Farmers' Association
DIC	District Investment Committees
DRC	Democratic Republic of Congo
DSO	District Security Officer
EAC	East Africa Community
ECOWAS	Economic Community of West African States
FDC	Forum for Democratic Change
FPA	Final Peace Agreement
ICGU	Institute of Corporate Governance in Uganda
IDPs	Internally displaced persons
LC	Local Council
LEMU	Land and Equity Movement in Uganda
LRA	Lord's Resistance Army
NGO	Non-governmental organisation
NRA	National Resistance Army
NRM	National Resistance Movement
NUMA	Northern Uganda Manufacturers' Association
OECD	Organisation for Economic Cooperation and Development
PRDP	Peace, Recovery and Development Plan
RDC	Resident District Commissioner
SADC	Southern African Development Community
UBOS	Uganda Bureau of Statistics
UIA	Uganda Investment Authority
UMA	Uganda Manufacturers' Association
UNCCI	Uganda National Chamber of Commerce and Industry
UNFF	Uganda National Farmers' Federation
UPDA	Uganda People's Democratic Army
UPDF	Uganda People's Defence Forces
URA	Uganda Revenue Authority



# Section one

The business case for conflict-sensitive investment in  
Northern Uganda

## Introduction

The Juba Peace Talks – facilitated over a two-year period from 2006-08 by the government of South Sudan – failed in the objective of reaching a signed peace agreement between the Lord's Resistance Army (LRA) and the government of Uganda. Nonetheless, while the situation remains unresolved amidst ongoing LRA activity in neighbouring Democratic Republic of Congo (DRC) and South Sudan, and the launch of Operation Lightning Thunder to try to contain it, the period of relative peace and security that has since been enjoyed in Northern Uganda has led to a renewed sense of hope regarding the rebuilding of the region's economy. This optimism has seen government, development partners and investors all planning either to make the most of the opportunities that may present themselves in the north's post-conflict economy, or to contribute to peace through new development programmes and initiatives. Among these schemes are the government's overarching Peace, Recovery and Development Plan for Northern Uganda (PRDP), which emphasises revitalisation of the region's economy.<sup>1</sup>

But some of these plans have met with vehement local opposition. Perhaps the most notable case has been that of the Madhvani Group's proposal to construct a sugar works in Amuru district, which has become the subject of a long-running controversy (see Box 1). Others include harsh criticism of Gulu University's announcement that it was seeking investors to purchase part of its own – controversially acquired – lands, and opposition to private initiatives in Amuru's Nwoya county and Lamogi sub-county to develop on contested tracts of land; there have also been problems in Otuke county of Lira district.<sup>2</sup>

Despite such cases, there is ample evidence that the people of Northern Uganda have happily given land for investments – both to investors in social infrastructure such as schools, health centres and churches, and private sector investors. Prominent Northern politicians have testified that they want investment to come to the region.<sup>3</sup>

*Contributing to a Peace Economy: A Guide for Investors* provides information and advice primarily for investors that are new to Northern Uganda, to assist them in making the right approach to ensure success, maximising both their profit and their contribution to peace and development in the troubled region. It identifies key steps investors can take to ensure their business contributes to a peace economy and avoids aggravating tensions. These are:

- Step 1:** Recognise the sensitivity of land issues and handle appropriately
- Step 2:** Consult widely and develop trusting relationships with stakeholders
- Step 3:** Uphold high standards of business integrity
- Step 4:** 'Post-conflict Corporate Responsibility'
  - Identify opportunities to contribute to peace and development.

Its development has been led by International Alert together with a working group of business leaders from Acholi and Lango regions; and it has been finalised in consultation with a wider range of stakeholders representing different sections of Northern society, during the course of 2008-09. It therefore aims to reflect local attitudes, hopes and fears concerning economic recovery of the region in general and, specifically, the role of private sector investment in contributing to peace and recovery.

### Box 1. Madhvani Amuru sugar works proposal

In 2006 news began to emerge of a planned sugar works to be built by the Madhvani Group on 40,000 hectares of land in Amuru district. The proposal envisaged a joint venture between the Amuru Sugar Works (owned by the Madhvani family) and the government, with a projected cost of US\$80 million (Shs 162 billion) and included construction of a factory, a power generation plant, a water treatment plant and reservoir, workshops, stores, fuel stations and administration blocks, staff housing and amenities including hospital and educational facilities, etc.<sup>34</sup> Amuru Sugar Works anticipated employing up to 7,200 people (25 foreign and the rest local) directly at the factory and some 5,000 on outgrowers' farms, providing a livelihood to around 70,000 people in total. Five villages to accommodate 200 farmers each were to be built in the nucleus estate. In these villages, farmers would benefit from education and health services, while extension and credit services, agricultural equipment for land clearing, ploughing and furrowing, and a development fund would be used to support outgrowers. According to the proposal, 200km of road network would be built on both the nucleus estate and surrounding areas.<sup>5</sup>

Despite the proposed benefits of the project, a political storm over the proposal quickly grew, with the Acholi Parliamentary Group (APG), under the leadership of MP Hon Livingstone Okello-Okello, arguing that the investment should not proceed until all internally displaced persons (IDPs) had safely returned and that the required land of 40,000 hectares was too big to be given out for a single investor, since the population was growing fast and in the process of returning from camps.<sup>6</sup> Madhvani Group representatives, accompanied by President Yoweri Museveni, visited the north at the end of 2007 in a bid to gain support for the project.

Museveni asked the Acholi paramount chief, His Royal Highness LawiiRwodi David Onen Acana II, to undertake a consultative process by setting up a committee to assess the land in question, research the sugar industry and gather community views. The proposal has subsequently been reduced to 20,000 hectares for the nucleus estate and 10,000 for outgrowers. In July 2008 newspapers reported that during a meeting organised by the APG, residents resolved unanimously not to give their land to any investors.<sup>7</sup> Most recently, following dissatisfaction regarding the ruling of the Amuru Land Board in favour of the Madhvani Group, a group of residents from Amuru district, led by MP Hon Simon Oyet, secured a court order stopping any transactions on land in the district, with the deputy paramount chief of the Acholi, Rwot Otinga Otto, calling on clan leaders and cultural heads to resist giving land to Madhvani if they are not consulted, saying: 'Just rise up against whoever gives away land without your consent'.<sup>8</sup>

## Northern Uganda's conflict context and economic outlook today

Northern Ugandan society comprises the Acholi, Alur, Aringa, Congolais, Langi, Lendu, Madi, Lugbara, Kakwa, Karamojong, Kebu, Kumam and part of Itesot. This document focuses on the Acholi and Lango sub-regions, which currently occupy the districts of: Amolatar, Amuru, Apac, Dokolo, Gulu, Kitgum, Lira, Oyam and Pader (see map on p. 10). These two ethnic groups are interrelated linguistically and culturally, though they have different origins, the Acholi deriving from the Luo and the Langi from the Nilo-Hamites. It is their areas of Northern Uganda that have been most intensively affected by the LRA conflict.

Traditionally, the Northern region's economy was dependent on agriculture, specifically livestock rearing and food crops. With large-scale displacement spanning a decade, this is no longer the case and, until recently, production has been very low. Instead, a population that previously provided the rest of Uganda with basic foodstuffs became dependent on food aid.<sup>9</sup> Meanwhile other regions of Uganda have benefited by meeting the gap in supply.

Stark divisions between the economies of Uganda's north and south have been compounded by years of conflict, and have seen the perpetuation and exacerbation of the disparities in development indicators across the country that were the legacy of the colonial era. According to the government's PRDP, 'most welfare indices are poor in the north largely because of the presence of conflict and weak state institutions'.<sup>10</sup> A Uganda Bureau of Statistics

(UBOS) report published in early 2009 confirmed the north-south divide, with average national poverty down to 31 percent, while in Northern Uganda it is nearly double that at over 60 percent.<sup>11</sup>

The conflict has also had an enormous impact on the demographic and skills base of the region. A large percentage of the population are currently under 18, with limited or no education and skills. School drop-out rates stand at 69 percent, compared to a national average of 39 percent.<sup>12</sup> Traditional subsistence farming is unfamiliar to many young people who have grown up in the IDP camps. This could aggravate the risk of future armed conflict, as young people face difficulties securing an income and thus become an easy target for recruitment into armed rebellion. The lack of skilled labour also poses a significant risk that local people will not fully benefit from any opportunities that may become available during economic recovery.

The prolonged duration of the LRA conflict and the widening gap between north and south have been compounded by instances of government forces failing to adequately protect civilians during the war,<sup>13</sup> creating a deeply-felt mistrust of the government in the region. Representation of Northerners among top public sector bodies is very low compared to that of other regions, leading some Northern politicians to complain of systemic discrimination; some even call for the secession of a "Nile Republic".<sup>14</sup> This feeling of marginalisation is compounded by perceptions that certain politically well-connected individuals and military personnel

actively exploited the conditions of the conflict in order to amass personal wealth.<sup>15</sup>

Mistrust of government and negative impressions of businesspeople who may have profiteered during the conflict pose significant challenges to longer term peace and recovery in the region. They also present pitfalls for prospective investors who are insensitive to such political realities or underestimate the bitterness that is the legacy of the conflict in Uganda.<sup>16</sup>

Despite political complexities and years of stagnation, the enduring months of peace enjoyed by Northern Uganda since the Juba peace process have led in some respects to a new feeling of buoyancy in the economy, accompanying other positive developments, especially high numbers of IDP return.<sup>17</sup> Indicators of investor confidence include the opening of new bank branches (most of the major banks in Kampala have opened branches in Gulu and Lira, e.g. Bank of Africa, Barclays Bank, Bank of Baroda, Crane Bank, DFCU, Kenya Commercial Bank and Standard Chartered Bank), movement on the road connecting Uganda and Sudan, and traders moving freely around and between districts.

Looking ahead to longer-term development, there are a number of sectors offering potential for more significant levels of economic growth and prosperity. As well as opportunities, however, there are also risks that the way in which different sectors are approached may aggravate long standing and current conflict dynamics in the region.

These relate in particular to questions of land use and acquisition, and social exclusion (or how people

in the region will benefit from such investments).

New local-level or micro conflicts have emerged in Northern Uganda associated with the population flux that peace has allowed. Specifically, there is a steep increase in land boundary disputes arising as IDPs try to return to their homes after long periods of absence, in a context where land is for the most part customarily owned and decision-making processes complex, and where population growth adds additional pressures. Food scarcity and domestic violence are also conflict factors of concern.

Land acquisition for investment in this context is highly sensitive and runs the risk of quickly becoming politicised, as Northern leaders seek to articulate and protect the interests of their people, as well as their own interests, ahead of the 2011 elections. After years of conflict and a feeling of betrayal and neglect, the NRM is extremely unpopular in Northern Uganda, mustering only eight percent of votes in the 2006 elections.<sup>18</sup> Opposition Northern MPs, primarily the Forum for Democratic Change (FDC), are vocal in challenging government policies. Debates on economic recovery of the region, including government proposals to “industrialise” Northern Uganda, have fuelled particular political vitriol, as evidenced in the Madhvani case (see Box 1). Debates about the appropriate path of economic recovery in the region highlight the importance of understanding the political climate and conflict context in which recovery takes place, and the need for conflict-sensitive approaches to doing business.

Some of these conflict risks – as well as the peacebuilding opportunities – are captured in the table below.<sup>19</sup>

Table 1: Sectors with potential for economic growth in Northern Uganda

Sector	Status before war	Opportunities for growth	Conflict risks/ peacebuilding potential
Commercial agriculture	Pre-dates the war and is now beginning to re-emerge, spearheaded both by individuals from the region and Kampala-based and foreign investors. Most regions of the north have good soil, flat terrain, two growing seasons and good rainfall. Crops grown include upland rice, millet, sorghum, cassava, groundnuts, beans, sweet potatoes, sim-sim, soya beans, coffee, tea, cotton, fruits and vegetables, and tobacco (on a small scale). The region was previously known as the grain basket for Uganda.	Further development through establishment of factories processing (i) maize, millet, sorghum and cassava flour production and manufacture of by-products; (ii) sunflower, sim-sim, soya bean and groundnut processing and manufacture of by-products; (iii) cotton processing – to include ginning, spinning, textiles, edible oil and soap, animal and chicken feeds; and (iv) cleaning and packing upland rice – which formerly used to provide for domestic consumption and export to Kenya and Sudan. Briquettes produced from rice husks can also be used for soft board and animal or chicken feed. In addition, there are opportunities to set up kilns for drying cereals. Output from such factories could help meet growing local demand and wider national and international distribution/export.	<p>There is a perceived potential for large-scale commercial agriculture to disenfranchise local people by preventing them from returning to their own lands, and exacerbating the already complex and conflict-ridden land tenure system.</p> <p>Opportunities for empowering smaller-scale agriculturalists to move from subsistence production to commercial agriculture and value added processing are also critical.</p>
Dairy and beef production	The Northern region had more than three million cattle before the Northern insurgency first broke out in 1986. Much of this wealth was looted or destroyed between 1987 and 1999.	Government and donor efforts to restock animals are underway. A court case seeking compensation against the government has led to the government accepting liability and agreeing to settle the matter out of court to the tune of US\$1.7 billion – though it is not clear at the time of writing how this will in fact be possible, given the huge sum.	Compensation from the government for lost livestock would boost the confidence of the local population in the government’s seriousness about the region’s regeneration; conversely, failure to do so will generate controversy. And at a micro level, compensation has the potential to generate conflict over who gets compensation and who does not, which will need to be managed carefully.

		Regenerating this sector would require upgrading existing cattle stocks using natural selection or artificial insemination with high-grade dairy and beef animals.	While the compensation of stolen cattle is a well-articulated goal in Acholi region, there is no clear picture or information as to equivalent processes in Lango region, which bore the same losses.
Fruits and vegetables	Apples, bananas, avocados, mango, paw-paw, jack fruit, pineapples, passion fruits and citrus fruits; as well as tomatoes, onions, peas, beans, cabbages, aubergines, carrots, etc.	All of these have the potential for value addition through factories processing and packing juice, canned and dried fruits and vegetables, promising easy access to high demand in South Sudan and export markets in Europe and America.	Production of some fruits and vegetables require large stretches of land.
Cross-border trade with Sudan (also DRC and wider region)	Civil war in Sudan and the Democratic Republic of Congo (DRC) during the entire post-independence period prevented cross-border trade developing on a significant scale.	Movement of goods across the border from Uganda to South Sudan (including from other countries in the region routing through Uganda) is visibly on the increase, presenting huge opportunities for Northern Uganda. Various delegations from the Northern branches of UNCCI to counterparts in Juba to initiate interaction and explore business opportunities, and visits by leading businesspeople from Kampala spear-headed by the UMA, are evidence of the keen awareness of these opportunities. Efforts to ensure the Juba/Gulu routes open, have led to emergency road works and de-mining, and good marram roads on both sides of the border. Several businesspeople – both local to the north and from Kampala,	For these opportunities to be capitalised on, infrastructure and security must be improved. During the rainy season, many businesspeople lose out significantly when trucks carrying perishables are unable to pass – and tarmacking the road is a clear priority. Development of a rail link across the region would also boost trade further. The security situation in South Sudan also imposes limitations: there have been frequent reports of Ugandan traders being harassed, assaulted, raped and even killed in and around Juba, and the re-emergence of violence in Abyei between the Sudan People's Liberation Army (SPLA) and Khartoum government, as well as ongoing fear of LRA attacks in South Sudan, point to continued unpredictability for investors.  A negative impact associated with the lucrative markets in Sudan for Ugandan produce is higher prices within Northern Uganda for food, and the risk that trade will contribute to food insecurity during this time of transition.

		<p>have been able to bank significant profits by taking scarce consumables such as mineral water and packed juice, cereals, oil seeds, vegetables, livestock (cattle, chickens, goats, sheep) over the border, as well as vehicles, building materials and machinery.</p>	<p>There are also signs that the trade is increasingly being controlled on both sides by elites with access to political and military power, which raises the possibility of cross-border trade between Uganda and Sudan developing its own “war economy” as competition for control heightens.</p> <p>There are at the same time significant peacebuilding ramifications for the wider region of strengthening regional trade ties, if this can be done increasingly through legalised channels such as the customs union and common market under the Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC).</p>
Property market	Previously undeveloped before the war.	<p>Due to the remarkable increase in international visitors occasioned by the war – particularly from development partner agencies and relief non-governmental organisations (NGOs), this sector witnessed tremendous growth even during the conflict and shows no sign of slowing with peace. Demand for hotel and residential accommodation and office space have boosted property prices and led to a mushrooming of hotels and restaurants. The establishment of Gulu University, and the new faculty of technology which is scheduled to open in Lango, has also increased the demand for student accommodation, and hostels.</p>	<p>This sector has a demonstrated potential to feed corruption and be controlled by politically connected elites, further entrenching feelings of alienation by the majority.</p>

		As the demand is dominated by the higher-priced international market, a shortage of affordable accommodation for government officials and public sector workers has emerged and continues to pose problems, but also presents opportunities for property developers.	
Construction	Previously undeveloped before the war.	Due to the various government and donor programmes, such as road construction, building schools, health centres and water points, as well as growth in the property market, this sector grew during the war and has significant potential to continue expanding during peace. Other businesses related to construction, such as hardware dealers, also benefit.	There is a risk that lucrative contracts for construction projects go to Kampala-based or foreign firms, thus undermining opportunities for wealth to be generated locally by projects. Where possible, local contractors should be used in construction work and local employment opportunities maximised.
Wholesale and retailing of general merchandise and consumer goods	The trade flourished before and during the war. Many informal traders are engaged in buying and selling merchandise made in Kampala or imported into the country.	Local people's small and micro enterprises dominate the sector. The sector is likely to continue growing, particularly if people's incomes improve.	<p>There are perceptions that trade in some consumer goods is dominated by Asian businesspeople to the exclusion of local people, which can fuel resentment in the region. Yet at lower levels, this sector also provides important livelihood opportunities for the increased urban population. Access to financial services and property to enable growth are needed.</p> <p>Lack of investment incentives in the north, such as industrial parks, railroads and good roads, are impediments to further growth. If left unaddressed this will perpetuate lopsided development, as the region remains marginalised in terms of manufacturing, processing and distribution.</p>

Financial services	Before and during the war there were only two banks in the Acholi region: Stanbic and Centenary Rural Development Bank, while Lango was better served due to its relative stability.	Since the Juba talks, four more banks have opened branches in Gulu: Barclays, Crane, DFCU and Standard Chartered, with others talking about following suit. In addition, two microfinance institutions have opened branches in Gulu. This has sent a positive signal to other investors. In Lango, there are four new banks: Bank of Africa, Barclays Bank, Equity Bank and Kenya Commercial Bank.	The pricing of the services and loan products should be competitive to attract investment. Now that there are many players in the money market, rates charged should actually fall by acceptable margins. Until they do so, the cost of credit is prohibitively high for many Northern businesspeople, which in itself is a source of frustration and obstacle to further growth.
Health and education	During the war, social services virtually collapsed. Schools closed and enrolment dropped below 10 percent. Health services were limited to urban areas and IDP camps.	Given the perceived superior education system of Uganda, private schools have huge potential to tap into the Southern Sudan market. Low incomes are a limiting factor at least in the short term, however. In the health sector, private business is beginning to emerge, with one modern private hospital, Gulu Independent Hospital, owned by a diaspora Acholi. In Lango, a modern health facility called Lira Medical Centre has opened. There are also a few private clinics in Lango and Acoli. Given the limited reach of government-provided health services, the potential for private sector health providers is high if the incomes of the population increase.	Adherence to health service standards should be upheld under the close supervision of the Ministry of Health, National Drugs Authority and Uganda Bureau of Standards. Qualified health workers and practitioners should be encouraged to invest more in the sector.
Tourism	The national parks of Kidepo Valley, Murchison Falls and Baker's Fort have existed since the colonial era, though the	Tourism could play a key role in the economic recovery of the region. Numbers of visitors to the various parks are already	Land use in the region is highly contentious, so any plans to develop further tourist attractions must be sensitive to these issues.

	<p>region has never been a major tourist destination due to insecurity.</p>	<p>seeing steep increases, especially at Murchison Falls. Given the provision for 20 percent of revenue from parks in Uganda to be distributed to communities living around them, managed by the Uganda Wildlife Authority (UWA) and districts, some tangible benefits should be expected. Investment opportunities in Northern Ugandan tourism products exist, given the historical leaders, tribes, dance, language, food, possibilities of business and health tourism, community tourism, wonders of the world, and outstanding natural beauty.</p> <p>There are also plans by the Uganda Tourism Association (UTA) to develop commercial hunting for tourists in southwestern Amuru, and even to turn an IDP camp into a memorial site for local people and to attract visitors, although neither plan has yet attracted investment.</p>	<p>As numbers of tourists visiting the region increase, ensuring that the 20 percent contribution is transparently distributed and used by local authorities is important to safeguard against increased feelings of exclusion from economic profit by local populations. The distribution of the tourism benefits should be well-coordinated by local district governments bordering the national parks.</p> <p>Ideas such as the UTA's plan to turn an IDP camp into a memorial have significant potential to help with social recovery and validation of people's experiences during the war, if handled properly.</p>
Minerals	<p>While local people have long known about the presence of oil in Amuru district, commercial exploration only began very recently.</p>	<p>Recent announcements by Heritage Oil of discoveries in Murchison Falls has significantly boosted Uganda's overall oil prospects, leaving Northerners wondering what other deposits there may be. There is significant potential for these finds to raise the development indicators of the whole country, as well as those of the north – there are also major challenges in managing the various risks that can be associated with the oil industry.</p>	<p>Rumour and speculation about likely oil deposits in Amuru have been given fresh impetus by the discoveries. Local government officials complain that they have not been kept informed about activities, and the potential for exclusion to be exacerbated if such trends continue is very real. In addition, concern about land ownership, compensation and revenue distribution, as well as issues related to employment and other opportunities for local people, are all likely to increase.<sup>20</sup></p>

# The business case for conflict-sensitive investment in Northern Uganda

Investors can take steps to handle the challenges of operating in conflict-affected environments such as Northern Uganda, and in so doing minimise the risks that can be associated with investment. Moreover, there is a strong business case for doing so.

Although some entrepreneurs are known to have profited from the conflict in Northern Uganda, most others suffered major losses, including goods, property, money and even lives. Businesses were regularly targeted by LRA rebels for supplies or money, shops were robbed, and vehicles ambushed and destroyed. Insecurity further isolated the region from the rest of the country and limited opportunities for outside investors to harness its potential. High transport costs, corruption among army officers,

and other risks associated with the movement of goods and people, have all been recorded.<sup>21</sup>

The risks which would be incurred should conflict re-emerge on a significant scale in Northern Uganda itself provide a rationale for companies doing all they can to contribute to peace – whether they are local to the region or investors from outside. Even the lower-intensity conflicts that are currently affecting the region can quickly grow into more serious scenarios if not handled with caution and a transformative, peacebuilding approach.

Building a peace economy, in which different groups have access to decent work opportunities and a

Table 2: Costs of conflict to companies

Direct costs	Example
Security	Higher payments to security firms; staff time spent on security management.
Risk management	Insurance, training for staff, reduced mobility and higher transport costs.
Material	Destruction of assets.
Opportunity	Reduction of production; delays.
Capital	Increased cost of raising capital.
Personnel	Kidnapping, killing and injury; stress; recruitment difficulties; higher wages; management time.
Reputation	Political or consumer campaigns; reduced risk-rating and share price; competitive losses.
Litigation	Expensive, time-consuming and damaging law suits. <sup>22</sup>
Indirect costs	Example
Human	Loss of life, health, capacity.
Social	Reduced social capital in operating environment/disruption of local suppliers.
Economic	Damage to local infrastructure; loss of markets.
Environment	Pollution; degradation; resource depletion.
Political	Weakening of institutions; rule of law; governance.

Source: International Alert (2005). *Conflict-sensitive business practice: Guidance for extractive industries*. London, UK.

share in economic growth, is an essential ingredient for consolidating and sustaining peace in the long term.<sup>23</sup> If approached in the right way, private sector investment in Northern Uganda's economy is without doubt essential to raising the region's profile in terms of capital, skills, infrastructure and employment. It can also contribute to long-term peace and development of the region, protecting businesspeople's investments and expanding the region's market at the same time.

## Conflict-sensitivity

"Conflict-sensitive" investments require investors to consider and understand the context in which they operate, in order to anticipate the interaction between their investments and conflict, and to act upon such understanding in order to avoid negative impacts and/or maximise the positive impacts.

### Box 2. Conflict-sensitivity – An introduction

Conflict can reverse development gains and deepen poverty. Development partners, governments, the private sector and NGOs have started to recognise the complex links between their interventions and conflict dynamics. If they ignore conflict dynamics, investments and development programmes alike can distort local economies, skew power relationships, destroy social relations, and increase divisions between or within communities. This will ultimately be to the detriment of any investment and potentially fuel conflict. "Conflict-sensitive" approaches to managing these risks are today adopted by many agencies.

Conflict-sensitivity helps investors to:

- Understand better the risks present in the context in which they invest – especially conflict dynamics;
- Understand the way their investment and the context interact, and anticipate both the potential positive and negative consequences this interaction can generate; and

- Act on this understanding in order to avoid negative impacts and maximise positive impacts, both for the investment and host society.

**Source:** Africa Peace Forum (APFO), Centre for Conflict Resolution (CECORE), Consortium of Humanitarian Agencies (CHA), Forum on Early Warning and Early Response (FEWER), International Alert and Saferworld (2004). *Conflict-sensitive approaches to development, humanitarian assistance and peacebuilding*. London, UK.

### Box 3. Suggested reading on conflict in Northern Uganda

C. Dolan (2005). *Understanding war and its continuation: The case of Northern Uganda*. London, UK: London School of Economics.

L. Hovil and Z. Lomo (2004). *Behind the violence: Causes, consequences and the search for solutions to the war in Northern Uganda*. Refugee Law Project Working Paper No. 11. Kampala, Uganda.

R. Gersony (1997). *The anguish of Northern Uganda: Results of a field-based assessment of the civil conflicts in Northern Uganda*. Report submitted to the US embassy and USAID mission, Kampala, August 1997.

Human Rights Watch (2005). *Uprooted and forgotten: Impunity and human rights abuses in Northern Uganda*. London, UK.

T. Allen (2006). *Trial justice: The International Criminal Court and the Lord's Resistance Army*. London, UK: Zed Books.



## Section two

Steps investors can take to ensure their investments contribute to peace in Northern Uganda



## Step I: Recognise the sensitivity of land issues and handle appropriately

### Why is it important?

The most promising investment opportunities in the region are to be found in commercial agriculture – in part as a result of the effects of the conflict, which destroyed most other infrastructure in the region. More often than not, the communal owners of the majority of the land in Northern Uganda do not have the capacity at the moment to use the land optimally, and there is a dire need for a large input of capital in order to make it productive. Rudimentary and retrogressive methods of working the land are not sufficient to address the poor development indicators of the region.

However, many forms of commercial agriculture require large tracts of land. Given the large numbers of people in Northern Uganda residing in IDP camps who wish to return home and use their land for resettlement, cultivation and grazing, acquisition of land is a sensitive issue. Population pressures have also presented new challenges in terms of the actual availability of land. There is a perceived potential for commercial agriculture to disenfranchise local people by preventing them from returning to their own lands, exacerbating the already complex and conflict-ridden land tenure issues. This fear needs to be addressed in all agri-business promotion schemes. It is also pertinent to recent oil and gas discoveries in Amuru district.

The fact that much of the population was moved into IDP camps during the worst years of the conflict in the 1990s and early 2000s – the result of a government policy initially referred to as “protected villages” – has long fuelled the view that Kampala exploited the LRA insurgency to remove the Acholi

and Lango from their land. These perceptions have been through various incarnations over the decades, becoming more aggravated and entrenched as time passes.<sup>24</sup> This adds a national-level dimension to tension over land in the region, heightening suspicion locally of any effort to acquire large tracts of land.

Meanwhile, the return of IDPs has led to a high incidence of local-level tensions over land ownership, as people struggle to identify earlier boundaries. In a recent study commissioned by the World Bank, 59 percent of respondents reported having experienced significant threats to tenure security since IDPs began to return.<sup>25</sup> Conflicts over land that was left behind at the point of displacement have the highest dispute prevalence rate (65 percent); this mainly concerns inherited land, with some people reportedly tracing lineage back beyond the point of displacement, complicating matters further.<sup>26</sup> Land conflicts are simmering at different levels and have the potential to degenerate into more widespread violence.

As a result of this situation, throughout the region, and especially where people are recently returned, or in the process of returning, careful attention to the proper approach to acquiring land observing all due protocol and legal channels, is required.

### Best practice – rules governing land acquisition

Investors need to be aware of the legal framework governing land in Uganda, and of the tenure systems that have hitherto been practiced by societies in the north.

**Box 4. Constitution of the Republic of Uganda (1995). Chapter 15: Land and environment****Article 237. Land Ownership**

- (1) Land in Uganda belongs to the citizens of Uganda and shall vest in them in accordance with the land tenure systems provided for in this constitution.
- (2) Notwithstanding clause (1) of this article:
  - (a) The government or a local government may, subject to article 26 of this constitution, acquire land in the public interest; and the conditions governing such acquisition shall be as prescribed by parliament;
  - (b) The government or a local government as determined by parliament by law shall hold in trust for the people and protect natural lakes, rivers, wetland, forest reserves, game reserves, national parks and any land to be reserved for ecological and touristic purposes for the common good of all citizens; [and]
  - (c) Non-citizens may acquire leases in land in accordance with the laws prescribed by parliament, and the laws so prescribed shall define a non-citizen for the purposes of this paragraph.
- (3) Land in Uganda shall be owned in accordance with the following land tenure systems:
  - (a) Customary;
  - (b) Freehold;
  - (c) Mailo; and
  - (d) Leasehold.
- (4) On the coming into force of this constitution:
  - (a) All Uganda citizens owning land under customary tenure may acquire certificate of ownership in a manner prescribed by parliament; and
  - (b) Land under customary tenure may be converted to freehold land ownership by registration.
- (5) Any lease which was granted to a Uganda citizen out of public land may be converted into freehold in accordance with a law which shall be made by parliament.
- (6) For the purposes of clause (5) of this article, “public land” includes statutory leases to urban authorities.
- (7) Parliament shall make laws to enable urban authorities to enforce and implement planning and development.
- (8) Upon the coming into force of this constitution and until parliament enacts an appropriate law under clause (9) of this article, the lawful and bona fide occupants of mailo land, freehold or leasehold land shall enjoy security of occupancy on the land.
- (9) Within two years after the first sitting of parliament elected under this constitution, parliament shall enact a law:
  - (a) Regulating the relationship between the lawful or bona fide occupants of land referred to in clause (8) of this article and the registered owners of that land; [and]
  - (b) Providing for the acquisition of registrable interest in the land by the occupants.

**Article 238. Uganda Land Commission**

- (1) There shall be a commission to be known as the Uganda Land Commission.
- (2) The commission shall consist of a chairperson and not less than four members appointed by the president with the approval of the parliament.
- (3) A person holding office as a Member of Parliament or a member of a local government council shall relinquish that office upon appointment as a member of the commission.

- (4) The members of the commission shall hold office for a period of five years and shall be eligible to be reappointed.
- (5) A member of the commission may be removed from the office by the president only for:
  - (a) Inability to perform the functions of his or her office arising from the infirmity of body or mind;
  - (b) Misbehaviour or misconduct; or
  - (c) Incompetence.
- (6) The salaries and allowances of the members of the commission shall be charged on the consolidated fund.

#### **Article 239. Functions of the Uganda Land Commission**

The Uganda Land Commission shall hold and manage any land in Uganda vested in or acquired by the government of Uganda in accordance with the provisions of this constitution and shall have such other functions as may be prescribed by parliament.

#### **Article 240. District Land Boards**

- (1) There shall be a District Land Board for each district.
- (2) Parliament shall prescribe the membership, procedure and terms of service of a District Land Board.

#### **Article 241. Functions of District Land Boards**

- (1) The functions of a District Land Board are:
  - (a) To hold and allocate land in the district which is not owned by any person or authority;
  - (b) To facilitate the registration and transfer of interests in land; and
  - (c) To deal with all other matters connected with land in the district in accordance with laws made by parliament.
- (2) In the performance of its functions, a district land board shall be independent of the Uganda Land Commission and shall not be subject to the direction or control of any person or authority but shall take into account national and district council policy on land.

Investors who are citizens of Uganda are free by law to purchase land anywhere in the country. This category of investors may look for land owners and negotiate directly with them. After their successful negotiation, a local parish chief, a clan chief of the local area and the owners of the immediate surrounding land must be informed of the deal and should endorse it. Non-citizen investors must first express their interest to the district CAO, who verifies the investor's credibility and informs the sub-county chiefs, who are then expected to inform the public about the investor's interest. Investors can then proceed to deal directly with land owners,

until they have succeeded in gaining the certificate of ownership.

Article 239 of the constitution (1995) states and limits the function of the Uganda Land Commission to holding and managing any land in Uganda vested in or acquired by the government in the public interest (subject to Article 26). An investor must therefore go through central government channels in order to acquire such land, which includes government schools, hospitals, prisons, roads, national parks, tourist centres, forest reserves, government ranches, dairies and farms, police, army and prison barracks, and any other publicly owned facility.

As set out in Articles 240 and 241, the delivery of land services is primarily carried out through decentralised structures. Land administration and management are the responsibility of districts through their Councils, District Land Boards, and Land Officers; and of sub-counties through their Sub-County Chiefs and Sub-County Land Committees. Therefore, investors intending to site their projects outside government land have to deal with the decentralised structures in the respective districts of their choice.

The formal system for land dispute resolution operates through LC 2 and 3 courts, and via dedicated Land Tribunals at district level. Informal traditional systems of mediation also exist. The level at which arbitration takes place depends on the gravity of the contention. A simple contention may be resolved by the lowest ranking cultural leader. The traditional Land Committee consists of a chairman, secretary and representatives of elders, women, youth, as well as others – if unsuccessful, the issue is forwarded to senior chiefs.

### Box 5. Land tenure systems in Uganda

#### What is land tenure?

Land tenure is a way of owning land. It includes the nature of land rights (e.g. authority over land and the period for which the right or authority can be enjoyed or exercised).

#### What are the systems of land tenure in Uganda?

##### (1) Customary tenure

This is the traditional method of owning land. Each community in Uganda has its own system of owning, occupying and dealing in or using land within their area. In some communities land is owned by the community, traditional leaders or institutions, while in others it is owned by the individual.

##### (a) The characteristics of customary land tenure:

- This system of land holding is common in Uganda.
- The land in question is former public land, without any form of regulation.
- People acquire land according to the customs of the community.
- Rights and interests in the land are regulated by rules and customs of the community.
- An individual, family or traditional institution may occupy a specific area.
- Land is owned forever.

##### (b) The rights of customary land owners under the Land Act:

- Members have a right to share and use the land for the good of the community.
- They can come together and form a communal Land Association for purposes of managing the land under customary tenure system.
- An individual in that community can use areas set aside for common use (e.g. for hunting, grazing, wood fuel and other forestry resources).
- Members have a right to exclude non-members from the common land. However, any decision made concerning ownership or transfer of land is not valid if it discriminates against women, children and persons with disabilities.

- Members of the community may apply to a land owner or district land board and acquire a certificate of ownership.
- If a certificate of ownership is issued to an individual, family or community, the owner:
  - May lease the land or part of it;
  - May mortgage or pledge the land or part if the certificate permits;
  - May sub-divide, sub-let or sell the land if the certificate permits; and
  - May give the land by will.

(c) The obligation of customary land owners under the Land Act:

- Must transfer the land or part of it if the court of law or land tribunal orders so.
- Must provide the recorder with a copy of accurate information about any dealings on the land in the process of exercising his/her rights.

## [2] Leasehold tenure

- This is a system whereby a “tenant” (lessee) owns land through an arrangement with the owner (landlord). Besides this arrangement, the law may also create this system of ownership.
- Under this system, the landlord allows the tenant to use the land for a specified period, usually five, 49 or 99 years.
- The tenant is normally required to pay rent, a premium or both, but sometimes may not be required to pay or may be asked to render services.

(a) The characteristics of the leasehold land tenure:

- Leases are common on former public land. Public land was owned by the government or a local authority.
- Leases may be given on a Mailo land.
- The lease is given for a specific period of time based on a written agreement.
- May involve payment of money (e.g. rent, premium or both).

(b) The rights of the leaseholder under the Land Act:

- May change a lease ownership to a freehold.
- Holds land for a given period of time free from any disturbance by the owner as long as he/she abides.
- Can sub-let the land.
- Can mortgage or pledge the land for the period she/he is entitled to hold and use the land.
- Can pass on the land by will for the period she/he is entitled to hold and use the land.

(c) The obligation of a leaseholder under the Land Act:

- May have to pay rent or premium or both to the owner of the land.
- Observe terms and conditions set out in the agreement.
- Use the land in accordance with the lease covenants.
- Use the land in accordance with other laws governing land in Uganda.

### (3) Freehold tenure

- This is a system where the owner of the land owns the land forever, depending on the condition or the happening of a certain event.
- The landowner has full powers over this land and can do anything with the land except in the cases where certain conditions have been put on the land owner. These conditions are normally set out in the certificate of title. The landowner can therefore give leases to other persons, use the title to borrow money, pass on the land by will or sell it.
- This system recognises and protects the right of lawful and bona fide occupants on the land, as well as improvement on the land.

#### (a) The characteristics of the freehold land tenure:

- The land holder is registered as the owner.
- She/he owns the land indefinitely (forever).

#### (b) The rights of the freeholder under the Land Act:

- Can use the land for any lawful purposes.
- May sell, rent, lease or use it to get loan from bank; allow other people to use it or give it as a gift.
- May give the land away by will.
- Has the first priority to buy land from persons who are occupying her/his land (tenants by occupancy) and are willing to sell their land.

#### (c) The obligation of a freeholder under the Land Act:

- Utilise the land according to existing laws.
- Observe/respect rights of tenants by occupancy on the land.
- Observe conditions that may be imposed on the land.
- Use land in accordance with other laws governing land use.
- Recognise interest of people with developments on the land.
- Recognise the rights of their successors.

### (4) Mailo tenure

This is a system where the owner of the land referred to as a Mailo owner/landowner, owns the land forever, in the same way as a freehold owner. The owner has full powers over the land and can sell, lease and deal with it in any way. This Mailo tenure recognises and protects the rights of the lawful and bona fide occupants of that land. It also recognises improvement on that land. This system of landholding is common in south and west Uganda (in Buganda, Ankole and Toro), and is therefore not relevant in the north of the country.

**Source:** Compiled by Uganda Department of Natural Resources, in collaboration with Gulu District NGO Forum. *Land management sector in resource handbook for land committees.*

Most land in Northern Uganda (around 80 percent) is traditionally held under customary tenure. People typically owned land by virtue of the fact that they and their families always lived on it, and therefore were regarded as the “owners” of their land. However, most have no official papers or titles proving they own the land, and many of the vernacular rules governing land were not traditionally written down.<sup>27</sup>

Given this situation, and in anticipation of various conflicts arising as people return from IDP camps to their places of origin, traditional leaders in Northern Uganda are now trying to define and disseminate details on how land was acquired, used or owned customarily before the outbreak of the war.

## Box 6. Principles and practice of customary tenure in Acholiland

### Part 1: Interpretation

- (a) **‘Acholiland’** means the geographical area as defined by the 1962 Constitution
- (b) **‘Ker Kwaro Acholi’** is the traditional institution for Acholiland as provided in Chapter 16, Section 246 of the Constitution (1995)
- (c) **‘Customary land’** means land in Acholiland that is not registered under the Registration of Titles Act or officially owned by or vested in the local or central government of Uganda.
- (d) **‘Communal land’** is that over which more than one family have rights and which is managed by elected people chosen by the clan, on behalf of the clans. This consists of grazing land; hunting grounds; dancing grounds; market places; playing grounds; forests; ceremonial land; and other land of a similar nature.
- (e) **‘Homestead’** is that land upon which household members have built a residence and on which they live.
- (f) **‘Family/household reserve land’** is that family/household land which has yet to be allocated to individual members of the dogola/ot (family/household) by the ladit paco/dogola or won-ot (head of family or head of household).
- (g) **‘Family land’** is that which is allocated by kaka (clan) to a paco/dogola (family) for their exclusive use.
- (h) **‘Household land’** is the land allocated by the ladit paco/dogola (family head) to oddi (households) for their exclusive use in perpetuity.
- (i) **‘Kaka’** (clan) is an extended family unit comprising a generational line, including grandfather, fathers, sons and immediate next of kin.
- (j) **‘Custodian’** is someone who has responsibility for taking care of or protecting land and land rights.
- (k) **‘Paco/dogola’** (family) is a collection of two or more oddi (households), who are related and headed by a family head.
- (l) **‘Won-gang’** or **‘ladit paco/dogola’** (head of family) is the person who has been chosen (either by the clan, family or through succession) to be the custodian and manager of the family land on behalf of the family members.
- (m) **‘Ot’** (household) is the smallest family unit consisting of a man, wife (or wives) and their children.
- (n) **‘Won-ot’** (head of household) is the custodian and manager of household land on behalf of the household members.
- (o) **‘Lagwok dogola/paco’** or **‘lagwok ot’** (protector) is a person appointed by the kaka (clan) and ladit paco/dogola (head of family) to protect the interests of a widow and/or her children.
- (p) A person is considered to be married when the marriage celebration has been held.
- (q) A person is considered to be divorced upon refund of the dowry.

## Part 2: Principles of customary tenure

### Section 1 – General

- (a) All customary land is vested in the kaka (clans) and rights and responsibilities are delegated to the clans, paco/dogloa, oddi and individuals.
- (b) Customary land is not for sale and is to be guarded against loss.
- (c) All members of the kaka (clan) have rights to land.
- (d) Future generations have rights to land.
- (e) Land allocated to a paco/dogola (family) or ot (household) is never taken back and rights exist in perpetuity.
- (f) Land will always remain in the paco/dogola or ot (family or household) for emigrant family members (and future unborn) to return to.
- (g) Land that is allocated to people who do not have children reverts back to the family/household reserve land for reallocation upon their death.
- (h) Handling of land disputes by the clans is not about who is right or wrong but is a win-win situation based on equity (fairness), restoring relationships of the conflicting parties and promoting harmony in the family, clan and community.

### Section 2 – Attainment and loss of rights to land

- (a) Land rights are derived by membership of the kaka (clan).
- (b) Membership to the kaka (clan) is achieved by:
  - i. Birth into the kaka (clan) (including potential birth for the future generations);
  - ii. By marriage into the kaka (clan) by a woman; or
  - iii. By movement into a clan area, with prior approval and with the consent of the kaka (clan), by a non-clan member, who after a period of time living in that area is accepted and considered to be part of the kaka (clan).
- (c) Land rights are lost when one leaves the kaka (clan) by:
  - i. Death; or
  - ii. Divorce.
- (d) Access rights are suspended by separation, rights being regained on return.

### Section 3 – Universal rights

- (a) Subject to the responsibilities provided in Section 4, all kaka (clan) members, irrespective of their status, age or gender, have rights to:
  - i. Live on their homestead and family land;
  - ii. Farm on their homestead, family and farming land;
  - iii. Access all communal land;
  - iv. Bury the dead on homestead or family land;
  - v. Collect resources such as firewood from the communal land areas;
  - vi. Return to family land after a period of emigration, displacement or divorce; and
  - vii. Reasonably withhold their consent on decisions affecting their rights to land.

### Section 4 – Universal responsibilities

- (a) All clan members, irrespective of their status, age or gender, have responsibilities to:
  - i. Develop and use land for positive reasons;
  - ii. Preserve and maintain land from degradation; and
  - iii. Resolve disputes peacefully.

- (b) All adult clan members, irrespective of their status or gender, have responsibilities to:
  - i. Protect and defend rights to land; and
  - ii. Protect the rights of the vulnerable.

### Section 5 – Rights to communal land

- (a) All clan members have to use and access communally-held areas subject to the rules governing their use.
- (b) No person or dogola/ot (family/household) shall settle on communal land without prior governing approval of the clan which governs the area.
- (c) The clans have the right, at each level, to make rules in line with general principles and to govern communal land and to appoint managers of that land.

### Section 6 – Rights of vulnerable groups

- (a) Girls have the right to live on their homestead/family land as long as they remain unmarried.
- (b) Orphans have the right to live on their land under kaka (clan) protection until they become a won-ot (head of household).
- (c) A child born out of marriage has rights to the homestead/family land of the mother's family.
- (d) Children/orphans, where the identity of both parents is unknown, have rights to land and land will be allocated for them by the clans with support of the ker kwaro, and protectors will be appointed.
- (e) Widows, whether with or without children, have the choice to stay on the land to which they are married, return to their maiden home and to reject or accept a protector.
- (f) The elderly and infirm have rights to land and clan protection.

### Section 7 – Responsibilities of land managers

- (a) Management roles under customary tenure are:
  - i. Kaka (clan)
  - ii. Dogola (family head)
  - iii. Won-ot (head of household)
- (b) Land managers are appointed, through consensus (kicimo), together by the kaka (clan), ladit dogola/paco (head of family), dogola (family) and/or ot (household) members.
- (c) Land managers can be any responsible adult clan member, irrespective of their gender.
- (d) Land managers have the following responsibilities:
  - i. To be custodian and to protect the rights of all paco/dogola or ot (family or household) members;
  - ii. To allocate land to heads of households (won-ot) or individuals within the family;
  - iii. To ensure that land is used for agreed purposes;
  - iv. To manage the family/household reserve land;
  - v. To mark the boundaries of the land in consultation with the kaka (clan), dogola (family), ot (household) and neighbours;
  - vi. To hear and resolve land disputes peacefully;
  - vii. To make decisions affecting family land equitably (fairly), taking account of the interests of all family household members;

- viii. Where the need arises, and where possible, to support members of the wider *kaka/dogola* (clan/family);
- ix. To obtain consent from *paco/dogola* or *ot* (family or household) members when making decisions affecting their rights to land; and
- x. To obtain consent from the family/household members and clan when making major decisions affecting land (e.g. transfer).

### Section 8 – Responsibilities of protectors (*logwok dogola/paco*)

- (a) If a widow chooses not to be inherited, she becomes the head of the household and a protector will be chosen by the *kaka* (clan) and *dogola* (family).
- (b) The protector's role is solely to protect the rights of the widow and her children. They have no rights over the land of the widow and children.
- (c) For non-adult orphans the protector will perform the role of the head of household until such time that the orphan can take on that role.
- (d) Protectors may be removed from the role if they abuse their responsibilities as a protector.

**Source:** Ker Kwaro Acholi, with support from the Norwegian Refugee Council and EU, June 2008. It is worth noting that this document should not necessarily be seen as representative of all Acholis' perspectives on land issues.

Similarly, the Lango Cultural Foundation,<sup>28</sup> headed by the paramount chief of Lango Won Nyaci/ Won Deo Mzee Yosam Odur, has produced a document in Luo and English entitled *Cik Akwako Loyo kede Tic i Lobo me Tekwaro me Lango* (Rules and regulations on land use and management of land in Lango). This 19-page document was developed by the Lango Cultural Foundation with technical assistance from the NGO Land and Equity Movement in Uganda (LEMU) through a consultative process. The document has 11 articles which highlight issues such as ownership, transfers, acquisition, conflict management and governance of land in Lango region.

### Challenges

Despite the rules as set out above, there are a number of challenges surrounding land acquisition in the region of which investors should be aware:

#### *Weakness of state land administration and management institutions*

Despite the framework set out in the constitution, many of the agencies that together make up the land administration and management system in Uganda are under-resourced and have extremely limited capacity.<sup>29</sup> Where the District Land Boards are supposed to have surveyed land in their area such as might be available for investment, in most cases this information is not available. The process of land titling for land owners which is encouraged by government can also in practice take years to progress, depending on the district – which in turn slows down the process of entering into private agreements with investors.<sup>30</sup> Statutory dispute resolution mechanisms under the Land Act are also weak – with LC3 and LC2 courts in many places simply unable to play their role – and years of displacement have also substantially eroded the authority and outreach of traditional dispute resolution mechanisms.<sup>31</sup>

### *Tension between rules*

Although land ownership under customary tenure is often more or less a private venture, communities and clan leaders still insist that their land belongs to the clan. This means that while individuals can have exclusive user rights, they often face major restrictions on disposing of or selling the land. What does this mean for an investor that is interested in customarily or communally owned land in Northern Uganda? Who is the person with overall authority to give or sell that land? There is a fundamental tension between the principles and practices of customary tenure in Acholiland as defined by Ker Kwaro Acholi – which state, for example, that all customary land is vested in the kaka (clan) and is not for sale – and the constitution – which states that the District Land Boards have the authority to hold and allocate land in the district which is not owned by any person or authority.

### *Contested public and private lands*

Acquiring land that is privately or publicly owned in Northern Uganda may not also be as straightforward as it should be, as in many cases the status of such land is contested. For example, the APG is asking the government to prove how it came to acquire public land in Acholi (and in Uganda in general) and if the government has titles for those lands.<sup>32</sup> The same argument goes for the private and public land in Bar Alegi in Otuke county, Lango. Such legal battles need to be ironed out before any investor feels free to go into business with government about public land.

It should also be noted that immediately after independence, there was a progressive move from individuals to lease large chunks of land and turn them into their private farms. These pieces of land were carved out from the communally-owned land

in Acholi and Lango. With the change of government in 1971, there was an increase in unlawful acquisition of land, where individuals who had access to government powers during Idi Amin's reign plundered the land without the consent of the indigenous communities. While these large chunks of land have valid leases, the affected population are increasingly coming out to question the legality of such acquisition. Investors' therefore need to understand the ownership history of land in the region, even that which is apparently privately owned, in order to be aware of possible future difficulties that may arise with the local community.<sup>33</sup>

### *Recommendations*

In attempting to make sense of land acquisition in the region, investors should be aware of the following:

- It emerged clearly from the consultation conducted to develop this *Guide* that people in the region are eager for investments that will help raise the productivity of local farmers by adding value to local production activities (e.g. processing plants, cooling factories, warehouses, etc). As it is likely that such investments will have smaller demand for land attached, they represent clearly identifiable win-win opportunities where investors will face fewer hurdles in gaining access to land (often suitable sites will be in and around industrial and/or urban areas where land plots are legally privatised and are available as premises for sale or rent); and local producers and the economy will feel immediate tangible benefits.<sup>34</sup>
- Investors seeking larger tracts of land (e.g. for agricultural production) can expect to face competing interests with the indigenous people or owners, who also want the same land for their farming, hunting or grazing; or who are

in the midst of returning from IDP camps. Investors should be prepared to take a long-term view on such opportunities, recognising that reaching an agreement on the sale and acquisition of such land may take a long time, and following the steps set out in this *Guide*.

- With a conflict-sensitive approach through proper channels, such investments will however pay dividends, both to investors themselves, and to the region. From the consultation conducted to produce this *Guide*, it is clear that local objection to large-scale investors in the recent past has been fuelled as much by the approach taken and misinformation circulating as any genuine objection to the investment itself. Particularly important will be the steps investors take to consult with both clan and district authorities, ensuring that decision-making on land acquisition is transparent and in line with the rules. (For more advice on consultation, see Step 2: Consult widely and develop trusting relationships with stakeholders.)
- Investors who attempt to bypass these processes are likely to meet very strong resistance, especially if their investment is seen locally to have come through central government, given the region's politics. As the political barometer goes up in the lead-up to 2011 elections, such initiatives are bound to generate controversy with local politicians and communities alike.



## Step 2: Consult widely and develop trusting relationships with stakeholders

### Why is it important?

Around the world, companies increasingly recognise that obtaining a “social licence to operate” is essential to successful business operations. This is especially so in places with a history of violent conflict. If investors fail to establish a direct and sustained relationship with host communities, their hosts often view them as foreign, wealthy entities that are ready targets for the extraction of financial benefits, or venting grievances. Wide-ranging consultation with different stakeholders, both nationally and locally, will help develop trust, as well as generating information about different issues of concern and different parties’ perspectives on those issues. In other words, it is a critical foundation for risk analysis and mitigation. In Northern Uganda, where levels of suspicion and mistrust are the inevitable consequences of prolonged conflict and displacement, such efforts to develop good relationships with the local community are particularly important.

Developing appropriate and open channels of communication with stakeholders creates a platform on which common interests can be identified, and concerns aired and addressed; it also limits opportunities for corruption, spreads the benefits of investment and helps create more harmonious development. Investors should not rely on a few interlocutors at the national level for their relationships – though these may be important sources and partners, the perspective on issues concerning Northern Uganda found in Kampala may not always be sufficiently grounded to alert investors to potential risk factors or complexities. In conflict-prone societies, rumour and perception can be as salient in determining outcomes as “reality”.

It is therefore critically important that investors take every step possible to inform themselves of the current context in the area where they plan to invest. Analysis of the context will enable investors to both anticipate developments in the community and take mitigating steps to prevent the likely effects of their investment on conflict dynamics – or in other words, to be conflict-sensitive. It will also help them to understand appropriate channels of communication, build better relationships and take proactive measures to contribute to peace in the region, by enabling them to understand the real priorities of affected communities. Given the tensions that exist in Northern Uganda, investors must take particular care to consult widely on their investment plans and proposals.

### Best practice

One method of gathering the necessary context information prior to pursuing investment proposals and bids is to conduct systematic stakeholder mapping and analysis of the different perceptions gathered, in order to build a comprehensive picture, as well as reviewing current analytical documents and news reports concerning the region.

Investors will need to use two processes in working with stakeholders: negotiation and consultation. Both processes need to be considered in light of their own potential to fuel or mitigate tension, misunderstanding and conflict.

### Negotiation

Negotiation involves a series of meetings deliberately convened to reach agreement on a particular

issue. Investors will need to meet and negotiate with both district officials and clan leaders to agree on acquiring land, for example. The proper approach to negotiation for acquiring land that is customarily owned is to contact the local district government through the LC5 chair, who will refer an investor to the District Land Board. These will then open channels for an investor to contact the relevant authorities at sub-county level in the area of interest, who in turn will lead on contacting relevant clan leaders, and brokering the negotiation between them and the investor. Agreements will then be documented and progressed at the district headquarters. For privately-owned land, investors can make direct contact with land-owners.

### Consultation

A consultation process is a more open-ended set of conversations or meetings, with the objective of exchanging ideas and opinions (without necessarily coming to a formal agreement). The degree of credibility, transparency and trust established during the consultation phase directly impacts the effectiveness of any future negotiations with stakeholders. However, wider stakeholder consultation also yields the possibility of informing citizens about proposed investment plans, and communicating clearly about the likely benefits and risks to the local context that the investor envisages. This can be very important in countering rumours and speculation that otherwise arise.

In consulting with stakeholders at the early stage, investors should seek to discover the different interests, inter-relationships, capacities and agendas of different individuals and groups. This research should be documented. Broadly speaking, stakeholders are likely to see the proposed investment either as a potential source of wealth and improved livelihood, or as a threat. The extent to which the investor addresses these perceptions at an early stage

carries implications for their reputation in the longer term. Allowing expectations to rise to unrealistic levels can have short-term attractions, but can be a source of grievance and conflict in the long term.

### Challenges

#### *Who are the people?*

A challenge in Northern Uganda, as elsewhere, is to know *who* qualifies as “stakeholders” and *how* best to engage different groups. For example, with the re-emergence of traditional leaders, the existence of the political and military elite, and the presence of a large diaspora from Northern Uganda living elsewhere in the world, it becomes very difficult to reach decisions on land titles; yet such decisions are highly topical and attract a lot of public, political and media interest and controversy. Moreover, there is a sense that the different groups with access to power are in competition with each other. The question of who represents “the people” is a hard one. Splits, faultlines and alliances within stakeholder groups have a very influential impact on the context and understanding. Investors must therefore be aware of the ramifications of making alliances with any one contingent and the impact it may have on their reputation with others. Investors should consider taking as comprehensive a perspective on this as possible.

### Box 7. Traditional authority in the region

In Acholi the traditional leadership is currently organised within an institution called Ker Kwaro Acholi. This institution is headed by the Acholi paramount chief, His Royal Highness LawiiRwodi David Onen Acana II.<sup>35</sup> The LawiiRwodi is a position indirectly elected via electoral colleges. Currently, there are 53 supposedly hereditary “Rwodi” in Acholiland. These Rwodi form the council of traditional leaders and elect one among them to be the LawiiRwodi, who serves for the duration of his lifetime.

In Lango the traditional leadership is currently organised under the Lango Cultural Foundation. It is headed by the Lango paramount chief, the “Won Nyaci”, Mzee Yosam Odur. Won Nyaci is a non-hereditary elected post, as is the norm in other parts of Uganda. All the heads of the clan, or *Awitong*, from each clan in Lango form an electoral college, within which the Won Nyaci is elected. The Won Nyaci appoints his ministers from among the clan leadership.

Neither the Acholi nor the Lango had any kind of central administration prior to the advent of colonialism, but were rather grouped under a few immediately related families and clans or chiefdoms. Family, clan and tribe remain the organising social structures of the region. After colonialism, Uganda went through a long period of gradual restoration of its traditional institutions, encouraged both by government and, latterly, international donors. Especially in the north as a result of the fragmentation and undermining of traditional leaders that had taken place, this process was itself fraught with complications, intrigues, manipulations and exclusion, leading to the centralised “traditional” systems that exist in Acholi and Lango today.

The institution of a centralised Ker Kwaro Acholi is still regarded by many Acholi people as something foreign. In the pre-colonial time, every Acholi clan used to be independent of the other, with its own “Rwot” and councillors and ministers, and there was no single Acholi kingdom. When the British arrived in Acholi, they felt the need to reorganise society to fit more closely with their administrative agenda, and established the institution of LawiiRwodi in the 1940s, with Matayo Lamot as the first overall “leader of the chiefs”.

A subsequent effort to establish centralised traditional systems for each individual tribe in post-independence Uganda led to internal conflicts in both Acholi and Lango, as different clans were put forward for the supreme position. Traditional chiefs across the country were abolished with the proclamation of the republican constitution of 1967, with the issue returning in 1997 when Uganda restored its traditional authorities, yet limited their powers to upholding cultural and traditional values, with no actual role in politics or local administration. Questions over the sustainability of such social structures have persisted. The office of traditional leaders has been upheld by either the central or local governments of the time, but not the population. Although intended to assume and take a lead on the cultural and traditional issues, few people understand the process which led to their establishment – although, to some extent, the importance of traditional institutions in handling land disputes and contributing to peacebuilding has recently been acknowledged by society. These traditional institutions are at their strongest when their work reflects the needs of the people; otherwise whatever they decide remains unenforceable.

While modernity has disrupted the social, traditional and cultural fabric in Acholi and Lango, there is still a strong sense of identity based on that same fabric. Every Acholi, for example, whether educated or not, rich or poor, living in the diaspora or in Uganda, still considers him or herself to belong to a specific clan (kaka), family (dogola) or household (ot). The feeling and knowledge of belonging to a specific clan with a chief (Rwot) is itself the proof that one is an Acholi. Therefore, while the power of the clans and that of the overall Ker Kwaro Acholi (and that of the Lango Cultural Foundation) may seem intangible, and can also be problematic, its recognition and inclusion in consultation processes is enormously significant in gaining access to operating in the region.

### Flawed engagement processes

When investors only respond to acts of obstruction, vandalism or threats of violence, they may inadvertently encourage such forms of communication, as many times communities find that their efforts to establish regular, informal and constructive channels of communication yield fewer results. Many investors only engage with communities when they are compelled to respond to a problem, or when specific issues that affect their ability to operate arise. They are thus reactive to problems rather than pro-active in establishing effective relationships with communities. Allowing problems to fester in this way can have knock-on effects on their reputational profile in the region, often with disastrous results. Investors also often select partners with whom they most easily relate – perhaps who speak their language, are highly educated, share their politics, etc. By working with or through such partners, investors run the risk of creating a dynamic where such individuals or groups position themselves between the investor and the community for their own personal gain, to the detriment of others.

### Recommendations

- To counter these risks, investors need to take a proactive approach from the outset to identify and work with different stakeholders. By recognising a community's right to be concerned about the changes which investments to their areas will inevitably bring to their lives and landscape, investors send an implicit message that they consider the community a partner.
- To begin the process of relationship-building and generating analysis of the social context, investors should liaise with as wide a range of individuals as possible, following as a

rough guide the outline of likely stakeholders shown in Box 8.

- Investors should establish regular channels of communication with those people whose perspectives were identified during the initial consultation process as salient to the project's success. Commitments made on both sides in such meetings should be documented. Some companies establish suggestion boxes, where community members can provide feedback, have liaison officers, or work with or through local NGOs to develop good relationships and ensure strong channels of communication with concerned communities. Taking proactive steps to use the media (especially FM radio) to inform host communities about project developments, can also have enormous benefits in minimising false rumour and controversy, and empowering local people to engage constructively in their environment. Other possible tools include booklets distributed in public information centres, bulletin boards explaining hiring and tender procedures, and public information offices where people can make inquiries.

### Box 8. Investors' guide to stakeholders in the peace economy of Northern Uganda

- **Politics** – Government representatives at national level (Ministry of Trade, Tourism and Industries, Ministry of Agriculture/ other sectors relevant to the investment), Office of the Prime Minister; and at local level (Resident District Commissioners (RDC), chairs of Local Council V (LCV), chairs of Local Council III and I (LC III and I), Municipal Council officials, District Land Officials, Chief Administrative Officers (CAO), District Commercial Officers, Community Development Officers, etc); also MPs representing the area in question including national representatives of the Acholi/ Lango parliamentary group, opposition parties, judiciary, etc.
- **Economy** – Uganda Investment Authority (UIA), District Investment Committees where these exist, Uganda Revenue Authority (URA), Ministry of Finance, World Bank officials, Uganda Manufacturers' Association, National and District Chambers of Commerce, National and District Farmers Associations, Private Sector Development Companies, other business associations, contractors and suppliers nationally and from the local area.
- **Socio-cultural** – community-based organisations (CBOs), national and international NGOs operating at national and local levels, cultural and religious leaders (from Paramount Chief to village level), media representatives, academics, etc.
- **Security** – representatives from the army, police, District Security Officers (DSO), etc.
- **Regional/ international** – neighbouring government representatives particularly in areas close to Uganda's borders, development partner representatives active in the region, etc.



## Step 3: Uphold high standards of business integrity

### Why is it important?

Revenue from investments and distribution of the contracting, employment and other benefits arising, represent the most significant inputs to building a peace economy an investor will make. These inputs could and should promote equitable and sustainable development, but all too often governments and other individuals in positions of power are not accountable to their citizens.

Transparency International, the anti-corruption watchdog, defines corruption as the misuse of power for private or personal gain. It involves behaviour on the part of officials in the public and private sector, whether civil servants or politicians, in which they improperly and unlawfully enrich themselves, or those close to them, by misusing the position in which they are placed. It is also soliciting or acceptance of an inducement or reward, which may influence the action of the receiver. It includes bribery and extortion, and other types of malfeasance, including fraud and embezzlement of public funds, nepotism, influence peddling, conflict of interest, favour brokering, vote buying, vote rigging, kickbacks, extortion, deceit, swindling, blackmail, forgery, illegal foreign transactions, smuggling, theft, covering up, misuse of inside information and confidential information, falsification of records etc.<sup>36</sup>

According to former UN Secretary-General Kofi Annan: ‘Corruption hurts the poor disproportionately by diverting funds intended for development, undermining a government’s ability to provide basic services, feeding inequality and injustice, and discouraging foreign investment and aid’.<sup>37</sup> Corruption can also be a major contributing factor to conflict, leading to disaffection among population groups excluded from a share in the country’s wealth,

who see individuals prosper even as the wider economy stagnates. If a corrupt transaction between a local government official and an investor is behind land acquisition, its legitimacy will be a source of grievance and never be accepted by the wider society. Corruption also increases competition for access to opportunities to exploit the *status quo* for personal gain. A highly corrupt state can be expected to be unstable in the long term, since competing groups may resort to violence.

Northern Ugandans have experienced more than their fair share of corruption over the years, affecting private sector investors and development programmes alike.<sup>38</sup> Tension and resentment between local businesspeople and civil servants due to corruption within the local government system – with allegations of local government officials awarding themselves tenders by setting up “briefcase” companies or extorting bribes before giving out such tenders – have been a major obstacle to economic activity cited by many local businesspeople in Uganda.<sup>39</sup>

As a result, people are highly sensitive to being cheated, and often expect the worst. Demonstrating integrity is thus a key element of winning a “social licence to operate” and developing good relationships locally. Widespread corruption damages a business environment that would otherwise provide a level playing field for investors. Furthermore, investors also stand to lose out through complicity in back-door dealing by contributing to the likelihood of instability, which affects their own investments in the longer term. It is therefore critical that investors that wish to do business in Northern Uganda in such a way as to contribute to a peace economy, adopt and implement the highest standards in business ethics, both when securing opportunities and thereafter.

### Box 8. Kitu-kidogo – “something small”

Although the Kiswahili words “Kitu-kidogo” mean “something small”, the impact of this practice is more likely to be the opposite. Kitu-kidogo is a term now used synonymously with corruption in East Africa.

The stage for Kitu-kidogo is very simple to set, and always revolves around a “service” on high demand. It is either to influence decision-making when a service is being offered, or to “close eyes”. The first casualties when Kitu-kidogo is being transacted are usually merit, quality and the overall national good.

A child who fails exams gets admitted to a higher standard when his or her parent offers Kitu-kidogo to the headmaster. A man whose academic papers do not correspond to requirements of a particular job gets that exact job when he tops up the deficit with “something small”. A teacher turned district local politician wins a tender to build a school because she cooperated and complied with some small demands from the chairman of the district tender board. Likewise, an investor who intends to shorten procedures for acquiring investment certificates, licence and land for operation manages to do so because he or she paid for the foreign trip of a minister, or acts as financial back-up for the area MP. Such and many more are the typical scenarios of Kitu-kidogo.

Traditionally, Africans often offered appreciation for services rendered to them, even those paid for. Such appreciation was typically given at the discretion of the recipient of a service. These days Kitu-kidogo has become more explicit, and is now expected or even demanded. In addition its ongoing practice erodes the functionality of the more modern systems of duty and responsibility associated with public office, where the office-holder’s sense of duty is supposed to go beyond accountability only to those who have given favours.

### Best practice: Legal codes against corruption by investors in Uganda

At the international level there are a number of legal instruments banning corrupt practices by investors: These include:

- **UN Convention against Corruption (2005):** Ratified by Uganda, the convention provides a number of obligations on state parties, among which are provisions for preventive measures against corruption, including in the private sector (e.g. developing and implementing preventive anti-corruption policies, setting up anti-corruption bodies, codes of conduct for public officials, appropriate measures to manage public procurement, relevant measures related to the judiciary, etc.).
- **Organisation for Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997):** Relating to foreign companies (those listed in OECD member states) doing business in countries such as Uganda. This convention sets out legally binding standards criminalising bribery of public officials in international business transactions. It includes some scope for

The convention also includes provisions to counter bribery of public officials, illicit enrichment and bribery in the private sector, embezzlement of property, laundering of the proceeds of crime, etc.<sup>40</sup>

remedial action in cases where companies commit abuses through the OECD National Contact Points that are hosted within rich-country governments.<sup>41</sup>

- **African Union (AU) Convention on Preventing and Combating Corruption (2006):** The AU convention aims to prevent, detect, punish and eradicate corruption. Uganda ratified the convention in October 2004 and is bound by its obligations, although the convention is yet to come into force (pending the minimum 15 ratifications). The convention provides a comprehensive framework and is unique among anti-corruption instruments in containing mandatory provisions with respect to private-to-private corruption and on transparency in political party funding. Obligations of parties cover preventive measures in both public and private sectors (e.g. requirements on declarations of assets and codes of conduct, access to information, whistleblower protection, procurement standards, accounting standards, transparency in funding of political parties and civil society participation, etc.). The convention also criminalises a wide range of offences related both to public and private sector corruption.<sup>42</sup>
- **East Africa Community (EAC):** The EAC has yet to develop a regionally-specific anti-corruption convention, unlike other organisations including the Southern African Development Community (SADC) and Economic Community of West African States (ECOWAS), both of which have their own protocols against corruption. However, the EAC does keep an active watch on anti-

corruption initiatives affecting the region, including those listed above.<sup>43</sup>

Implementation of Uganda's obligations under the various anti-corruption conventions to which it is signatory (notably those of the UN and AU) has on one level progressed significantly. There is a raft of legislation and agencies tasked with tackling corruption in the country, particularly in public life, some of which also address corruption in the private sector.

The main anti-corruption measure under Ugandan law is the [Prevention of Corruption Act \(1970\)](#). Under this law, public officials are prohibited from soliciting, receiving or agreeing to receive a gratification as an inducement to, or reward for doing or omitting to do, anything in which the public official is concerned. The law also criminalises the act of withdrawing a tender which has been awarded (both the public official and the other party involved are treated as offenders). The law further criminalises corrupt practices involving an agent conducting the principal's affairs or business, and criminalises the bribing of any public official to encourage them to vote or not to vote in any matter. It is supplemented by the [Penal Code Act](#), [Leadership Code Act](#), [Inspectorate of Government Act](#), [Local Government Act](#), [Public Finance and Accountability Act](#), as well as the [Public Procurement and Disposal of Public Assets Authority Act](#).

Further legislation that would have a bearing on corruption in the private sector is currently before the cabinet, including an anti-counterfeiting act. Other measures tackling money laundering and protecting whistle-blowers, as well as a new anti-corruption bill, are being drafted and are due to be presented to parliament.<sup>44</sup>

The agencies at the forefront of anti-corruption efforts in Uganda are: the [Inspector General of Government \(IGG\)](#), [Director of Ethics and Integrity \(DEI\)](#), [Office of the Attorney General \(OAG\)](#), [Director of Public Prosecution](#), [Public Accounts Committee in Parliament](#), [Criminal Investigations Department \(CID\)](#), [Auditor-General's Office](#), and [Public Procurement and Disposal of Public Assets Authority](#).

Commercial laws like the [Company Act](#), the [Bulk Sales Act](#) and the [Investment Code Act](#) legislate for transparent and accountable operations. There are a plethora of other laws pertaining to tax, banking, energy and environment laws that have to be adhered to. There are also clear rules regulating the conduct of the financial sector (including the [Financial Institutions Act](#), [Bank of Uganda Act](#) and [Microfinance Act](#)). Ugandan companies may also be exposed to legal liability for corrupt practices both under the Public Procurement and Disposal of Public Assets Act, and the Penal Code Act; both the Penal Code Act and Prevention of Corruption Act criminalise the offering or receipt of bribes. Penalties for such crimes range from fines of up to US\$3,000 and/or up to 10 years in prison.

## Challenges

### *Implementation and enforcement*

While Uganda has pro-actively taken steps to tackle corruption, the overall impact of such initiatives is questionable. With regard to criminalisation and prosecution of corruption in Uganda, there are concerns that despite the raft of legislation, implementation is weak and impunity high. Corruption in Uganda is in fact now believed to be institutionalised and pervasive. Uganda recently was reported to score third highest among 69

countries on corruption – sharing third place with Cameroon after Sierra Leone and Liberia, according to international corruption watchdog Transparency International's *Corruption Perceptions Index (CPI)* 2009. Further, in the World Economic Forum *Global Competitiveness Report 2008-09*, corruption ranked as the most significant constraint for doing business in Uganda after access to financing.<sup>45</sup>

### *Private sector complicity*

Particularly with regards to corruption committed by the private sector in Uganda, the legislative framework is less developed and less well tested than that related to public sector graft, and compared to other countries. Despite the best efforts of organisations such as the Institute of Corporate Governance in Uganda (ICGU) to promote best practice through training with companies on business ethics and setting up company-specific internal voluntary codes of conduct, it is apparent that the legal framework needs to be strengthened and above all more strongly enforced.<sup>46</sup> Moreover, frequent press reports of corruption scandals involving the private sector securing business opportunities in Uganda (particularly at the top of the economy) indicates that corruption has become a norm of business life – despite Uganda's commitments under the various conventions and the country's own legal framework. This erodes public confidence and leads to suspicion and criticism of investors.

## Recommendations

- While many leading private sector actors in Uganda may be complicit in such practices, the long-term negative effects on the country's economy and overall stability ought also to be a cause for concern among investors. Elsewhere in Africa, business leaders – recognising the pernicious effects of corrupt

practices by business on their own long-term operations – have taken important steps to tackle corruption and promote higher standards of business conduct through public advocacy and industry codes. These include the King Reports on Corporate Governance for South Africa; the Convention on Business Integrity, Nigeria; and the Malawi Leaders' Forum on Building Alliances to Eliminate Corruption.<sup>47</sup> To date there has been no such industry-led initiative in Uganda. A concerted effort by business to raise standards and send a signal to society about investors' intentions by adopting a "no corruption" standard, is urgently required. While this is a nationwide problem, such high standards are particularly in needed in Northern Uganda at the present time.



## Step 4: ‘Post-conflict Corporate Responsibility’ – Identify opportunities to contribute to peace and development

### Why is it important?

All of the economic sectors identified in Table 1 as having potential for further growth require not only continued and deepening peace and security in order to flourish, but also improved purchasing power and stability of the local population. Sustaining the peace and addressing the enormous challenges facing the local population associated with resettlement, and assisting them in regaining a productive livelihood on which to build more ambitious undertakings, are at the root of economic recovery in Northern Uganda. Investors to the region have an important role to play in contributing to this broader peacebuilding agenda, and given the potential of peace to ensure an ever expanding market potential in the region, should recognise a business interest in doing so.

### Best practice

Around the world it has become common for larger-scale investors to undertake “social investment” or Corporate Responsibility (CR) projects that

contribute to community life, such as building schools, hospitals or roads in the areas where they operate. Companies engage in such projects through a combination of motivations, including seeing CR as a strategy for risk mitigation and a desire to deliver – and be seen to deliver – a “net benefit” to communities.

As discussed, Northern Uganda currently scores poorly across the whole spectrum of development indicators: healthcare, education and employment. Efforts to contribute to the alleviation of poor living conditions in areas where investors operate would be a welcome contribution. Conflict-sensitive investors should rise to the challenge of aiding IDP’s return, providing health and education services, water and sanitation, etc., with a view to building a solid foundation for longer-term investment opportunities. Such CR would go a long way in creating better relationships between the population and the investors.

### Box 9. Dunavant’s “Healthcare on Wheels”

Operating in Northern Uganda, Dunavant Cotton relies on thousands of farmers in remote areas. In 2008 it partnered with the US Agency for International Development’s (USAID) Health Initiatives for the Private Sector (HIPS) Project and the International Medical Foundation, to set up mobile health clinics to extend health services to the war-torn region.

Dunavant funded the customised truck; USAID/HIPS brokered the initiative and provided necessary laboratory equipment; and International Medical Foundation availed the medical personnel to run the clinic and manage drug supply.

The mobile clinic is manned by seven personnel: one clinical officer, one laboratory technician, one logistician, three nurses and one driver. It costs around US\$150,000 per year, with an average of 60 clients

seen daily. As an added benefit, it was determined that the truck could also be used to support the supply of medicines to remote government health centres.

The programme has proven so successful that Dunavant has indicated interest in funding more mobile clinics. The HIPS project has helped facilitate a public-private partnership that is an innovative and sustainable solution for provision of health services in remote and conflict-affected areas that would otherwise have little or no access to healthcare facilities.

Yet, CR should not be limited to the “extra” projects that a company may engage in. Opportunities exist to ensure a multiplier peacebuilding effect throughout the design of an investment. This includes, for instance, ensuring that employment benefits local people both in terms of quantity and quality of jobs. Investors can even consider targeting returnees, or ex-combatants, with job opportunities. It also means ensuring that contracts support the re-establishment and growth of Northern businesses where possible. Deliberately partnering with Northern businesses to support economic recovery in the region will benefit the country as a whole, helping to reduce the dramatic economic divide between north and south. Indeed, the entire framework set out in this *Guide* if adopted is intended to help to contribute to peace and development in the wider region.

In a recent report published by Alert, the following areas were identified as critical components of building a future “peace economy” in Northern Uganda:<sup>48</sup>

- Securing the peace
- Facilitating peaceful return of displaced people
- Ensuring food security and promoting livelihoods
- Improving financial services for agricultural and other entrepreneurs
- Offering opportunities for youth
- Rebuilding infrastructure at all levels

- Enhancing agri-business growth
- Promoting conflict-sensitive investment
- Strengthening Northern Uganda as a hub for regional trade.

In thinking about social investment in the region, investors should consider aligning their contributions across these priority areas – as well as the priorities that emerge through their consultation with communities and leaders. With creative approaches, there are activities that business leaders can take to address all of the issues – including those that seem most beyond their reach, such as “securing the peace”.

## Box 10. Peace entrepreneurship

In a study published in 2005, International Alert gathered and analysed case studies from over 25 countries where business leaders had organised themselves to contribute to peace. The study, *Local business, local peace: The peacebuilding potential of the domestic private sector*, found that business is often motivated to contribute to peacebuilding – both to minimise the costs associated with conflict and for other reasons. It found that companies had taken steps to contribute to peace across a range of critical areas, including:

- **Peace negotiations:** Though typically governments and political actors take a lead in formal peace processes, the study found business leaders had played a role – either as part of the official negotiating team or “behind the scenes” – in a surprisingly high number of peace processes. Using their influence and capital, business leaders helped build trust between parties, mobilised popular opinion, provided advice and logistical support, and lobbied political actors to stick to agreements in countries as diverse as Colombia, El Salvador, Mozambique, South Africa and Sri Lanka. Their skills and resources were also critical in implementing agreements, including meeting expectations of a “peace dividend”.
- **Economic dimensions of peace:** Much is assumed about the economic contribution business makes to peace, but the study found that this needs to be looked at carefully given that business also often profits from war and can be instrumental in elites maintaining their power through patronage. Given that conflict often has socio-economic causes and exclusion of certain groups at its roots, business can play an important role in becoming conscious of their relationship to conflict dynamics, in turn moving to address these through proactively tackling corruption; generating employment opportunities for disadvantaged groups; and undertaking joint economic activities across conflict divides.
- **Rebuilding social relationships:** Violent conflict destroys relationships and trust, leaving high levels of anger. As leaders in society, business can do a lot to reconnect broken ties, engaging in dialogue processes with “the other side”, and through joint economic activities across conflict divides. Such contacts can serve both to make profits and demonstrate that peaceful interaction is possible. Investors can also ensure that the way in which they do business helps to restore confidence of host communities.
- **Addressing security challenges:** Business can contribute to meeting some of the main security challenges in post-conflict contexts, providing jobs for former combatants (as happened in Colombia and the DRC); providing support to weapons collections programmes (El Salvador); strengthening official security structures (South Africa); addressing crime; and operating as an early-warning source of information on conflict recurrence.

The study also found that women entrepreneurs can at times play a particularly interesting peacebuilding role, given their frequent activism at the forefront of peace initiatives and the importance of women’s economic empowerment to long-term development.

**Source:** J. Banfield, C. Gunduz, N. Killick (Eds.) (2006). *Local business, local peace: The peacebuilding potential of the domestic private sector*. London, UK: International Alert.

## Challenges

### *Flawed CR projects*

Despite their potential, many CR projects show disappointing results. Well-intentioned development initiatives can unintentionally feed into local tensions and fuel conflict through their selection of recipients or priorities – leaving affected populations competing with each other for access to the benefits, for example.<sup>49</sup> They can also serve to undermine local government if not planned in proper consultation with district authorities, leading communities to look to investors rather than elected officials for service provision, in the long-term eroding state authority and the democratic process.

### *Distract from wider impact*

CR projects can also serve to distract attention from the social impacts of “core business” activities, which may be less beneficial. Investors’ approach to land acquisition, consultation with local communities and stakeholders, business integrity and corruption, as well as aspects such as the type of employment and conditions they offer, and their environmental footprint, are all critical components of their long-term social impact. They must therefore be approached in a conflict-sensitive manner, even as “extra” projects may be usefully initiated.

### *Investors are shy of organising to discuss their wider peacebuilding potential*

Despite the lessons that can be drawn from post-conflict contexts around the world where businesspeople have organised themselves to take active steps to contribute to peace (see Box 10), investors in Uganda have taken few steps in this direction to date. The current context of economic recovery in Northern Uganda demands that such attention be more forthcoming, so that investors can maximise their potential to contribute to peace, in the interest of business and society alike.

## Recommendations

- Investors planning and carrying out conflict-sensitive CR initiatives should ensure that such projects are sensitive to the risks they might pose in terms of increasing local tensions, paying particular care to beneficiary selection, and coordinating and complimenting to the highest degree possible existing programmes and priorities of local government, designing interventions through careful consultation with affected populations and leaders, and in support of District Development Plans.
- Investors should also pay attention to the sustainability of initiatives – many “good intentions” fail simply because their long-term upkeep was not considered, or they did not consider local needs and custom. Partnering with international development agencies and both local and international NGOs can also help to ensure effective delivery.
- Any philanthropic CR initiative must be approached as part of a wider business strategy on maximising the contribution to a peace economy, and not undertaken *instead* of proper consideration of the other steps set out in this *Guide*.
- Investors interested in Northern Uganda should consider organising discussions amongst themselves to think collectively and strategically about how business can maximise its potential to contribute to a peace economy in the region, exploring lessons from other countries.



## Section three

Recommendations to policymakers

The following recommendations have emerged through discussions held during the development of this *Guide*, as the priorities of local businesspeople and other stakeholders at the frontline of building a peace economy in Northern Uganda. They focus particularly on what policymakers from government and among development partners can do to facilitate conflict-sensitive investment in the region. As such, they complement a broader set of recommendations issued by Alert on what policymakers can do to promote the building of a peace economy.<sup>50</sup> They are included here both for policymakers reading this *Guide* and as issues that investors to the region could themselves usefully advocate for in their own interactions with government and international development partners.

- **Boost capacity of district land administration and management agencies.** Government and development partner efforts to clarify land ownership systems, to promote harmony between statutory and traditional systems, and to boost the functionality of the district land administration and management agencies – including at the sub-county level – are critical at this time. Lack of clarity over land ownership and lack of capacity to address tensions leads to long delays in progressing on investment potential, and as such is both a source of conflict and a major obstacle to meaningful development in the region. Both returnees and potential investors are confronted with an institutional and policy gap concerning this critical resource of Northern Uganda.
- **Re-establishment of Uganda Investment Authority (UIA) in Northern Uganda.** During the period 1993-96, UIA had branch

offices in all the regions of Uganda. Due to policy changes, these branches were closed down, though UIA retained “focal points” in the north as in other districts. Other parts of Uganda attracted more local and foreign investments compared to Northern Uganda due to insecurity. Now that peace is returning, UIA should open a special branch office for the region with the objective of enriching investor confidence in the territory for the benefit of all Ugandans.

- **Expedite setting up functional District Investment Committees (DICs) in the region.** The DICs were proposed by the UIA to help coordinate and increase the accessibility of investment opportunities at the district level. They are supposed to be chaired by the district LC5 chair, and include the CAO, the urban planner, as well as five members of the private sector (selected according to the resources of the district). The DICs have the potential to cut through many of the tensions and concerns that can otherwise surround investment, working to pre-identify land, develop district investment policy, disseminate information and proactively inform communities about potential investments in their area, etc. Networked to the sub-county level, the DICs could play a pivotal role in building a peace economy in the region, being well placed to act as trusted intermediaries between local people, investors and government. To achieve this status, however, they need to be properly resourced and managed, and to date it is not clear where such support will come from, with Gulu being the only district to have taken the first steps towards its establishment.

- **Implement a better communication strategy regarding the PRDP within the region.** As the overarching framework for the recovery of Northern Uganda, the PRDP is of interest to all stakeholders in the region. Unfortunately, since its launch in 2007 there has been a lack of certainty regarding the funding modalities of the programme between government and development partners. This has led to delays in its implementation, which has in turn compounded the lack of information on key aspects of the PRDP, creating anxiety in the region as to its ultimate seriousness. The OPM should invest in a communications strategy that informs people about developments related to PRDP, including the local private sector – so that they can be prepared to make the most of possible investments and infrastructure programmes arising from the PRDP. Such a communications strategy is critical to renewing confidence in the initiative.
- **Clarify legislative environment for mineral and oil exploration.** Rumours of the discovery of high-value minerals in some areas has increased tension over land. From the perspective of minimising mistrust and anxiety, it is important that stakeholders in oil-rich areas are widely consulted in the drafting stage of the forthcoming legislation implementing the National Oil and Gas Policy, due to come before parliament during 2009-10; and that government's longer-term prospecting plans are also shared. Without such information, people in some areas will continue to have challenges regarding land use and investment.
- **Improve incentives for Northern investment.** To help fulfil the vision of economic recovery of the region set out in the PRDP, external investors need transparent and clear incentives – whether in the form of better access to financial services or tax breaks – to encourage them to innovate in the region. Ongoing work to rebuild critical infrastructure is also urgently required, especially in terms of developing roads and markets, and extending power and water supply across the region.
- **Improve financial services for Northern businesspeople.** The high costs of capital and the limitation in products available to Northern businesspeople impose obstacles to local investor efforts to increase their own productivity. The financial services sector needs to rise to the challenge in playing its role in enabling a peace economy to develop by addressing these gaps.
- **Promote high standards of business integrity in Northern Uganda.** Investors should be encouraged to follow the highest standards of business integrity and conduct in Northern Uganda, including following the steps set out in this *Guide*, and generally taking pro-active initiatives to maximise a positive influence of investment in the region. Government has the opportunity to promote such standards through various agencies and fora, working together with private sector associations such as UNCCI, Private Sector Development Companies and the UMA. Government should consider creating a special incentive for investors who come up with projects that can clearly demonstrate a contribution to a

peace economy in the region. Government should also ensure accountability when cases of corruption arise.

- **Sensitise communities in Northern Uganda to understand investment and improve skills base.** It is clear that the idea of investors coming into the region is one that is not familiar to many local people, and generates a lot of uncertainty and concern, leading to rumours and other misinformation. Government and development partners have a role to play in supporting appropriate programmes to sensitise and inform people about investment projects in the region, and as to the possible benefits and risks to them as communities – and also how they themselves can profit from the land they own. This is particularly important in areas where large-scale investment is likely. Investing in local people through education and vocational training, so that they are well prepared to make the most of opportunities as and when they arise, is also important.
- **Invest in the youth.** The population of Northern Uganda, as in the country as a whole, is youthful, and it is well known that youth have been heavily impacted by the conflict. Northern Uganda hosts a generation of young people unaccustomed to agriculture, with limited education due to the disruptions imposed by a prolonged conflict, and facing significant future under-employment. Government and development partners alike should prioritise programmes that reach out to young people in the region, not only through rehabilitation programmes but also through providing vocational

training opportunities that suit the likely employment market in the years to come.

## Section four

Directory of business information

## Directory of business information

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## Endnotes

1. See: Government of Uganda (GoU) [2007]. *Peace, recovery and development plan for Northern Uganda (PRDP) 2007-10*. Kampala, Uganda.
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3. 'UPDF General survives lynching over land', *Daily Monitor*, 18th June 2008.
4. Kitara McMot, Gulu LC 5 vice-chairman, keynote speech delivered at International Alert conference, Protea Hotel, May 2008.
5. 'Kakira Sugar to set up factory in Amuru', *New Vision*, 18th July 2007.
6. *Healing wounds of war: Proposed Amuru Sugar complex* [2007], a film by the Madhvani Group.
7. The Acholi Parliamentary Group (APG) also proposed that a local partnership with investors could benefit the people of Acholi, since that way their land would be used as equity. See: Letter written by the chairman of the APG to the Madhvani Group, 28th September 2007.
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10. Civil Society Organisations for Peace in Northern Uganda (CSOPNU) [2006]. *Counting the costs: Twenty years of war in northern Uganda*. Kampala, Uganda.
11. See: GoU [2007]. Op. cit. p.2
12. Uganda Bureau of Statistics (UBOS) [2009]. *Spatial trends of poverty and inequality in Uganda*. Kampala, Uganda.
13. 'Northern MPs' anger shows national pain', *The Independent* (Uganda), 26th May 2009.
14. See: Amnesty International [1990]. *Deaths in the countryside: Killings of civilians by the army*. London, UK; Amnesty International [1992]. *The failure to safeguard human rights*. London, UK; Acholi Religious Leaders Peace Initiative (ARLPI) [2001]. *Report on the dialogue and mediation opportunity to Katakwi, Moroto and Nakapiripirit districts: 27th September-2nd October 2001*. Gulu, Uganda; see also Museveni's address to Langi and Acholi councils and elders: 'Sometimes our own undisciplined soldiers took advantage of the breakdown of law and order caused by the rebellion and committed atrocities against the civilian population', quoted in *New Vision*, 28th March 1994.
15. 'Northern MPs' anger shows national pain', *The Independent* (Uganda), 26th May 2009.
16. 'Ghost soldiers delayed end of Northern war', *Daily Monitor*, 29th May 2008; 'More ghost soldier reports expose UPDF failure to end Kony War', *Sunday Monitor*, 11th May 2008.
17. 'Corruption prolonged LRA war, says insider', *Daily Monitor*, 10th September 2007; see also President Museveni quoted in *New Vision*, 29th November 1996: 'It is true that in the past army officers were doing business out of the suffering of the people of Acholi and they did not want it [the war] to end'.
18. As of the end of 2007, the number of IDPs living in camps in and around Northern Uganda had reduced from a high of 1.8 million to 1.3 million, as people moved out of camps into transit sites or returned to their homes [see Inter-Agency Standing Committee in Uganda, December 2007 report]. By February 2008, while 784,376 people were still resident in IDP camps, 536,717 had returned to their villages of origin and 372,439 were residing in transit camps [see Office for the Coordination of Humanitarian Affairs (OCHA) [2008]. *Uganda humanitarian situation report, 1-29 February 2008*. Kampala, Uganda. p.1]. The Lango sub-region had advanced furthest, with almost the entire population (99.7 percent) having moved out of the camps, primarily to their areas of origin. In stark comparison, 63 percent and 72 percent of the respective populations of Acholi and Teso sub-regions remained in IDP camps. As of early 2009, with the resumption of military operations in the DRC, this variance persists.
19. Extracted from Electoral Commission data.
20. The summary offered in Table 1 is based on information Alert has gathered since 2005. It also draws on various papers presented at several recent workshops and conferences promoting investment in the north: Eng. N. Opwonya [2008]. *Contributing to economic recovery: Opportunities and challenges facing the Northern business community*. Paper presented to International Alert Investors' workshop, Kampala, 16th May 2008; papers presented at UIA conference on investment in northern Uganda, Kampala, June 2008.
21. For an analysis of conflict issues associated with Uganda's new oil sector see International Alert [2009, forthcoming]. *Oil, Peace and Development in Uganda: Countering National, Local-level and Cross-border Conflict Impacts of Oil Discoveries in the Albertine Graben*. Kampala, Uganda.
22. International Alert [2006]. *Mobilising the Ugandan business community for peace*. London, UK.
23. International Alert and Fafo [2008]. *Red flags: Liability risks for companies operating in high risk zones*. London, UK and Oslo, Norway. Available at <http://www.redflags.info/>.
24. P. Collier, V.L. Elliott, H. Hegre, A. Hoeffler, M. Reynal-Querol and N. Sambanis [2003]. *Breaking the conflict trap: Civil war and development policy*. A World Bank Policy Research Report. Oxford, UK: Oxford University Press; International Alert [2008]. *Building a peace economy in Northern Uganda: Conflict-sensitive approaches to recovery and growth*. Investing in Peace, Issue No. 1. Kampala, Uganda.
25. L. Hovil and Z. Lomo [2004]. *Behind the violence: Causes, consequences and the search for solutions to the war in Northern Uganda*. Refugee Law Project Working Paper No. 11. Kampala, Uganda.
26. R. Gersony [1997]. *The anguish of Northern Uganda: Results of a field-based assessment of the civil conflicts in Northern Uganda*. Report submitted to the US embassy and USAID mission, Kampala, August 1997. According to a recent World Bank survey on land and conflicts, 23 percent of Northerners interviewed felt that the government, army and rich people have taken significant interest in their land without clearly elaborating their motives. See: M.A. Rugadya, E. Nsamba-Gaiyiya and H. Kamusiime [2008]. *Analysis of post-conflict land policy and land administration: A survey of IDP return and resettlement issues and lessons*. Kampala, Uganda: World Bank.
27. M.A. Rugadya et al [2008]. Op. cit.
28. Ibid. See also: Refugee Law Project [2007]. *Rapid assessment of population movement in Gulu and Pader*. Kampala, Uganda.
29. See: Government of Uganda and UN Development Programme (UNDP) [2008]. *Returning to uncertainty? Addressing vulnerabilities in Northern Uganda*. Kampala, Uganda. Available at <http://www.fafo.no/nyhet/return2uncertainty.pdf>. p.31.
30. Lango Cultural Foundation is the equivalent of the Acholi Kingdom and is the traditional form of governance of Lango.

- 29 International Alert [2008]. Op. cit. p.37.
- 30 The Kitgum Land Board was particularly criticised during consultation for this document.
- 31 The World Bank study found that the statutory decentralised land administration structures 'would be sufficient to handle land services delivery in a post-conflict situation, but almost the entire infrastructure is not on the ground.' M.A. Rigadya, E. Nsamba-Gayiyi and H. Kamusiime [2008]. Op. cit.
- 32 See statement to parliament on the issue of Acholiland by Hon. Okello-Okello John Livingstone, chairman of the APG, on 14th December 2006.
- 33 For example, see: 'Gulu IDPs in dispute over land', *New Vision*, 8th January 2009.
- 34 Service providers, such as banks and telecommunication companies, have also accessed business opportunities in northern Uganda with relative ease for similar reasons.
- 35 Lawii Rwodi means the 'Head of Rwodi', where Rwodi refers to the chiefs (kings) of the individual clans. Rwodi is the plural form of the singular 'Rwot'.
- 36 *Tackling Corruption: A reference Handbook for Activists*, Transparency International, Uganda, 2008, Pages 1-2.
- 37 K. Annan. 'Statement on the adoption by the General Assembly of the United Nations Convention against Corruption', UN Office on Drugs and Crime [press release], 31st October 2003. Available at <http://www.unodc.org/unodc/en/treaties/CAC/background/secretary-general-speech.html>.
- 38 In November 2007, 20 cases of embezzlement of Northern Uganda Social Action Fund (NUSAF) monies were registered by the High Court in Kitgum – and there have been many other such cases related to NUSAF, as well as its predecessors. According to a recent report, a total of UGX 2.5 billion NUSAF funds are missing. See: 'Shs2.5bn NUSAF funds missing', *New Vision*, 11th July 2008.
- 39 International Alert [2006]. Op. cit.
- 40 UN Office on Drugs and Crime [2004]. *UN Convention against Corruption*. New York, US. Available at [http://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026\\_E.pdf](http://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf).
- 41 Organisation for Economic Cooperation and Development (OECD), Working Group on Bribery in International Business Transactions (CIME) (1998). *Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and related documents*. Paris, France. Available at <http://www.oecd.org/dataoecd/4/18/38028044.pdf>.
- 42 African Union [2003]. *Convention on Preventing and Combating Corruption*. Available at <http://www.africa-union.org/root/au/Documents/Treaties/treaties.htm>.
- 43 See: Economic Commission for Africa (EAC) website, 'Anti-corruption in Africa'. Available at <http://knowledge.uneca.org/community-of-practice/governance-and-ict-and-s-t-for-development/anti-corruption/>.
- 44 See: '2009 investment climate statement – Uganda', US Department of State [press release], February 2009. Available at <http://www.state.gov/e/eeb/rt/s/othrics/2009/117174.htm>.
- 45 Business Anti-Corruption Portal website, 'Uganda country profile: Background information'. Available at <http://www.business-anti-corruption.com/country-profiles/sub-saharan-africa/uganda/background-information/>.
- 46 See: Institute of Corporate Governance of Uganda (ICGU) website, 'Corporate Governance and the Law' module. Available at <http://www.icgu.or.ug>; 'A lawyer's perspective on legal liabilities facing organisations', *Journal of Sustainable Wealth Creation*, October 2008. p.21.
- 47 For discussion of these and other anti-corruption initiatives, see: Business Action against Corruption (BAAC) [2007]. *Report on benchmarking anti-corruption initiatives in Africa*. Produced for the Africa Forum on Fighting Corruption.
- 48 International Alert [2008]. Op. cit. Ch.4.
- 49 Competition between different ethnic groups for benefits from oil company CR projects has been a major contributing factor to escalation of the civil war in the Niger Delta for example.
- 50 See: International Alert [2008]. Op. cit.







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