

Press release on the public launch of the economic valuation report and a documentary about Mabira Forest Reserve, on 6th October 2011

Title 1. Following the proposal to give away 7100 ha of Mabira Central Forest Reserve to Mehta Group of Companies for sugar growing in 2005, NatureUganda subsequently in 2007 conducted a study through independent consultants on the economic valuation of Mabira Central Forest reserve. 2. The results of the study have been published in a report "Economic Valuation of the proposed degazettement of Mabira Central Forest Reserve?". 3. The results indicated that: a. While SCOU has stated the potential benefits of its plan - on which it bases its request for allocation of forest reserve lands - these benefits have neither been quantified nor clarified. The corporation says the annual stream of net benefits of sugarcane growing represent a better land use option than the conservation of the Mabira reserve as it exists now. The report calculates net benefits of US\$3.6 million per year from sugarcane as opposed to US\$1.1 million per year from conservation. b. Such a calculation by the corporation is based only on a short-term gain as the economic life of a sugarcane stand is at the most five years. When the present value of the standing crop of timber alone (excluding other uses) was compared to the present value of net benefits from sugarcane growing, conservation of the forest yielded a greater long-term benefit than sugarcane. When the value of ecological services was added to that of the standing crop of timber, conserving the forest reserve as it exists registered a far higher net present value of US\$45.1 million, compared with US\$29.9 million from sugarcane growing. c. Again, while the economic life of the natural tropical forest stand can stretch over thousands of years, the economic life of a sugarcane stand is economically optimal and maintained for about 5 years; d. The value of timber growing stock (only trees of 40cm diameter and above) was estimated at US\$35.2 million compared to present value of annual stream of net benefits from sugarcane growing of US\$29.9 million, over a similar life-time of 60 years; e. The report estimates the value of standing crop of timber in the 7100ha at US\$35.2m which invalidates the falsehood that the area proposed for sugarcane growing does not have valuable timber trees. f. When the value of ecological

services was added to that of the standing crop of timber, conservation registers a net present value of US\$45.1 million, an amount much more superior than sugarcane growing of US\$29.9 million. In other words, converting a part of Mabira CFR for sugarcane growing will not only cause ecological disturbance of the whole Mabira forest but would incur a net loss of US\$15.2 million to Ugandans; g. And on the other hand, if the useful life of the sugarcane plantation is restricted to the five-year ratoon the cane has a present value of US\$ 12.3 million, which is a shortfall of US\$ 32.8 million to the present value of conserving the forest. 4. Study also indicates that for the equivalent of 7100 ha, SCOUL could purchase land from private sources at a cheaper cost (US\$10.6 million), an amount less than the compensation value (US\$45.1) Mabira Forest would require. 5. During the same period, an aerial trip funded by European Union was taken to determine the status of the forest especially areas that were considered degraded. This has been compiled into a 20 minute documentary, now completed for public viewing. 6. The documentary is based on an aerial trip over the forest to locate degraded areas based on the investor's proposal that he will use only the degraded part of the forest. The aerial view did not confirm or locate any degraded area. This has been confirmed by the National Forestry Authority ground staff that there are no degraded parts of the forest. Although there used to be encroached parts of the forest in 1980s, all of them have been restored over the last two decades and the satellite images of 2010 indicate a fully recovered forest canopy. 7. The publication of the two reports (economic evaluation report and the documentary) indicating that; a. the conservation value is far more superior to the sugarcane growing and b. the video evidence that there are no degraded forest areas in Mabira provide enough information that the proposal to give away a natural forest for sugarcane growing was a careless proposal and should be set aside. 8. The results from the report and documentary also compliment legal fact that the current legal dispensation does not permit the give away of any part of a forest or wildlife protected area as per the constitution Art 237, Land Act section 42, Wildlife Act or the National Forestry and Tree planting Act. 9. Therefore, based on the legal facts, economic evaluation report, all other reports produced, the video documentary and Ugandans disapproval of the proposal gives evidence that; 1. SCOUL should stay clear and away from Mabira Forest Reserve 2. Government should decline to grant SCOUL its request for 7,100ha of Mabira Forest Reserve and any other such future requests 3. SCOUL and Mehta listen to the voices of the people of Uganda and how dearly they hold these forests, and withdraw from such corporate irresponsibility? 4. Uganda is indeed 'gifted by nature' and it must not be those that are entrusted with the protection of this gift that will instead lead to its destruction. For more information contact: NatureUganda, the East Africa Natural History Society Tufneil Drive Plot 83 Kamwokya, P. O. Box 27034, Kampala Tel: +256 414 540719 Fax: +256 414 533528 Mob: +256 772 522727 e-mail: achilles.byaruhanga@natureuganda.org website: www.natureuganda.org