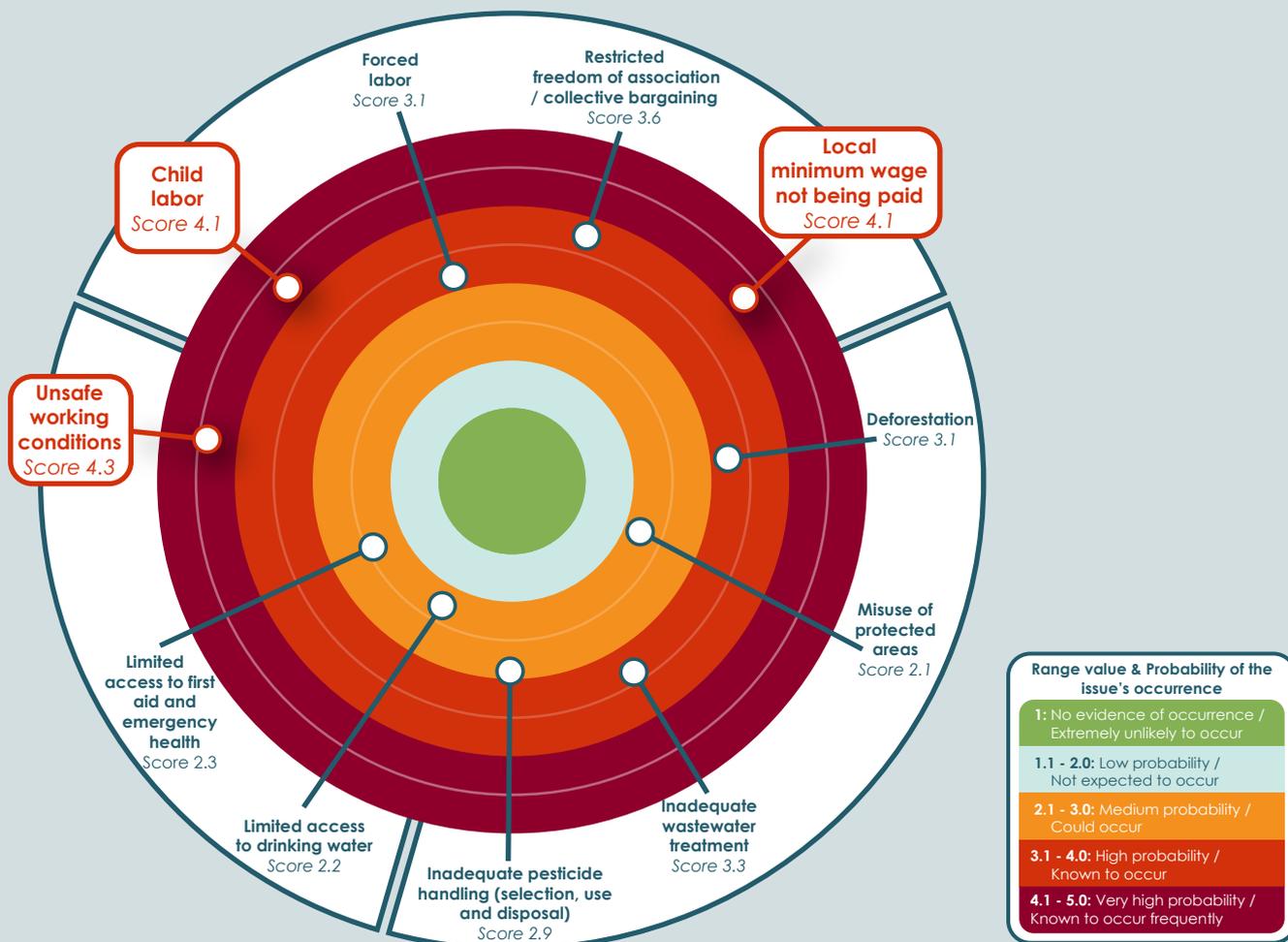


ORIGIN ISSUE ASSESSMENT



UGANDA – PERFORMANCE CRITERIA¹

18% of the world's coffee farmers are Ugandans. However, the average coffee farm size is extremely small – less than 0.25 hectares – and getting smaller. Only 2% of Uganda's exports are verified or certified as "sustainable" coffee. The high transaction costs of working with large numbers of small farmers poses challenges for investing in sustainable coffee production (Technoserve, 2013). Uganda has national laws in place to prevent or reduce the occurrence of the studied issues. Laws relating to environmental issues are found to be better enforced than labor laws.



TOP 3 ISSUES

Unsafe working conditions - Score 4.3

Uganda has not ratified relevant conventions related to Occupational Safety and Health (OSH). The law establishes OSH standards but is not effectively enforced and does not apply in the informal sector. Multiple sources report evidence of serious hazards in the agricultural sector, mainly related to unprotected pesticide use (UTZ, 2015; GMAP, 2012; media, 2013). | *JDE performance criteria 6.1 & 6.4*

Local minimum wage not being paid - Score 4.1

Uganda has not ratified the Minimum Wage Fixing Convention, 1970 (No 131), and the last time the minimum legal wage was set, was in 1984 at 6,000 shillings (\$1.64) per month. The risk that the sector average wage is lower than the minimum wage (converted to 2011 US\$) was assessed as very high (SHDB). It was reported likely that workers are paid less than the World Bank poverty line, especially in the rural areas (Expert interviews, 2016). | *JDE performance criteria 5.1*

Child labor - Score 4.1

Uganda has national laws prohibiting children under age 14 from being employed, except for light work that doesn't interfere with school, and has national programs to combat child labour. Multiple sources report evidence of child labour (mostly family labor) in the coffee and tea sector and children are known to be engaged in hazardous activities (US DOL 2014; US SD, 2015; GMAP, 2012). | *JDE performance criteria 2.1*

¹ UTZ compiled this information on topics selected by JDE. It is based on publicly available data and expert elicitation. UTZ took reasonable care in compiling this document. However, UTZ gives no warranty or guarantee as to the accuracy, timeliness, completeness or suitability of the information and errors and omissions cannot be excluded. Neither UTZ, nor JDE will be liable for damage as a result of inaccuracies or incompleteness in the information. More information about the issues, methodology and sources is available at www.JDE.com/OIA (to be defined by JDE).

ORIGIN ISSUE ASSESSMENT

UGANDA - PERFORMANCE CRITERIA

SCORES AND SUMMARY

Restricted freedom of association/collective bargaining | Score 3.6

Employees have the right to organise, 51 percent of the workers must be members of a union before the employer is required to recognise it. Labor unions are said not to be very strong and not many unions are active in the coffee sector as there are only few larger plantations in Uganda (Expert interviews, 2016). | *JDE performance criteria 4.1*

Inadequate wastewater treatment, separation, and quality monitoring | Score 3.3

Ugandan laws establish regulations for controlling water discharge, however enforcement capacity is low. In general, only a small portion of wastewater is treated before discharged into the environment. Although there is no clear evidence of the direct impacts of coffee production on water pollution, UNESCO, World Lakes and a scientific study link coffee production to freshwater pollution in Uganda, and specifically Lake Victoria (GMAP, 2012). | *JDE performance criteria 9.1 - 9.3*

Forced labor | Score 3.1

Forced or compulsory labour is prohibited, but the law does not expressly prohibit prison labour (US SD 2015). There are reports of forced labor – both prison labor and child labor – in agriculture (US SD 2015, IFC GMAP 2012). Coffee is not specifically mentioned and is not on the US Department of Labour's List of Goods Produced by Forced Labor (USDL, 2014). | *JDE performance criteria 3.1*

Deforestation | Score 3.1

Uganda has established legal strategies to reduce deforestation, however enforcement has not always been effective. Sources report differently regarding the risk of future deforestation due to coffee expansion. GMAP (2012) reported that coffee production is encroaching on forests and other habitats, while Conservation International (2012) considered the risk low since areas within the potential expansions have low forest cover. | *JDE performance criteria 8.1*

Inadequate pesticide selection, application, use and disposal | Score 2.9

Uganda is a signatory to several international Conventions and Agreements related to the management of pesticides and also has national laws in place. However, laws are not well enforced. Although small-scale farmers in Uganda do not commonly use the most hazardous pesticides (GMAP, 2012), their understanding about pesticide toxicity is very limited and farmers lack knowledge about good management, use and disposal of pesticides. | *JDE performance criteria 7.1 - 7.4*

Limited access to first aid and emergency health² | Score 2.3

The law requires employers to provide first-aid and welfare facilities. Employers have traditionally provided basic medical care on the plantations, in the form of dispensaries or clinics, which are able to treat minor illnesses or injuries (ILO, 2006). | *JDE performance criteria 6.2*

Limited access to drinking water² | Score 2.2

According to national laws, employers have the duty to provide an adequate supply of drinking water. No evidence was found of shortage of safe drinking water. | *JDE performance criteria 6.3*

Misuse of protected areas | Score 2.1

Protected areas are well managed in Uganda thanks to the country's efforts to enforce national laws. According to the Uganda Wildlife Authority (UWA, 2012), multiple actors are simultaneously involved in the management of protected areas: the UWA, the police, the army, customs and other law enforcement agencies. However, coffee production commonly occurs in areas with at-risk habitat and biodiversity hence being considered a threat to biodiversity (GMAP, 2012). | *JDE performance criteria 8.2*

² These issues are only applicable for the few larger plantations in Uganda

OTHER ISSUES:

Climate change

Due to climate change, areas suitable for growing Arabica coffee could reduce drastically in the future. Adaptation strategies will be necessary if coffee is still to be grown in the areas where suitability has declined (Oxfam, 2013). Furthermore, higher temperatures and erratic rainfall may translate into increased incidence of certain pests and diseases, abnormal blooms and fruits and soil erosion.

Gender and Youth

Typically, more than 50% of farming activities are performed by women in Uganda, but women have limited control over assets, especially land, which is important for productivity and investments. Lack of labor in rural areas is a growing problem, with many young people immigrating to urban areas and having little interest in coffee farming (UTZ, 2015; Technoserve, 2013).