

AFRICAN DEVELOPMENT BANK

MANAGEMENT ACTION PLAN IN RESPONSE TO THE

INDEPENDENT REVIEW PANEL'S REPORT ON THE

BUJAGALI HYDROPOWER AND INTERCONNECTION PROJECTS

March 2009

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ABBREVIATIONS AND ACRONYMS

ADF	African Development Fund
AESNP	AES Nile Power
AfDB	African Development Bank
APRAP	Assessment of Past Resettlement Activities and Action Plan
BEL	Bujagali Energy Limited
BHP	Bujagali Hydropower Project
BIP	Bujagali Interconnection Project
BIU	Bujagali Implementation Unit
CDAP	Community Development Action Plan
CFRs	Central Forest Reserves
CGV	Chief Government Valuer
CRMU	Compliance Review and Mediation Unit
CPMP	Cultural Property Management Plan
CSEAP	Contractor's Social and Environmental Action Plan
DEO	District Environment Officer
DFO	District Forestry Officer
EMMP	Environmental Mitigation and Monitoring Plan
EPC	Engineering, Procurement and Construction
ESAPs	Environmental and Social Assessment Procedures
GoU	Government of Uganda
HSMP	Health and Safety Management Plan
HMMP	Hazardous Materials Management Plan
IFC	International Finance Corporation
IRM	Independent Review Mechanism
IRP	Independent Review Panel
IRPR	Independent Review Panel Report
IUCN	International Union for the Conservation of Nature
LC1	Local Council
LFMP	Labor Force Management Plan
MCFR	Mabira Central Forest Reserve
MEMD	Ministry of Energy and Minerals Development
MW	Megawatt
NaFIRRI	National Fisheries Resources Research Institute
NAPE	National Association of Professional Environmentalists
NEMA	National Environmental Management Authority
NFA	National Forest Authority
NGO	Non-governmental organization
OINF	Infrastructure Department
OPSM	Private Sector Department
ORPC	Operations Resources and Policies Department
ORQR	Quality Assurance and Results Department
OSAN	Agriculture and Agro-Industry Department
OSFU	Fragile States Unit
OSHD	Human Development Department
OSUS	Sustainable Development Unit
OWAS	Water and Sanitation Department
PAP	Project Affected People
PPA	Power Planning Associates
PCDP	Public Consultation and Disclosure Plan
PSCP	Pollution Spill Contingency Plan
RAP	Resettlement Action Plan
RCDAP	Resettlement and Community Development Action Plan
RFRMP	Regulatory and Management Framework

SEA	Social and Environmental Assessment
SEAP	Social and Environmental Action Plan
SMP	Sustainable Management Plan
SSEA	Strategic/Sectoral Social and Environmental Assessment
TMP	Traffic/Access Management Plan
UETCL	Uganda Electricity Transmission Company Limited
WBG	World Bank Group
WMP	Waste Management Plan

EXECUTIVE SUMMARY

1. This report is Management's response to the Independent Review Panel report on the Bujagali Hydropower (BHP) and Interconnection (BIP) projects, following a request filed in 2007 by the Ugandan National Association of Professional Environmentalists (NAPE) and other local organizations and individuals. Extenuated circumstances due to the need to harmonize with the World Bank whose Inspection Panel Report was approved only in late 2008, have contributed to delaying the finalization of this report. Further, Management's complete Action Plan Matrix was developed in parallel and in harmony with the World Bank's management response to its own Inspection Panel Report. It is consistent in all respects
2. The IRP report highlighted 8 areas of strong compliance by the Bank, mainly with respect to environmental issues and 13 cases of non-compliance mostly related to socio-economic aspects. In order to address the issues raised by the different inspection panel report, the lenders and contractors have developed several (sub-) actions plans. These plans were worked out in agreement with the GOU, Bujagali Electric Limited (BEL), WB, and AfDB during a joint mission held September 2008 (see para 1.4).
3. These new operational action plans, already under implementation, are significantly correcting the shortfalls identified in the field, particularly the grievances related to the Project Affected People (PAP). Most of the impediments affecting the former resettlement activities resulted, in fact, from special circumstances including a major change in sponsorship due to the withdrawal of AES Nile Power (AESNP).
4. In parallel, the Bank has also developed and started implementing an institutional action plan mainly underpinned by the revision of its environmental and social assessment procedures (ESAP) including the development of a stronger safeguard policy toolkit, adequate staffing of Bank Group different operational complexes with crosscutting expertise and thorough dissemination of environmental and social reference documents.
5. It should be, re-affirmed, however, that the Bujagali Hydropower and Interconnection Projects remain the best solution for Uganda to provide its population with longer-term, lower cost and more sustainable power supply, in response to a growing demand. The Bank, the World Bank and GOU have, therefore, committed to corrective measures to ensure full compliance with BHP and BIP, which was, as indicated above, complicated by legacy issues.
6. The Bank will thus take all the required measures for monitoring the implementation of the action plans attached to this Management response and tightening up its supervision to be fully compliant in all the areas identified by the IRP report.
7. The departments of Quality Assurance and Results (ORQR), Infrastructure (OINF) and Private Sector (OPSM) worked closely together during the

preparation of these action plans. In so doing, they have also been following up on the World Bank's IRP report and related management response, to ensure that the AfDB Action Matrix is harmonized with the World Bank's Action Plan, as already mentioned above. This close collaboration among partners will continue during the implementation phase.

8. The Boards are requested to take note of the Management response to the IRP report on the Bujagali Hydropower and Interconnection projects.

MANAGEMENT RESPONSE TO THE INDEPENDENT REVIEW PANEL REPORT ON THE BUJAGALI HYDROPOWER AND INTERCONNECTION PROJECTS

1. Introduction

1.1 On 4th June 2007, the Compliance Review and Mediation Unit (CRMU) registered a Request for Inspection - Compliance Request RQ 2007/01 (hereafter referred to as the “Request”), concerning the proposed Bujagali Hydropower Project (**BHP**) and Bujagali Interconnection Project (**BIP**) in Uganda. The Request was submitted by the Ugandan National Association of Professional Environmentalists (NAPE) and other local organizations and individuals (hereafter referred to as the “Requestors”). The Request alleged that the Bank’s approval of the Bujagali Projects constituted violations by the Bank of various provisions of the following policies and procedures:

- Environmental and Social Assessment (2001)
- Environmental and Social Audit Guidelines (2003)
- Environment Policy (2004)
- Involuntary Resettlement Policy, (2003)
- Information Disclosure Policy, (2000)
- Governance Policy (2000)
- Economic Evaluation of Investment Operations (OM600)
- Poverty Reduction (2003)

1.2 To investigate these allegations, the Board of Directors authorized a compliance review of the BHP and BIP on 7th September 2007. CRMU’s Independent Review Panel (IRP) presented in its IRP Report (IRPR) an analysis and findings organized under “Social”, “Environment”, “Hydrology”, and “Economic” headings, and concluding with “Recommendations”. Annex 1 presents a tabulation for each area where the Bank was found to be either compliant or non-compliant. In summary, the IRP cited the Bank 13 times out of 21 for being non-compliant, and found the Bank to be compliant for the remaining eight. The table summarizes the IRP’s findings by area:

Table 1: Summary of Compliance / Non-compliance to Bank Policies

Item Number	Environment	Hydrology ¹	Social	Economic	Total
Compliant	3	0	3	2	8
Non-Compliant	1	0	6	6	13

Based on IRPR findings

1.3 The ‘good news’ of this table is that there was strong compliance on most environmental considerations. However there were a number of inter-related social – economic aspects where the bank fell short - Gender, Involuntary Resettlement, Poverty Reduction and Economic (Operations manual - OM 600, methodology-related).

¹ The IRP acknowledged that the Bank did not have a Climate Change policy to address related issues and therefore could not make findings of compliance or non-compliance, but it did state its belief that the Bank had not given sufficient attention to Climate Change issues. Similarly, the IRP, as indicated on pg. 50 of the report (Adequacy of hydrological studies section) that there was a failure on the part of Management to resolve the discrepancy in interpreting the Agreed Curve between the SEA and PPA study, but it does not cite any hydrology related item for which Management was in “non-compliance”.

1.4 This report is Management's response to the findings and recommendations of the IRP. Management acknowledges that IRPR presented a number of relevant observations made at the time of its review. Management is pleased to inform the Board that many of these issues are being addressed through several specific action plans under implementation by the project sponsor of the BHP, Bujagali Energy Limited (BEL) and the client developer of the BIP, Uganda Electricity Transmission Company Ltd. (UETCL). These plans were worked out in agreement with the GOU, BEL, WB, and AfDB during a joint mission held September 2008 and served as the basis for developing Action Plans specific and customized to each Contractor (SEAPs - Social and environmental action plans) which are being implemented for both projects. The Bank will continue to monitor implementation of the action plans for both BHP and BIP.

2. Project Rationale and Implementation Status

Project Rationale

2.1 The main objective of the BHP is to provide least-cost power generation capacity to eliminate power shortages in 2011 when the plant is commissioned. Management is of the view that the BHP remains in its context the most attractive among alternative sources of electricity in Uganda. GoU is faced with severe power shortages. In 2008, 35% of national electricity generated was being supplied through expensive thermal power plants, which have required higher tariffs and subsidies. When commissioned in 2011, the Bujagali Project will provide longer-term, lower cost power supply that will generate 60% more electricity than the more expensive thermal plants would be capable of producing. The project will provide an increase of 250MW of generation capacity to the national grid. BIP is to provide adequate transmission capacity for evacuation of power from Bujagali Power Station thereby increasing access to less expensive and more reliable electricity supply.

2.2 The total costs for both BHP and BIP are \$798 million and UA 50.13 million (approx US\$70 million) respectively. The World Bank, including risk guarantees, is providing financial support of up to \$360 million for BHP, while the African Development Bank (AfDB) Group is the only institution involved in loan financing both BHP (private sector, ADB: \$110 million) and BIP (ADF: UA 19.21 million; approx. US\$27 million)..

Implementation Status

2.3 The project lenders undertook three regular supervision missions (March and October 2008 and March 2009), with AfDB participating actively in all missions. A fourth mission – a separate joint review – was undertaken in September 2008 together with the World Bank (WB) to address issues raised in the IRPR and World Bank's Inspection Panel Report, and to identify actions already taken or that would need to be taken by the project sponsors. Joint AfDB-WB agreement was reached on required actions by the project sponsors and stakeholders and these are reflected in the AfDB's Action Plan contained in Annex 2.

2.4 The missions noted significant progress in project implementation, both in construction, and in roll-out and implementation of the Social and Environment Action Plans (SEAPs), in particular the Environment Management and Monitoring Plans (EMMPs) and the various

resettlement and compensation plans. The latter are in large measure now completed² These supervision missions concluded that both projects are presently on or ahead of schedule and within budget, with major compliance issues being appropriately addressed.³

3. Management Response to the Independent Review Panel's (IRP) Findings

3.1 The IRPR groups its commentary and critique under the headings of: (a) Social (and Cultural) Issues, (b) Environmental Issues, (c) Hydrological Issues, d) Economic Issues, and, (e) Conclusions which include recommendations related to Bank policies, institutional organization and internal capacity to ensure thorough preparation and appraisal of its projects with respect to safeguards. Measures in the first part of the Action Plan Matrix (Annex 2) respond to each of the above items (a)-(d) raised in the IRPR; actionable items are currently being implemented. Item (e) regarding policy recommendations forms the second part of the Action Plan matrix and activities in response are also being implemented. Management responses in these five areas are summarized below. The AfDB's Action Plan Matrix was developed in parallel and in harmony with the World Bank's management response to its own Inspection Panel Report and is consistent in all respects.

Social and Cultural Issues

Background – Legacy Issues

3.2 Under the first Bujagali project, the dam and transmission line were financed under one agreement but were separated administratively into two infrastructure components. Two different resettlement action plans were developed. The BHP component initially compensated some 8,700 project-affected people (PAP), excluding dependents, while 85 households (635 persons) actually had to move from their domiciles. Although little progress was made initially to resettle those affected by the T-line, the revised plan (for T-line affected persons) identified some 120 households to be physically displaced, with a total of some 5,796 affected persons. When AES Nile Power (AESNP) withdrew from the project in 2003, resettlement continued for PAP located near the dam with assistance from the Bujagali Implementation Unit (BIU) of UETCL, but other resettlement components for the transmission line were effectively suspended.

3.3 Prior to its withdrawal, AES Nile Power (AESNP) had developed a Resettlement and Community Development Action Plan (RCDAP) in 2000 and 2001.⁴ AESNP had then started implementing resettlement and compensation between the first half of 2001 and mid-2003. Much of the required compensation for identified land use in the inundated area for BHP was accomplished. Amongst other items, resettlement and compensation included:

- Resettlement of physically displaced people;

² The various plans constituting the SEAPs for BHP and BIP are listed in Annex 3

³ However, as of the most recent supervision mission (March 2009), at least two major dam design changes are under review which have potential BHP budget impact : i) an additional schist excavation near the power house and spillway modification and ii) for BIP, a change order for the T-Line is under consideration which could increase cost 3-4% - upgrading of an additional 3 km of line from the end of the 5km section to the Nalubaale substation.

⁴ The Plan was approved in 2001 as part of the Environmental Impact Statement, cleared successively by the National Environmental Management Authority (NEMA) and by the International Finance Corporation (IFC) and AfDB prior to BHP approval by the Boards of each institution

- Cash compensation for assets such as land and land use rights, perennial crops/trees, and structures;
- Compensation for spiritual and cultural sites, including compensation for physical structures and ceremonies required for the relocation and appeasement of spirits.

3.4 The current project(s) presented an unusual situation in which the same operation was closed and then re-launched with many of the same people and in the same area. Some of the affected people had been resettled, but others were not adequately compensated (e.g., for displaced homes and land and/or livelihood and income restoration, while community development initiatives were not completed following the original sponsor's withdrawal). A number of families remained in limbo for several years until the new BHP and BIP projects began implementation, including the finalization of renewed compensation and resettlement activities.

3.5 The Bank was faulted in the IRPR for not complying with its Involuntary Resettlement policy for project affected people (PAP) because outstanding issues prior to commencing BHP or BIP had not been adequately cleared up. Implementation of action plans described in the next paragraphs has introduced planned mechanisms to correct potential PAP grievances. It is important to note that some of the legacy concerns arose because of misinformation, uncertainty, and/or lack of timely information provision after withdrawal of the previous project sponsor AESNP in 2003 and prior to the arrival of the new project sponsor BEL in 2007.

3.6 The new project sponsor BEL undertook assessment of the previous resettlement and community action plan (Assessment of Past Resettlement Action Plan --APRAP) to assess whether AESNP's commitments to comply with the earlier publicly released RCDAP were met. Where gaps were observed, remedial actions were recommended. Annex 3 includes a listing of various actions plans now under implementation (APRAP, CDAPs, etc.) from project inception until now. It also includes the full list of related contractor environment and social plans.

Resettlement and Compensation Status: Bujagali Hydropower Project

3.7 During the Bank missions undertaken in September and October (2008) and in March 2009, significant progress in implementation of the APRAP was noted, specifically in terms of filling the gaps from the 2002 RCDAP. The gaps currently include the following: (i) resolution of pending contracts (with 24 out of 4,565 or less than 1%) related to land, crops, and other payments; (ii) issuance of land titles where just 1 house title and 9 agricultural land (out of 101) are outstanding; and (iii) implementation of the livelihood support programs under the CDAP, especially in the four project-affected villages on the east bank. *Note: while the RAP was mandatory, CDAP was undertaken on more of a voluntary basis and formed a part of AES's corporate responsibility programs.*

3.8 The IRPR further noted inadequate baseline socioeconomic data due to poor participation of projected-affected people (PAP) in the 2006 socioeconomic survey (covering only 35% of PAP, many of whom were difficult to locate). An updated baseline would be needed to establish whether PAP were properly compensated for their losses. Consequently, further socio-economic data collection has been scheduled as part of the action plan. In particular, BEL undertook in 2008 a needs assessment through focus groups for the Naminya Resettlement Area.

3.9 In addition to the updates of the SEA and 2007 SEAP plans to address inadequacies in baseline information⁵. BEL committed to undertake a new socioeconomic survey, and to make all “reasonable efforts” to locate original PAP households. This new survey was completed in early March 2009, and included time for finding the original PAP surveyed in 2002 (prior to BEL’s involvement). The new survey expanded the scope of the previous socioeconomic survey to include households within the nine project-affected-villages and achieved a 68% coverage of PAP.

Livelihood Restoration and Benefit Sharing

3.10 Project stakeholders and, in particular BEL, have always been aware of the gaps in livelihood support agreed in the APRAP since the first AESNP Bujagali project terminated in 2003. Bank management acknowledges that there were delays in providing information and redressing impacts in the immediate period following completion of earlier project financing. However, previously affected villages have now received substantial support based on the CDAP, including physical and service improvements at the Naminya site and the other eight villages.

3.11 The allocation for the CDAP was increased by 17% from the original estimate in 2002 to about US\$3.81 million. Employment for dam construction has also been a significant benefit, although the number hired, relative to supply is limited (with 1,200 employees hired versus 10,000 job applicants). Approximately 90% of labor is hired from the surrounding communities. In February 2009, BEL sponsored 140 youths from the project affected villages for a skills training program at Nile Vocation Institute. The training will take 1-3 years depending on the courses which include plumbing, electrical installation, mechanics and driving, hair salon, tailoring, organic farming, catering, etc. This will give such young people opportunities beyond local project site labour which is necessarily limited. Community consultations show that PAP have raised concerns about human and animal health impacts from the construction site blasting activities and from changes in river flow. BEL has already embarked on a health campaign, including the provision of much-needed medical assistance to combat *bilharzias*, malaria, and HIV/AIDS.

Cultural and Spiritual Values

3.12 The IRP found that the Bank was not compliant regarding resettlement and governance policies because it did not include in the appraisal report an assessment of the consultations that took place with the spiritual leader, the Nabamba Bujagali. Future appraisal reports under similar conditions will include appropriate reference to relevant consultations⁶. It may also be noted that extensive consultations with spiritual and cultural leaders and culturally appropriate spirit-appeasement ceremonies have taken place and are ongoing. Management notes that the various project promoters had previously consulted local cultural experts who pointed out that any potential hydropower site in Uganda would have spirits associated with it. Both AESNP and BEL felt that they could not rank one site’s spiritual values above or below that of another. In respect to evaluating alternatives based on spiritual values, most

⁵ Shortage of systematically collected data about the situation of the project affected people” (pg. 26, IRP report).

⁶ Within its broader resettlement policies, the AfDB lacks specific cultural and spiritual policies. Management relied on World Bank policies and due diligence in these areas and will continue to do so until such policies are developed.

sites were considered to have issues that required sets of mitigation measures similar to those undertaken at Bujagali Falls.

3.13 The GOU has agreed to update the 2001 Cultural Property Management Plan (CPMP) which was part of the hydropower project's earlier RCDAP, in coordination with BEL, by June 2009. The update will: (i) include a description of actions taken after the 2001 CPMP; (ii) incorporate the Engineering, Procurement and Construction (EPC) contractors CPMP and procedures and provisions for chance finds; and, (iii) identify a capacity building and monitoring program for cultural resource management measures. The updated CPMP will also extend to the T-Line contractor,

3.14 Management believes that AESNP and BEL have made good efforts to accommodate different representatives of spiritual and cultural interests among whom rivalries persist. The Nabamba Bujagali was supported by AESNP to hold ceremonies to propitiate spirits, and BEL continues to facilitate such activities without discrimination. However, BEL cannot mediate conflicts arising from changing perceived requirements among clans and cultural groupings. The GoU has therefore assumed a greater role in brokering ritual expectations as perhaps they should have done since the outset.

Resettlement Action Plan Status⁷: BIP T-Line

3.15 In regards to the BIP and resettlement, the Bank was faulted for inadequate consultation about compensation plans and their scheduling among populations to be resettled prior to the decision to undertake BHP. In future projects, the Bank will improve the timeliness and extent of its consultations processes among potentially affected parties. Changes in alignment of the T-Line in the Lubigi wetlands have also generated the need for resolution of new claims. There are also compensation obligations related to the T-Line remaining from the first BHP project, including the Kawanda substation area, and these are being attended to. Finally, a potential change order to upgrade a 3 km T-Line section from the end of the 5 km section from the Bujagali substation to the Nalubaale substation will also require additional resettlement and compensation.

3.16 Management is of the view that mechanisms are now in place to give confidence that fair outcomes are achievable. These include the Witness NGO (InterAid) and Mediation Committees. Unfortunately delays in payments and misinformation contributed to dissent and the number of complaints received, many of which have proved to have limited validity. Speculative activity and alleged fraud complicated the compensation program, not least because of many petty claims, some for as small as two square meters, which pay out less than what it would cost the owner to collect the compensation using local transport.

3.17 Management recognizes IRP concerns about the lack of meaningful consultations with respect to compensation packages offered to potentially affected T-Line PAP in advance of construction works for BHP. Individual staff at the Bujagali Implementation Unit (BIU -

⁷ The T-line RAP budget allocates US\$ 16.94 million including a 15% contingency to its RAP. The funds are budgeted for cost of resettlement and housing (US\$ 2,932,000 of which US\$ 1,804,000 is for land acquisition). Cash compensation is estimated to use US\$9,087,750 while livelihood restoration (including agriculture and business support) is US\$305,000. The remaining US\$ 2,148,000 is for RAP implementation (staffing, specialist consultants legal advice, witness NGO and logistics). AfDB Project Appraisal Report (cited in WB Inspection Panel Report, pg. 156, footnote no. 543)

UETCL's RAP Implementation Unit) have acquired in-depth knowledge of the concerned communities, since the beginning of the first Bujagali project, and have been pro-active in ensuring that compensation solutions for households do not discriminate against vulnerable persons (in particular women) where there are family disputes regarding the alternative packages on offer.

3.18 Issues tackled in completing resettlement and compensation for the T-Line include: (i) disputed land ownership and disagreements on the basis of tenancies and changes in proprietary arrangements (tenure relations/ownerships) occurring during the payment process; (ii) continuing minor changes in alignments and location of towers; (iii) delay in Chief Government Valuer (CGV) approval of compensation rates for various assets; (iv) disclosures could not be made at an early date with certainty regarding value packages; (v) ongoing disputes in values for land and structures, especially around Kampala and Wakiso; and (vi) legacy issues related to recent T-Line re-alignment resulting in misperceptions of potential PAP (see 3.15);

3.19 The total number of households to be resettled is now 199 from an initial 219. The reduction has resulted from earlier misrepresentations after detailed review of each case. The number of newly built houses handed over to households is 17 with the remaining 15 to be completed for handover by end July 2009. Building materials have been delivered to 52 households who are constructing their own houses and the outstanding deliveries (73) will be completed by end August 2009. The remaining households have opted for land only and 12 have opted for cash. The above completion dates will not delay line construction. In terms of way leaves Jyoti has full access to the 5-km sector of Bujagali-Tororo Intercept but only partial access to the Kawanda-Bujagali sector and the Kawanda-Mutundwe sector. Lack of access is owing to compensation disputes resulting from errors in initial valuation, structures completed in the way leave since 2006, new structures constructed since 2006, and land values particularly in the urban areas. The resolution of these disputes (approximately 140) is receiving urgent attention within UETCL and MEMD with the intent of reaching settlement before the end of April (2009).

3.20 To address the set of outstanding issues to be resolved, Management has obtained BEL/UETCL commitments, which will be monitored, as follows:

- Rapid reinforcement of BIU staffing and increased technical, legal and administrative remedial supervisory support from BEL;
- Accelerated processing of resettlement for physically displaced persons, pending grievances and legacy issues;
- Deployment of Community Development Funds in line with Social and Environmental Action Plan (SEAP) criteria and appropriately identified equity, gender, and community needs;
- Development of reporting necessary for eventual assessment of RAP outcomes evaluation and a greater sharing of reports from InterAid with the Project Monitoring Committee (PMC).

Independence of the Witness NGO

3.21 The Requesters questioned the independence of the Witness NGO, InterAid, during the Panel's field investigations. It was alleged by Requestors that InterAid had been participating in decision-making, but no evidence has been presented showing bias in the manner of its

observations and in the recording of grievances. However, IRP found that InterAid, under contract to BEL, was too closely linked to the sponsor and was not satisfied that it could be sufficiently independent. InterAid's involvement in the project over time was the result of complex circumstances where its participation was eventually seen as having value because of the (retained) knowledge which it had acquired. Management is of the view that the Witness NGO has continued to perform satisfactorily in observing the implementation of project plans. The Lenders group recommended that InterAid as the Witness NGO should share its observations more broadly and openly with stakeholders and present its findings and recommended actions directly to the Lenders and the GoU Project Monitoring Committee on a regular basis. Management supports this approach.

Consultation and Disclosure

3.22 Management was faulted for not assessing the adequacy of the consultation processes undertaken for BHP and BIP. Future appraisal reports or their technical annexes will include a summary assessment of participation. Management also intends to train staff in participatory methods in 2009, and currently, its flagship Handbook for Participation is being translated into French to assure wider circulation.

Environmental Issues

3.23 The IRP examined the following issues: (a) the adequacy of the social and environmental studies done regarding the assessment of cumulative impacts; (b) the linkages between water abstractions for electricity production, lake water levels and the long-term health of Lake Victoria; (c) the impact of the projects on fish life in the Lake and the River Nile; (d) dam safety; (e) the GOU's commitment to preserving the Kalagala Falls as an offset for some of the BHP's impacts (need for a good management plan); and (f) the impacts of the BIP on sensitive ecosystems. On the first three points, the Bank was found to be in compliance with its policies. Nevertheless, the Bank intends to include cumulative impact analysis in its forthcoming revised environmental-social safeguard policies as it is considered to be a best practice. In regards to (d), the IRP also found that the Bank was compliant in using the World Bank's Policy on Dam Safety as it did not have its own. The Bank will adopt this policy and develop its own Dam Safety policy based on the World Bank model in the coming year.

3.24 In regards to the Kalagala Offset (e), BEL has agreed to implement reforestation activities within the area covered by the Sustainable Management Plan (SMP). This is part of a larger reforestation program undertaken by BEL to cover up to 400 hectares. A total of 244 hectares were planted by end of 2008. The District technical officers (from Kayunga, Mukono and Jinja districts) monitored all BEL projects on 18 March 2009.

3.25 The forestry activities are undertaken through village committees and are monitored by BEL, the District Environment Officer (DEO), District Forest Officer (DFO), and Sub-County Committees. Through these activities villagers are benefiting from being paid for reforestation activities along the section of the Nile River immediately downstream of the Bujagali Dam site. While landowners and BEL jointly own the trees, landowners maintain the tree saplings and have usufruct rights to the trees.

3.26 The IRP was also concerned that the plans for compensating biodiversity lost due to the BIP were insufficiently developed to constitute an adequate mitigation or environmental

management plan. The contract between the MEMD and IUCN for the preparation of the Sustainable Management Plan (SMP) for the Kalagala Offset, including the Mabira Central Forest Reserve (MCFR) was awarded to IUCN in the last Quarter of 2008 and will be completed by June 2009. Funds will then need to be identified for effective implementation of the SMP.

3.27 This long-term Sustainable Management Plan for Mabira (and Nile River) Forests, and Kalagala Offset is part of the World Bank Indemnity Agreement and is now under preparation. The plan includes a forest component for MCFR to offset T-line related habitat and biodiversity losses. The Bank contributed to its development and specification in February 2008; monies calculated for Mabira Forest estate compensation to NFA are to be applied to achieve purposes of the offset SMP. The existing Forest Management Plan which expired in June 2008 may need to be extended until the SMP takes effect.

Management of the Environment Impact of the Bujagali Interconnection Project (BIP) (f)

3.28 It is of note that certain environment related T-Line issues, referred to in the IRP report (pp. 47-50), were raised after the original request was made. This concerned whether or not the SEA had assessed the impact of routing changes and, if so, whether it complied with the relevant Bank policies. This entailed examining three further items: (a) the potential impact of the T-line on the Lubigi wetlands; (b) the assessment of alternatives for minimizing the impacts of the T-line on the Central Forest Reserves of Mabira and Kifu; and, (c) measures for mitigating the forest loss due to the T-lines.

3.29 In respect to (b) and (c) Management notes that a minor change in the routing of the T-Line, 20 to 30 meters into the Lubigi Wetlands, was necessary to avoid greater social impacts. This shift has minimal environmental impact.

3.30 The total wayleave in the Mabira Central Forest Reserve (MCFR) will be 30 meters for the existing wayleave plus 35 meters for the new wayleave, i.e. 65 meters. This is a reduction of 5 m over the standard of 40m for the new 220Kv T-Line in order to minimize presence on forest land⁸. Further reduction of the total wayleave would compromise the security of T-lines (e.g. from falling trees) and would endanger the power supply for a large part of the country. Combining the lines would be excessively expensive and introduce serious operational difficulties. Various alternative routings were considered during project preparation. The chosen T-Line corridor was selected because it minimized resettlement and compensation and had a lower overall environmental impact as stated in the T-line SEA. UETCL with assistance from BEL and NFA will be required to monitor that the T-Line construction activities are in compliance with the Contractor's SEAP (CSEAP) which has been finalized.

3.31 In regards to an assessment of alternatives for minimizing the impacts of the T-Line on the Central Forest Reserves (CFRs), the Bank was found to be non-compliant with respect to Annex 10 of the public sector ESAP, i.e. to document a strategic alternative and the basis for its rejection. In this case, it concerns the use of alternative wayleaves for transmission lines. Management acknowledges that there was not adequate explanation of the detail of environmental planning considerations (see previous paragraph). However, the possibility of

⁸ The wayleave is the corridor of specified length in which new Transmission Lines are constructed; while the right of way is the 5 meter wide strip acquired outright and used for maintenance and in which no economic activities are allowed

overlapping corridors (and even alternative routing) was considered during project preparation studies and rejected. UETCL found a solution to accommodate the engineering standards.

3.32 Management believes that further reduction in corridor width was not possible because of safety and line security issues, together with operational considerations. Existing pylons are not able to support additional power cables; redesign would have been operationally difficult and come at excessive cost. This would have implied a lower transfer compensation payment to NFA to improve and protect more valuable parts of the forest estate which might lead to a situation with little or no net benefit. In future operations, however, alternative options and their analysis will be better documented in technical annexes.

3.33 Finally, Management is satisfied with BEL's institutional arrangements for environmental monitoring, but its capacity to appropriately monitor and implement environmental management activities requires further strengthening. The joint AfDB/WBG mission obtained BEL's commitment to deploy additional environmental and social staff to monitor and implement safeguard activities and these additional staff are now in place. Similarly, the need to strengthen institutions and capacities applies to many GoU agencies, including the BIU/UETCL. The Ministry of Energy and Mineral Development (MEMD) has appointed a coordinator for the existing Project Inter-Agency Committee and the Project Monitoring Committee is also now functioning. As part of institutional coordination, MEMD and UETCL have been requested to officially hand over to BEL all Bujagali-I related documents. BEL is also to make available the reports of the Environment and Social Independent Panel of Experts⁹. These are to be made public after BEL, the WBG, and the AfDB have been able to review and comment on the panel report. One report is now available on the BEL website and the remaining two reports will be posted soon.

Hydrological Issues

3.34 The IRP was concerned about three hydrological issues. First, in relation to the adequacy of the hydrological studies that were conducted, it was found that the Bank – although technically not at fault, failed to resolve the discrepancy in the interpretation of the Agreed Curve¹⁰ and the “constant release” in the Power Planning Associates (PPA) study. The use of PPA “constant release” approach comes to similar conclusions to the Agreed Curve and was used in the economic analysis only to simplify long term projections of the project's energy output. Second, the Bank was faulted for not paying special attention to Climate Change issues, although the Bank did not have a policy on this. The Bank has finalized its Climate Risk Management and Adaptation Strategy (CRMA), which will be presented to the Boards of Directors on April 30, 2009. As part of this strategy, the Bank is currently developing a Climate Risk Screening Toolkit, in collaboration with the World Bank. The tools will enable the Bank to screen its investment projects for specific climate risks at sub-national levels. The tools will further help to identify some preliminary adaptation measures that the task managers can incorporate in the project design from the concept stage and during implementation.

⁹ This Panel was commissioned from the outset of the project to review appropriateness and objectivity of documentation in line with (the IFC's) Equator Principles of good practice.

¹⁰ The “Agreed Curve” is a rating curve that correlates the flow of the Nile at the outlet of Lake Victoria to the water level in the lake..

3.35 Third, over and above the IRP's concerns, it may be noted that BEL and the National Fisheries Resources Research Institute (NaFIRRI) have established a baseline of the aquatic ecology, fish species, and fisheries of the Upper Victoria Nile during project preparation. BEL is presently monitoring the impact of project construction using four sampling points: one upstream of the Bujagali construction site and three points downstream. Apart from turbidity changes during the construction of the coffer dam, this monitoring activity has not identified any significant impact caused by the dam construction¹¹.

3.36 NaFIRRI has also established a baseline regarding *bilharzias* prevalence among affected people near the construction site and the abundance of *bilharzias* intermediary host snails. More than 50% of the riparian population is infected with *bilharzias*, either *Schistosoma heamatobium* or *Schistosoma mansoni* (urinary and intestinal *bilharzias*, respectively), the latter has more severe health consequences and can be fatal. BEL has now treated affected people for *bilharzias* since the project started (2,815 people treated for *bilharzias* and 3,403 people treated for intestinal worm diseases).

3.37 Finally, aquatic ecosystem monitoring will continue twice a year throughout construction (during the dry and rainy seasons) and yearly during operation. BEL will also implement timely monitoring activities during major one-off construction events, such as the construction of the remaining coffer dam.

Economic Issues

3.38 Under this section, the IRP examined several issues related to economic analysis, including the thoroughness of the analysis and ensuring that sensitivity analysis assesses a range of variables and is robust. In response to these concerns, Management appreciates the need to conduct a comprehensive economic analysis, including a) incorporation of scenarios for recent droughts (2003-2005 period in this instance); b) full inclusion of resettlement costs in the cost / benefit analysis; and c) ensuring that different approaches – such as constant release vs. moving reference – are examined for different impacts on these economic analysis. During project appraisal, an alternative energy supply analysis along with least-cost analysis, and sensitivity analysis that included variables such as tariffs and risk assessment were carried out, although sensitivity analysis on collection ratios or commercial losses were not. The IRP also concluded that the assessment of the impact of the project on low income households was limited. Consequently, staff training sessions on the (revised) Operations Manual and economic analysis will be revised to ensure adequate treatment of these issues in the future.

Economic and Environmental Analysis of Alternatives

3.39 In addition to the above, it may also be noted that project alternatives and configurations were addressed in the environmental studies undertaken since the late 1990s and summarized in the project Social and Environmental Assessment (SEA). The small and medium scale alternatives have also been addressed in the Bujagali Hydropower Project Economic Analysis. All of these studies have been disclosed, but could have been better summarized in the appraisal report. In terms of alternatives, it was determined that a large power-producing facility is the only facility which will be able to provide base-load power to Uganda within

¹¹ High turbidity depletes oxygen which in turn affects plankton (food for fish) and decreases fishes viewing distance.

the project timeframe. The Economic Analysis also demonstrated that the Bujagali Hydropower Project is the least cost alternative. The only other short term feasible alternative would be an oil-based thermal power plant, which would be significantly more costly.

Policy and Procedure Issues Internal to the AfDB

3.40 The Panel's Report presents **seven recommendations** in its conclusions which are related to Bank policies and internal procedures. They are reproduced in full in Annex 4 and can be summarized as follows:

1. Review and streamline Bank policies to ensure comprehensiveness and to avoid overlap;
2. Make Bank policies easily available to all stakeholders;
3. Make reference in project appraisal documents to specific policies used in project design, and to provide information to show how the project complies with them;
4. Ensure that appraisal documents contain adequate information to justify conclusions and recommendations;
5. Ensure that Bank staff have adequate knowledge of the Bank's policies and how they are applied to its operations, including co-financed ones;
6. Evaluate human resource needs to adequately address main and cross-cutting themes (environment and social safeguards) of operations, and in particular, for complex projects;
7. Review operations information and document storage system (with a view to ensuring adequate documentation and archiving).

The means to address these recommendations are detailed in the second part of the Action Plan Matrix in Annex 2.

3.41 *Revising/updating Policies and Procedures* - most of the issues raised are being addressed in the Bank's current work program on the revision and/or development of sector policy and guidelines within the broader revision exercise of the Operations Manual. The Bank has initiated a comprehensive revision of its Environmental and Social Assessment Procedures (ESAPs) dating from 2001, which will, *inter alia*, synthesize key elements of various cross-cutting policies. It will also incorporate missing safeguards policy items such as dam safety and climate change. This exercise, due to be completed in 2010, will be informed by the findings of the IRPR.

3.42 Also, a draft compendium of existing policies has been prepared and is currently under review. This compendium is part of the on-gong exercise to upgrade the Bank's Operations Manual (scheduled for submission in September 2009) and would eventually be posted to the web-site with adequate hyper-linkages for easy cross-referencing by users. Steps will also be taken, in the medium-term, to streamline policies to avoid unnecessary overlaps.

3.43 *Facilitating Access to Policies and Procedures* – All of the current ESAPs and related safeguard policies have been posted to the Bank Group's website. Similar action will be taken to make available the Bank Group's other operational policies. Management will ensure that posted policies and procedures be updated as appropriate. Field offices will also receive copies of the policies and would be requested to make them available to the public as well as circulate them to relevant public officials and other stakeholders.

3.44 Referencing Policies in Appraisal Reports - Management is also taking action to bring the required adjustments to the project preparation review process to ensure that compliance with safeguard policies is mainstreamed and demonstrated through specific references in appraisal reports and is the responsibility of the TM to ensure that there is complete documentation of them. As part of a broader effort to enhance quality at entry, peer review guidelines and readiness reviews are being introduced. This will include systematic treatment of safeguard issues, which will also be reflected in the revised concept note and appraisal report guidelines. Staff will be better trained in appropriate economic analysis and safeguards.

3.45 Providing adequate compliance information in appraisal reports – although staff are limited in the number of pages that are found in the main body of an appraisal report, they are able to include necessary and relevant information in technical annexes, which they keep on file. Such technical annexes include one specifically dedicated to Environmental and Social Analysis (Annex B8), which is reviewed along with the project appraisal reports, within the framework of the newly introduced quality assurance Readiness Review (RR) exercise. Staff will be trained periodically in project design and appraisal including safeguard policies and procedures to ensure that the appropriate information is retained in relevant documentation.

3.46 Enhancing staff knowledge of AfDB safeguard policies and procedures – Training on Environmental and Social Safeguards policies and procedures was re-initiated in November 2008. The training will be expanded to offer both a half-day and two full-day seminars and given periodically throughout 2009 and the following years. Training will be updated once ESAP has been revised. The Quality Assurance and Results Department will also complement training programs with distribution of ESAP kits to staff. The sustainable development unit will also provide training in gender mainstreaming, participation, poverty reduction policy, and climate change issues.

3.47 Filling staffing gaps on environmental and social issues - Management recognizes the need to address the staffing constraints facing the Bank Group in the environmental and social areas. Furthermore, the recent review of skills mix needs by CHRM indicated that the full complement of environment and social safeguards staff would remain insufficient unless there is redeployment among staff positions or staffing levels are increased. The Bank has already initiated a major recruitment drive aimed at filling available slots and thus strengthening its staffing in crosscutting expertise. As at 31st March 2009, some 20 professional experts and a lead specialist in crosscutting issues were stationed in the relevant Sector Departments and Units, i.e. OINF, OWAS, OPSM, OSAN, OSHD, OSUS and OSFU. These include some 11 environmentalists, 2 climate change specialists, and 8 gender experts. (There are 16 socio-economists (10 at headquarters and 6 in the field offices) but several work as Task Managers and do not focus solely on social safeguard issues.) In addition, the Bank is currently seeking the recruitment of more environmentalists, gender and climate change specialists to strengthen further the Operations Complexes' crosscutting human capacity as well as its Safeguard function. Skills mix will also be addressed by developing a roster of qualified, specialized consultants.

3.48 Central Filing of Safeguards-related Operations Documents - Management has examined the issue of central filing of project documents. The Private Sector Department (OPSM) has developed a central electronic filing system using Oracle Collaboration Suite (OCS) software. The OPSM OCS has been in use since August 2008. Project documents are uploaded and electronically archived on a common server which includes a tracking system.

The system is also externally accessible to Bank staff or other password authorized persons through the internet (www.afdb.org). For public sector projects, SAP functionalities offer possibilities that can be leveraged for a central electronic filing system. Management will encourage staff to scan documents for electronic filing. As an independent check on documentation, ORQR intends to carry out ‘information audits’ on select projects to determine whether project file information on environmental and social safeguards is fully up to date.

3.49 The implementation of the actionable items found in the action plan matrix will result in no significant additional costs and not require additional budget allocation against the project. Certain attempts to meet aspirations of local people, even if there was no commitment by the sponsors or their predecessors, will be met out of existing or supplementary budgets and in other goodwill gestures of the sponsors themselves. For instance, extension of forestation, electrification and water supplies to PAP is being financed by a supplementary AFD grant (\$2.5 million in addition to SEAP costs). The Bank has incurred some additional expenses in undertaking supplementary supervision missions related to Bujagali and will incur expenses related to the revision of the ESAP and development of additional guidelines, such as a safeguard policy on Dam Safety, but these will be taken into account as part of the Bank’s normal budgetary process.

4. Conclusions

This report presents Management’s response to the CRMU Independent Review Panel’s report on the Bujagali Hydropower and Interconnection Projects. These are complementary, large-scale projects that have been under development and planning for more than a decade and are designed to meet important energy needs for the people of Uganda, including those who live near the project site. Legitimate concerns have been raised about the operation and management has provided its response to those concerns in the areas of social and cultural issues, environment, hydrology, and economic analysis and affordability. The usefulness of the review will be seen in the years to come as the Bank pays more attention to implementing and adhering to its policies, and for the Ugandan people, who will benefit from sustainable power supply.

Four concluding observations are made regarding this Plan:

- Under the given set of conditions, the project remains the least cost energy solution to meet a rapidly growing demand.
- The report highlights some weaknesses in adherence to Bank policies, especially with respect to social mitigation and economic analysis.
- The Bank, the World Bank and GOU have committed to corrective measures to ensure compliance with BHP and BIP, which was complicated by legacy issues. The AfDB Action Matrix is harmonized with the World Bank’s Action Plan.
- The Bank is further committed to cross-cutting institutional reforms and capacity building, as well as strengthening and updating policies.

The Boards are invited to take note of Management’s Plan.

ANNEX 1 : Table of Compliance / Non-Compliance	
Environmental Issues	
IN COMPLIANCE	<ul style="list-style-type: none"> - Bank Management and staff exercised due diligence in accepting the findings of the Environmental Impact Assessment on flora and fauna. This is in compliance with Bank environmental policies and guidelines - The purposes of the Kalagala offset are in compliance with AfDB social and environmental policies. - The Bank does not have an explicit policy on dam safety and it was reasonable for Management and staff to rely on World Bank's findings in this respect.
NOT IN COMPLIANCE	<ul style="list-style-type: none"> - Failure to consider the possibility of overlapping the two transmission lines is an instance of non-compliance with the Bank's environmental policy.
OTHER FINDINGS	<ul style="list-style-type: none"> - Management and staff not at fault for not providing analysis of the cumulative impacts in its appraisal. - Although there is a risk that Bujagali dam could increase water drainage from the Lake, water withdrawals as a result of the dams are unlikely to be the main cause of shrinking of the Lake to levels severely detrimental to ecological functions. - However there is no long term management plan for ensuring that the Kalagala offset achieves its environmental and socio-economic functions.
Hydrological Issues	
IN COMPLIANCE	
NOT IN COMPLIANCE	
OTHER FINDINGS	<ul style="list-style-type: none"> - Failure of Management and staff to ensure the resolution of discrepancy in the interpretation of the Agreed Curve between the SEA and the PPA study. - The approach used in the PPA Study is consistent with other hydrological studies conducted in similar projects. - There is an absence of specific AfDB policy requirements for staff to carry out hydrological risk analysis in view of climate change.
Social Issues	
IN COMPLIANCE	<ul style="list-style-type: none"> - The Bank Management's treatment of the Basoga was appropriate and that it had complied with all applicable Bank policies. - Management and staff did not comply with applicable policy requirements by appointing one Witness NGO to be both the independent monitor of resettlement and a participant in the decision making process that deals with grievances. - Bank staff complied effectively with policy requirements on information disclosure.
NON COMPLIANCE	<ul style="list-style-type: none"> - Failure to determine meaningful consultation between the sponsor of Bujagali project and the Nabamba Bujagali amounts to non-compliance with the Bank's Environmental Review procedures of Public Sector Operations and Policy on Good Governance. - There is non-compliance with relevant policies relating cultural property and consultation as Management and staff failed to include a section in the project appraisal report giving due attention to the profound significance of such issues with respect to the Bujagali project. - There is a non-compliance with the Policy on Involuntary Resettlement as all legacy issues were not resolved before the commencement of project activities especially with respect to people who have been involuntarily resettled. - There is a non-compliance with Bank policy on Gender issues and OM 600 based on the perfunctory references to gender dimensions in the project documents. - There is a non-compliance with the Policy on Involuntary Resettlement, Gender and Poverty reduction based on the failure of Management and staff to establish an update of socioeconomic baseline and confidently establish if the resettlement plan meets all the requirements of applicable policies. - Management and staff did not comply with applicable policy requirements by appointing one Witness NGO to be both the independent monitor of resettlement and a participant in the decision making process that deals with grievances.
OTHER FINDINGS	<ul style="list-style-type: none"> - The Bank is not required to give veto to either the project sponsor or other stakeholders over consultations on the project. - It is not clear whether it amounts to non-compliance but the Panel notes the failure of Bank staff to include an assessment of the adequacy of the consultation in the BHP and BIP appraisal reports.

Annex 1 (cont.) : Economic Issues	
IN COMPLIANCE	<ul style="list-style-type: none"> - Management and staff in compliance with OM 600 because they identified the most relevant externalities at least in qualitative terms with respect to environmental and social costs. - The discount rate used by the Bank staff complied with the Bank's requirements.
NOT IN COMPLIANCE	<ul style="list-style-type: none"> - Bank Management and staff are not in compliance with applicable policies because they did not include adequate information in the Bank's own appraisal documents on hydrological sustainability and related economic impacts. - Bank Management and staff are not in compliance with applicable policies because they did not explain in the project documents the impact of different interpretations of the Agreed Curve on the economic and financial viability of the project. In this respect the failed to ensure that the project complied with international agreements ratified by the borrowing country; like international agreements dealing with the release of water from Lake Victoria. - The Bank Management and staff are not in compliance with resettlement policy as the cost of resettlement was not included in economic analysis of project. - Management and staff did not comply with policy requiring a full explanation and justifications in the Bank's appraisal documents for the selection of Bujagali. - Management and staff have not complied with OM 600 on project sustainability and risk and sensitivity analysis. - Management and staff have not complied with applicable policies which require attention to poverty issues and economic impact of the project on low income house holds in its project appraisals.
OTHER FINDINGS	<ul style="list-style-type: none"> - There is no Bank policy or procedure with a requirement on Management and staff to conduct an economic analysis of alternatives. - There is no basis for holding that the Bank failed to comply with the applicable policies on the issue of future tariffs.

Annex 2: Action Matrix: IRP Compliance Report on the Bujagali Hydropower and Interconnection Projects

ANNEX 2: MANAGEMENT RESPONSE TO THE COMPLIANCE REPORT ON THE BUJAGALI HYDROPOWER AND INTERCONNECTION PROJECTS ACTION PLAN						
Item	IPR Findings (Quoted from Compliance Review Report Executive Summary)	Management's response	Deliverable	Responsible Unit	Deadline	Additional Remarks/ Implementation Context
<i>SOCIAL AND CULTURAL ISSUES</i>						
1	<i>The failure to resolve all legacy issues prior to the commencement of project activities and the resulting uncertainty that this has created, especially for those people to be involuntarily resettled for the BIP, constitutes noncompliance with the requirements of the Policy on Involuntary Resettlement.</i>	BEL has made significant progress in resolving legacy issues for BHP. Any delay to start-up of BHP would have involved extraordinary economic costs Progress is satisfactory in implementing the Community Development Action Plan (CDAP). Resettlement and compensation are over 95% complete with only a few issues left to resolve such as land title delivery.	BEL/JETCL have revised (May 2008) and completed Social and Environmental Action Plan (SEAPs), Community Development Action Plan (CDAP) and Assessment of Past Resettlement and Action Plan (APRAP). Mechanisms to monitor compensation outcomes for displaced households will be established and a completion report produced.	OPSM.5	On-going	Likewise for BIP, firm census data has been difficult to establish because of land changing hands during and after 2006 RAP studies and perpetual family/tenure disputes continued regarding proprietary/relations and rights. Mechanisms are in place to give confidence that fair outcomes are achievable, with support of Witness NGO and Mediation Committees in place.
		For BIP, detailed obligations regarding legacy issues at Kawanda Substation were presented in Annex F of the 2006 SEA documentation as well as in the May 2008 update to Assessment of Past Resettlement and Action Plan (APRAP). A Resettlement and Community Development Action Plan (RCDAP)		OINF.3	On-going	Delays in final agreements with Chief Valuer on compensation rates meant it was not possible to confirm the value of BIP packages disclosed until May 2008. However "meaningful consultations" have been on-going, beginning first when compensation packages were first discussed with PAPS.

		was part of 2006 SEA. A framework census of PAPs indicated households that were potentially to be displaced (in the right of way) as well as numbers implicated for compensation in wayleaves. Some potential PAPs could not be traced at the time. The total number of PAPs has risen, but mechanisms are in place to ensure that all affected parties will be compensated.				
2	<i>The perfunctory references to the gender dimensions of this project in the Bank documents constitute non-compliance with the requirements of both OM 600 and the Policy on Gender.</i>	IRP judgement based on "at entry" documentation and differs with implementation practice where gender issues are addressed in CDAP, hiring policy and compensation modalities. For BIP, BIU(UETCL) has tried to ensure that compensation solutions for households do not discriminate against vulnerable persons (in particular women).	Supervisions to date have challenged contractors to assure equal opportunity hiring and Witness NGO and BEL are monitoring compliance.	OPSM.5 & OINF.3	On-going	

3	<i>The shortage of systematically collected data about the situation of the project affected people before the commencement of the projects makes it difficult to confidently establish if the resettlement plan meets all the requirements of the applicable policies. As a result the Panel finds that the Bank has failed to comply with the Policies on Involuntary Resettlement, Gender, and Poverty Reduction.</i>	For BHP a socio-economic baseline survey was completed by AES in 2001. The APRAP documentation in 2006 was produced to track legacy issues for BHP and BIP. Only a limited sample of AES beneficiary PAPs could be found to establish new baseline for outcome evaluation.	Updated socio-economic survey has been commissioned for BHP by BEL to be completed by March 2009. BIP has conducted a comprehensive census of affected land. Grievance mechanism (RCDAP Section 9) is in place to deal with disputes in dynamic situations. Witness NGO reports will be made available for inspection.	OPSM.5 & OINF.3	On-going (but, for survey - March 2009)	BEL will make "reasonable efforts" to locate the original PAPs surveyed in 2002, as well as expand coverage to existing households within the nine project affected villages. The sponsor will also help meet certain undocumented expectations beyond compliance requirement. [WHICH EXPECTATIONS?]
4	<i>The Bank Management's treatment of the Basoga was appropriate, and that it had complied with all applicable Bank policies.</i>	Management is in agreement with IRP conclusion that the Basoga people are one of Uganda's largest ethnic groups and are not subjected to any particular discrimination. Also the Bank has no specific policy dealing with indigenous people, so compliance is not in question.	No Action Required			
5	<i>The admonition to avoid destroying cultural and religious sites and the particular emphasis on consultation and participation in ADB policies imposes on the Bank Management and staff and obligation to ensure that due diligence, including meaningfully consultation with all stakeholders, is fully observed in regard to any cultural or spiritual site that may be damaged by a Bank-funded project.</i>	Management is in agreement with IRP conclusion.	Relevant Bank policies to be strengthened and implemented fully for future operations.			To be included in 2009 revision of ESAP

6	<p><i>The stipulation in the Policy on Involuntary Resettlement that particular attention be paid to "disadvantaged groups", which it defines to include religious minorities, means that the Bank should have paid particular attention to those Basoga, consisting of the Nabamba Bujagali and his followers, who expressed concern that the destruction of the Bujagali Falls was proceeding without proper attention to all the necessary religious rituals and procedures. This obligation on the Bank is particularly relevant in this case because of the stipulation in the Environmental Review Procedures for the Public Sector Operator and Policy on Good Governance that the Bank ensure that the projects it finances comply with the international agreements ratified by the borrowing country, which in the case of Uganda include a number of conventions guaranteeing its citizens the freedom to practice their religion.</i></p>	<p>Please see response to point 4 above and point 7 below.</p>				
7	<p><i>The Bank appraisal of the BHP should have determined if there had been meaningful consultations between the sponsor of BHP and the Nabamba Bujagali. Management's failure to do so amounts to non-compliance with the applicable policies.</i></p>	<p>AESNP and BEL have made considerable efforts to identify and accommodate different representatives of spiritual and cultural interests among whom there has been rivalry. The Nabamba Bujagali had been given support to hold ceremonies to propitiate spirits by AESNP (Bujagali 1). BEL continues to assist in facilitation of such activities without discrimination but cannot mediate changing perceived requirements between clans and cultural groupings. The GoU is to take a roll in brokering</p>	<p>Updated Cultural Properties Management Plan (CPMP).</p>	<p>GoU with BEL assistance</p>	<p>Jun-09</p>	

		expectations regarding rituals. An update of the Cultural Resources Management Plan (CPMP) will: (i) include a description of actions taken subsequent to the 2001 CPMP; (ii) incorporate the EPC contractors CPMP and procedures and provisions for chance finds; and (iii) identify a capacity building and monitoring program for the cultural resource management measures.				
8	<i>The applicable Bank policies only require that the Bank ensure that the project sponsors engage in meaningful consultations with all the stakeholders on this issue [cultural/spiritual] and do not require the ADB to give any one of them a veto over the project.</i>	Management is in agreement with IRP conclusion.	No Action Required			
9	<i>The appropriate manifestation of compliance with the requirements relating to cultural property and consultation in Bank policies would have been a section in the project appraisal report indicating that Bank staff had recognized the profound significance of these issues and appraised the consultations that had taken place, explaining why they believed the issue had been adequately and appropriately addressed and all stakeholders interests respected. The fact that the appraisal report does not contain such a section amounts to an instance of Bank Management and staff non-compliance.</i>	Management is in agreement with IRP conclusion.	Compliance with policy in future operations.	Operations	Immediately	

10	<i>The appointment of one Witness NGO to be both the independent monitor of the resettlement and a participant in the decision making process that deals with grievances arising from the resettlement fails to comply with the applicable policy requirements.</i>	The Witness NGO (InterAid) while not totally independent, is and has been providing satisfactory performance which BEL/UETCL/GoU would not wish to compromise at this stage. InterAid provides observations and recommendations but does not participate in decision-making process. Witness NGO to share reports with Project Monitoring Committee.	Additional NGO to be included in Project Monitoring Committee under NEMA. Witness NGO reports issued.	GoU/NEMA	Dec-08 for Project Monitoring Committee, On-going for reports	
11	<i>Bank staff properly disclosed all Bank documents required by the applicable provisions in the Policy on Information Disclosure.</i>	Management is agreement with IRP conclusion.	No specific action required. Bank-wide efforts are underway to improve retention, disclosure and transparency of documentation.		On-going	
12	<i>While it is not clear that the deficiencies in consultation in these projects amount to an event of non-compliance, the Panel is concerned about the Bank Management's failure to include an assessment of the adequacy of the consultation in the BHP and BIP appraisal reports.</i>	As the IRP points out, AES, the Bujagali Implementation Unit (BIU) within UETCL and now BEL have undertaken consultation over many years with affected communities and have valuable historical knowledge which is being applied to limit fraud. Project appraisal documents mention existence of grievance mechanism and Witness NGO to ensure recourse where consultation insufficient.	Revised PAR guidelines which communicate to staff the appropriate contents to include in Appraisal reports	ORVP Front office	Jun-09	

ENVIRONMENTAL ISSUES

13	<i>Bank Management and staff are not at fault for not providing analysis of the cumulative impacts in the appraisal . Theefoore, this is not a case of non-compliance with the Bank's policies and procedures.</i>	No negative compliance issue registered but future appraisals will provide such cumlative analysis where possible following best practice.	Cumulative analysis to be included in revised ESAP documentation	Operations	Cumulative analysis to be implemented immediately for relevant operations	
14	<i>Although there is a risk that the Bujagali dam could increase water drainage from the Lake, water withdrawals as a result of the dams are unlikely to be the main cause of the shrinking of the Lake to levels where its ecological functions could be severely affected.</i>	No negative compliance issue registered				
15	<i>The Bank Management and staff exercised due diligence in accepting the findings of these studies [IUCN, NaFIRRI - covering flora and fauna - and in particular fisheries] and has complied with the applicable Bank environmental policies and guidelines.</i>	No negative compliance issue registered				
16	<i>The ecological and socioeconomic purposes of the Kalagala offset are consistent with ADB social and environmental policies. However, given the fact that GOU acceded to the request to preserve the Kalagala site as an offset to the ecological, economic and socio-cultural losses caused by the Bujagali dam, the Panel is concerned that there is no long term management plan for ensuring that the offset sustainably achieves its environmental and socioeconomic mitigation functions.</i>	A long term Sustainable Management Plan (SMP) for Mabira (and Nile River) Forests, and Kalagala Offset is part of the World Bank Indemnity Agreement and is now under preparation by IUCN. The Bank contributed actively to its development and specification in February 2008; monies calculated for Mabira Forest estate compensation to NFA (National Forest Authority) to be applied to achieve purposes of the Offset Plan.	Review of SMP produced by IUCN	OPSM.5 & OINF.3	On-going [WHEN WILL IUCN REPORT BE PRODUCED?]	Compensation for lost forest estate in Mabira is offset by implementation of approved NFA activities in updated Mabira Forest Management Plan and SMP.

17	<i>The Bank does not have an explicit policy on dam safety, and it was reasonable for the ADB Management and staff to rely on the World Bank's findings with respect to dam safety.</i>	No negative compliance issue registered. However, the Bank intends to adopt its own dam safety policy, adapting from the one now in use by the WB.	AfDB Dam safety policy	ORQR.3 & OINF.3	Jun-10	
18	<i>The failure to consider the possibility of overlapping the two transmission lines is an instance of non-compliance with the Bank's environmental policy.</i>	The possibility of overlapping corridors (and even alternative routing) was considered in relation to UETCL engineering standards. Existing pylons were not able to support additional power cables and redesign was operationally difficult and expensive. A 5m reduction in corridor width was agreed to. The forest traversed is not in central core forested area and can be seen to be degraded in aerial photographs (loss valued at \$325,000).	AfDB will seek assurances that indemnisation sums paid by UETCL to NFA are applied in accordance with updated Mabira Forest Plans within emerging SMP framework.	OINF.3	Immediate	Less forest land take would have implied lower transfer compensation payment to NFA to improve and protect more valuable parts of non-severed forest estate. Forest clearance practice will be monitored by UETCL/ BEL, NEMA and NFA.
HYDROLOGICAL ISSUES						
19	<i>The fact that the BHP-IP does not clarify how it resolved the discrepancy in the interpretation of the Agreed Curve between the SEA and the PPA Study, while not strictly inconsistent with Bank policies, is a failure of the Bank Management and staff, particularly given the significant efforts made in the hydrological studies undertaken as part of the planning process for this project.</i>	The "Agreed Curve" is a rating curve that correlates the flow of the Nile at the outlet of Lake Victoria to the water level in the lake based on over 50 years of observations. The use of PPA 'constant release' comes to conclusions analogous to the Agreed curve and was used in the (economic) analysis only to "simplify long term projections" of the Project's energy	No Bank Action Required other than ensure best practice followed for future dam projects and ongoing monitoring	OPSM.5	On-going	

		output. Neither the Government nor the WB or AfDB advocate the use of the 'Constant release' curve in lieu of the Agreed Curve. Also, the best practice is to propose a number of hydrologic curves, based on historic information, future prediction and dam operation scenarios. It should be noted that the hydrologic regime at Bujagali will be totally dependent on releases from the upstream Nalubaale and Kiira dams and therefore cannot directly influence Lake Victoria water levels.				
20	<i>The approach used in the PPA Study is consistent with other hydrological studies conducted for similar projects.</i>	No negative compliance issue registered. See comments in previous cell (above).				
21	<i>In the absence of a specific ADB Policy on climate change requiring staff to examine such risks, it cannot make a finding of non-compliance.</i>	Attention to climate change is a relatively recent phenomenon. Issues related to mitigation of climate change can be identified, addressed and monitored during future supervision missions. The Bank now intends to develop a climate change policy and related safeguards.	No Bank action required other than ongoing monitoring. Safeguard policy on climate change to be developed.	OPSM.5 & OINF.3; OROR.3 & OSUS	On-going for supervision . Safeguard policy in 2010	
ECONOMIC ISSUES						
22	<i>While the hydrology issues were addressed in the PPA Study, the Bank Management and staff are not in compliance with the applicable policies because they did not include adequate information in the Bank's own appraisal documents on hydrological sustainability and related economic impacts.</i>	The Bank is under obligation to be as thorough as it can in its analysis. Subject to the 20 pg. limit of the revised PAR format, future PARs will include the summary of analysis in the main text, and details will be provided in appropriate annexes.	Review of Bank policies to ensure that inclusion of appropriate details from economic and financial analysis will be included. Staff will be made aware of Project Appraisal Report requirements. Where applicable, economic	ORPC (Review of Econ & Financial Analysis reporting requirements)	Jun-10	

			issues have been incorporated into the Readiness Reviews.			
23	<i>The novel interpretation of the existing international agreements dealing with water release from Lake Victoria adopted by the PPA Study is inconsistent with the standard interpretation cited in the BHP-IP. Since the application of these different interpretations could affect the overall result of the economic analysis, the Bank Management should have explained, in the project documents, the possible impact of the different interpretations of the Agreed Curve on the economic and financial viability of the project. This is particularly relevant because applicable Bank policies specifically instruct Bank staff to ensure that the Bank-financed projects comply with the international agreements ratified by the borrowing country.</i>	Management could have better reported the reasons underlying the interpretation of the curve(s) although the details can become quite technical. In this circumstance, the differences were small. The base case projection of power generation is very conservative and was aligned with the Low Hydrology case. The financial model is based on an average gross generation of <u>1,314 GWH/year</u> . (Low Hydrology case has a firm capacity of 1,198 GWH/year, and High Hydrology case has 2,132 GWH/year). See Table 3-1, p. 50, "Bujagali II – Economic and Financial Evaluation Study, Draft Final Report", International Finance Corporation, December 2006.	No Action Required			
24	<i>The Bank Management and staff have not fully complied with the Resettlement Policy because they did not include all resettlement costs in their economic analysis of the project.</i>	Full resettlement costs for both BHP and BIP at the time of appraisal could only be estimated for purposes of economic analysis. AESNP met significant resettlement costs prior to pulling out of the project. Future projects will make better attempts to factor in costs of RAP program costs into economic appraisal.	Future projects will do better at factoring all the costs of RAP program costs into economic analysis - to be contained in ESAP revision & Project Economic Analysis Guidelines	Operations, ORPC, ORQR.3	Jan-10	

25	<i>While it is generally preferred (as a best practice) to put a value on all environmental and social costs, in the Bank's appraisal process, including the PPA Study, the Bank's Management and staff have complied with OM600 because they have identified the most relevant externalities at least in qualitative terms.</i>	Management is in agreement with IRP conclusion.	No Action Required			
26	<i>The discount rate used by the Bank staff complied with the Bank's requirement.</i>	Management is in agreement with IRP conclusion.	No Action Required			
27	<i>The Bank staff has not failed to comply with applicable Bank policies or procedures since the existing policies and procedures do not provide clear guidance on how to conduct an economic analysis of alternatives.</i>	Management is in agreement with IRP conclusion although existing policies and procedures will require strengthening.	Revision of Bank policies to ensure future compliance.	ORQR3	Jan-10	
28	<i>The Bank failed to comply with the applicable policies which require Bank staff to provide full explanations and justifications in the Bank's appraisal documents for the selection of Bujagali.</i>	Reasonable explanations and justifications were provided in the appraisal documents, without which Board approval would be impossible. Project appraisal reports have since been limited in length, so required information will be found in supporting documents of future operations. The new readiness review process will also help ensure high quality of project appraisal reports.	Staff will be trained in PAR requirements through continuous offering of training seminars.	ORQR, ORPC	Through out 2009 and 2010	
29	<i>There is no basis for holding that the Bank failed to comply with the applicable policies for the issue of future tariffs.</i>	Management is in agreement with IRP conclusion.	No Action Required			

30	<i>The Bank Management and staff have not complied with OM600 on project sustainability and risk and sensitivity analysis.</i>	Additional alternative analyses were conducted and reported in supporting documentation, but not adequately disclosed in the PAR. Project appraisal reports have since been limited in length, so required information will be found in supporting documents of future operations.	Staff will be trained in PAR requirements through continuous offering of training seminars.	ORQR3 / ORPC	2009/2010	
31	<i>The Bank Management and staff have not complied with those applicable policies which require the Bank to pay particular attention to poverty issues in its project appraisals.</i>	Construction of the Bujagali dam and provision of electricity is intended to help move Ugandans out of poverty. Poverty reduction impacts on Low-income and vulnerable populations will be assessed in future Bank operations.	Training will be offered to staff to become familiar with appropriate Bank policies. Social Safeguard staff will be reinforced to ensure that these issues are covered.	ORQR / OSUS	2009-2010	
POLICY ACTION PLAN						
32	<i>Ensure that the Bank's policies and procedures are reviewed to evaluate the comprehensiveness of their coverage, streamlined to avoid unnecessary overlap and systematized so that it becomes easier for Bank staff and other stakeholders to understand how the different strategies, policies, guidelines and manuals relate to each other, and how they should be applied in the Bank's operations.</i>	<i>Immediately:</i> a compendium of existing policies has been developed. They will be posted on the web. They will be hyperlinked in the web for cross-referenceing to help readers understand how they relate to each other.	Compendium of policies posted and hyperlinked on the website	ORPC	Sep-09	
		In the medium-term, ORPC will undertake review as requested.	The Operations Manual will be revised.	ORPC	Ops Manual: 2010	
		Also, ORQR will revise the ESAP that pulls together all essential safeguard policies under one umbrella procedure. The revision will help clarify essential safeguard-only procedures.	Revised ESAP	ORQR	2010	

33	<i>Ensure that the Bank's policies and procedures become easily available to all interested parties in the Bank's operations, including borrowers, officials of executing agencies, civil society groups, affected people and the public at large. Facilitating access to the Bank's policies and procedures is consistent with the Bank's Policy on information Disclosure, and would effectively contribute to enhanced awareness and understanding of the Bank's operations among all stakeholders, including affected people living in the areas where projects are being planned and implemented.</i>	17 ESAP related policies have been compiled and be posted on the website	A webpage dedicated to ESAPs will be re-designed and implemented	ORQR	Jun-09	
		Bank's Operations related policies will be posted on the Bank's website.	Ops. Policies posted.	ORPC	Jan-10	
34	<i>Ensure that Bank Management and staff include in project appraisal documents specific references to the policies upon which they have relied in making their project appraisals and adequate information to show that they have complied with the requirements of all applicable Bank policies and procedures. Such references would also facilitate project supervision by staff members who were not necessarily involved in the preparation of the project.</i>	Recently issued project concept note and project appraisal guidelines will reflect this request.	Revised Concept Note and project appraisal report guidelines will require listing of policies applied.	ORVP Office	Front Jun-09	

		A peer review checklist used for internal review purposes will also reflect this request.	Peer Review Checklist including request for references to policies.	ORQR	Mar-09	
35	<i>Ensure that Bank Management and staff include adequate information in appraisal documents to justify their conclusions and recommendations.</i>	Basic format of Project Appraisal Report has been redesigned to focus more effectively on critical information. A number of seminars and workshops have been recently organized for their dissemination.	Seminars on PAR will be offered on a periodic basis.	ORQR	Each half year	
		Dissemination seminars and workshop will continue to be organized to raise Bank's staff comprehension and skills related to project preparation.	Training seminar on <i>logframe preparation, design of results-based CSPs and projects, Results indicators and targets, etc.</i>	ORQR	Each half year	
36	<i>The Panel gained the impression from its interviews with the Bank staff responsible for the Bujagali projects that they seemed to have been overly confident in the policies and procedures of co-financiers, in particular the World Bank, and in their supervision and due diligence. However, as the operations of the ADB are governed by this Bank's own policies, the Panel recommends that the Bank take appropriate action to ensure that the Bank staff have an adequate knowledge of the Bank's policies and how they are applied in its operations, including co-financed operations .</i>	The Bank has plans to adopt its own policies but these will be harmonized with others to facilitate joint action among donors.	ORPC /ORQR	on-going		The Bank remains, however, committed to ensuring that its policies are respected and, in cases, where the policies of the different institutions involved differ significantly, Bank's policy would be expected to prevail
		ESAP training seminars are being planned for over the 2008/2009 year. Two took place in 2008; several more are scheduled for 2009. including Field Offices	5 training seminars	December 2009 and on-going		

37	<i>Based on its observations at the Bank's headquarters and in the field, the Panel is concerned about the adequacy of the number of staff (and consultants) assigned to work on the social and environmental aspects of a complex operation like the Bujagali projects. The Panel therefore recommends that the Bank re-evaluate its human resource needs, paying particular attention to the expertise needed to effectively manage the main and cross-cutting issues involved in its operations.</i>	Management recognises the serious staffing constraints faced with respect to handling environmental and social aspects including gender, poverty, civil society participation and climate change.	Existing expertise incorporating new staff for social (RAP) and environmental management planning will be consolidated.			
		The Bank is addressing the staffing gaps through additional recruitment (recent achievements: 2 new environmentalists in OPSM and 1 in OWAS; 2 gender specialists in OIVP and OSVP).	Successfully recruit 4 new ESAP specialists in OINF for a) project 'at entry' and b) implementation support activities			
		Recruitment drive to continue in order to strengthen staffing in the newly established Sustainable Development Unit (OSUS)	Successfully recruit 4 PL experts in crosscutting issues including climate change at post in FY 09	OSUS/CHRM	2009	
		Recruitment of environmentalists for staffing the Compliance and Safeguards Division in the newly established Quality Assurance and Results Department (ORQR)	2 PL environmentalists at post in FY09	ORQR/CHRM	Jun-09	Positions have been advertised.

		Management will alter skills mix through attrition and recruitment.	Audit of skill mix completed. Plan of action for reorganisation and deployment of staff and filling the Bank Group skills gaps, pending redeployment of positions will be developed.	CHRM	Mar-09	
38	<i>While the Panel was able to eventually obtain access to all relevant project documents for its compliance review the Panel is concerned with the way the records related to the two Bujagali projects are kept. Many important documents were not available in a central filing system or archive. The Panel, therefore, recommends that the Bank review its operations information and document storage system. An efficient information storage system is a key component in maintaining the Bank's institutional memory.</i>	Filing system exists in SAP for documents to be permanently attached to individual project database. CIMM is available to study the possibility to (re)train staff"	Mgmt to study WHY staff do not use archiving process. Will re-design training program; build in correct staff incentives; AUDT/ ORQR to undertake period archiving audits relating to all ESAP documentation for key operations.	CIMM / AUDT / ORQR3	Jun - /2009 & on-going audits	

Annex 3: Bujagali BHP and BIP SEAP Implementation Plans

A. Timeline and Plans, including Preparation studies

- 2001 **AES** Socio-economic baseline study
- 2002 **AES** RCDAP (Resettlement and Community Development Action Plan)
- 12/06 **BHP** December 2006 SEA (Social and Environmental Assessment, ie ESIA)
[approved April 25, 2007 by NEMA], includes BEL's RCDAP and APRAP
- 10/07 SEA developed into **BHP SEAP (Social and Environmental Action Plan)**
SEAP includes a number of plans listed in the SEAP Framework
document (see below), including:
 -CDAP -- Community Development Action Plan
 -APRAP -- Assessment of Past Resettlement (and Activities) and Action Plan
- Key elements adopted by Contractor as:
BHP **EPC Contractor SEAP**, October, 2007
- Contractor's Social and Environmental Management Plan (CSEAP).
- 12/06 **BIP – SEA (Social and Environmental Assessment)**
[approved April 25, 2007 by NEMA], includes RCDAP (ie RAP),
which includes as Annexe F the AP(Kaw)RAP concerning Kawanda Substation
- 5/08 BIP SEA developed into **BIP SEAP (Social and Environmental Action Plan) with range of plans presented in below** BIP SEAP Framework (20 May, 2008) including:
 -RCDAP -- Resettlement and Community Development Action Plan
 -APKawRAP -- Assessment of Past Resettlement (and Activities) and Action Plan
- Interim Contractor's Social and Environmental Management Plan (ICSEAP).

B. SEAP Management Plans

BHP Sponsor SEAP Management Plans¹

- Regulatory and Management Framework (RFRMP);
- Public Consultation and Disclosure Plan (PCDP);
- Assessment of Past Resettlement Activities and Action Plan (APRAP);
- Resettlement and Community Development Action Plan (RCDAP);
- Labor Force Management Plan (LFMP); and,
- Environmental Mitigation and Monitoring Plan (EMMP).

¹ *BEL and UETCL have action plans that cover the overall project vis a vis their obligations whereas contractors have specific action plans relevant only to their activities.*

BHP Contractor's Action Plans

- Traffic/Access Management Plan (TMP);
- Waste Management Plan (WMP);
- Labor Force Management Plan (LFMP);
- Environmental Mitigation and Monitoring Plan (EMMP);
- Health And Safety Management Plan (HSMP);
- Pollution Spill Contingency Plan (PSCP);
- Hazardous Materials Management Plan (HMMP); and,

BIP UETCL/BEL SEAP Management Plans

- Regulatory and Management Framework (RFRMP);
- Public Consultation and Disclosure Plan (PCDP);
- Assessment of Past Resettlement and Action Plan for Kawanda Sub-Station (APKawRAP);
- Resettlement and Community Development Action Plan (RCDAP);
- Labor Force Management Plan (LFMP);
- Environmental Mitigation and Monitoring Plan (EMMP).

BIP Contractor Action Plans

- Traffic/Access Management Plan (TMP);
- Waste Management Plan (WMP);
- Labor Force Management Plan (LFMP);
- Environmental Mitigation and Monitoring Plan (EMMP);
- Health and Safety Management Plan (HSMP);
- Pollution Spill Contingency Plan (PSCP);
- Hazardous Materials Management Plan (HMMP);

Annex 4: Full Text of Recommendations of the IRPR's Chapter VII Conclusions

The IRP concluded that “the search for policies and operational guidelines applicable to the Bujagali compliance review **consumed a considerable amount of the Panel's, CRMU staff and other Bank staff time.** Several of **the relevant policies were not available electronically**, especially those dating back to the 1990s, while others could not easily be accessed on-line (Intranet or Internet).

In addition, the Panel found that there were **often more than one policy document applicable to an issue** and that there was insufficient clarity on how to apply these often overlapping policies and procedures to the issue. As a result, Bank staff can be unclear about which policy document they should treat as authoritative.”

In order to address both these issues, the Panel recommended that the Bank should:

1. Ensure that the Bank's policies and procedures are reviewed to evaluate the comprehensiveness of their coverage, streamlined to avoid unnecessary overlap and systematized so that it becomes easier for Bank staff and other stakeholders to understand how the different strategies, policies, guidelines and manuals relate to each other, and how they should be applied in the Bank's operations.

2. Ensure that the Bank's policies and procedures becomes easily available to all interested parties in the Bank's operations, including borrowers, officials of executing agencies, civil society groups, affected people and the public at large. Facilitating access to the Bank's policies and procedures is consistent with the Bank's Policy on Information Disclosure, and would effectively contribute to enhanced awareness and understanding of the Bank's operations among all stakeholders, including affected people living in the areas where projects are being planned and implemented.

3. Ensure that Bank Management and staff include in project appraisal documents specific references to the policies upon which they have relied in making their project appraisals and provide adequate information to show that they have complied with the requirements of all applicable Bank policies and procedures. Such references would also facilitate project supervision by staff members who were not necessarily involved in the preparation of the project.

4. Ensure that Bank Management and staff include adequate information in appraisal documents to justify their conclusions and recommendations.

Recommendations related to the Bank's operational systems:

As indicated in the introduction to this section, the Panel, when undertaking the review, observed some operational constraints and offered the following recommendations for the Bank Management's consideration:

5. The Panel gained the impression from its interviews with the Bank staff responsible for the Bujagali projects that they seemed to have been overly confident in the policies and procedures of co-financiers, in particular the World Bank, and in their supervision and due diligence. However, as the operations of the AfDB are governed by this Bank's own policies, the Panel recommended that the Bank take appropriate

action to ensure that the Bank staff have an adequate knowledge of the Bank's policies and how they are applied in its operations, including co-financed operations.

6. Based on its observations at the Bank's headquarters and in the field, the Panel was concerned about the adequacy of the number of staff (and consultants) assigned to work on the social and environmental aspects of a complex operation like the Bujagali projects. The Panel therefore recommended that the Bank re-evaluate its human resource needs, paying particular attention to the expertise needed to effectively manage the main and cross-cutting issues involved in its operations.

7. While the Panel was able to eventually obtain access to all relevant project documents for its compliance review the Panel was concerned with the way the records related to the two Bujagali projects are kept. Many important documents were not available in a central filing system or archives. The Panel, therefore, recommended that the Bank review its operations information and document storage system. An efficient information storage system is a key component in maintaining the Bank's institutional memory.