

**Bujagali Interconnection Project (BIP)
Land Acquisition Completion Report Gap Analysis and Supplemental Completion
Report
Consulting Assignment**

Project Description

The Bujagali Interconnection Project (BIP) is an approximately 100 km transmission line project built simultaneously to the Bujagali Hydropower Project (BHPP) between 2008 and 2012. The line was built and is owned by the Uganda Electricity Transmission Company Ltd (UETCL), financed by the African Development Bank (AfDB) and Japan International Cooperation Agency (JICA). IFC did not participate in the financing of the BIP. An independent consultant appointed by Bujagali Energy Limited (BEL) prepared the social and environmental assessment documentation, including the Resettlement and Community Development Action Plan (RCDAP) and managed the construction of the BIP, including the payment, but not the assessment, for land and crops. BIP was composed of the following lines:

- A 132kV switchyard on the west bank of the Victoria Nile adjacent to the BHPP (Bujagali Switchyard)
- A 132 kV line south from the Bujagali Switchyard to the existing 132 kV line from Nalubaale to Tororo, where that line was severed;
- A second 132 kV line extending north from the severed Nalubaale-Tororo line to interconnect with the Bujagali Switchyard
- A new 220 kV capacity transmission line operating at 132 kV from the Bujagali Switchyard to a new substation at Kawanda, north of Kampala
- A new substation at Kawanda; and
- A new 132 kV line from the Kawanda substation to the existing 132 kV substation at Mutundwe in southern Kampala

BIP ensured that the full output of the BHPP could be evacuated and was, thus, considered by the lenders of BHPP to be an associated facility to the BHPP. The line was designed and built as a 220 kV line, with an appropriate way-leave and right-of-way, but the bays and switchgear installed at the substations were initially limited to 132 kV.

Background

Because BIP was considered necessary to evacuate all of the power for the BHPP, the lenders to that project considered BIP to be an associated facility. As a result, the lenders required that the social and environmental assessment documents for BIP be prepared according to the lenders' environmental and social standards, including the International Finance Corporation's (IFC) 2006 Performance Standards. This requirement was spelled

out in a Direct Agreement among the lenders¹, BEL, and UETCL (UETCL Line Direct Agreement). Although it was not required under the 2006 Performance Standard 5,² the UETCL Line Direct Agreement did call for a resettlement completion audit.

In 2011, prior to BEL exiting the role of project construction manager for the BIP, UETCL did request a completion report from BEL. BEL provided the “Interim Wrap-up Report” in March 2011. The report focused on the progress made in the land acquisition, including the separate problems that had slowed land acquisition to that point. UETCL itself prepared this report. The report updated figures from the 2008 RCDAP and showed that the BIP required 2,632 land transactions, 217 physically displaced households of which 170 households had to be relocated elsewhere, and 43 vulnerable persons who required special assistance. The report explicitly noted that many of the livelihood restoration measures had not yet been implemented as the provisions for physical resettlement were not fully implemented. Thus, the report did not come at a time that the land acquisition was fully completed and before the livelihood restoration measures had been put in place.

The National Environmental Management Authority (NEMA) requested a comprehensive environmental completion report that included a review of the land acquisition process. The local office of an international consultant, COWI, produced the report in June 2014. While the report was based on national requirements enumerated in the permit issued by NEMA, it also considered the requirements of the World Bank’s Operational Policy (OP) 4.12 on resettlement. The report noted a number of legacy issues from the land acquisition, including compensation issues and possible gaps in the resettlement program. It did not address how these gaps might be filled, but recommended instead that a new assessment of past resettlement be undertaken to address these issues and any necessary follow-up actions. This proposed assessment was never undertaken.

In 2009, a group of project affected people who had been involved in 557 land transactions for BIP filed a lawsuit in the Ugandan court claiming that UETCL had under-compensated them for their land and crops. In 2011, these same claimants, along with 16 others, filed a complaint with the Compliance Advisor Ombudsman’s (CAO) office, referred to as Bujagali 05 case. The CAO’s dispute resolution team mediated an agreement between the complainants (actually approximately 350 complainants with 514 land transactions) and UETCL that provided them with additional compensation. As a result of this settlement, another group of complainants came forward asking to join the agreement (Bujagali 07 case). UETCL decided not to include the additional claimants, resulting in the second case being turned over to the CAO compliance process. The CAO compliance investigation

¹ The lenders to the Bujagali HPP who were parties to the Direct Agreement included AfDB, DEG, EIB, FMO, IFC, and Proparco. ABSA Bank and Standard Chartered were also lenders who were parties to the agreement. IDA provided a guarantee to the commercial lenders, but was not party to the Direct Agreement.

² While not required, Guidance Note 5, paragraph GN24, did suggest that an external completion audit of the resettlement action plan might be appropriate depending on the scale of the resettlement.

report was published on January 2018. One of its main conclusions was that because a resettlement completion audit had not been done, IFC could not have assured itself that project-affected people had not been able to restore their livelihood and could not assure itself that they have not been made more vulnerable.

Based on these findings, discussions among UETCL and IFC (the Parties) led to an agreement that a supplemental completion gap analysis would be an appropriate response to this finding.

Objective of the Gap Analysis

The central objectives of this consulting assignment are to identify gaps in the existing completion reports (described above), particularly with reference to the determination of whether project affected people have had their livelihood restored, and to fill those gaps through an assessment of project-affected people's current situation in comparison with the baseline of 2006.

Tasks

Task 1 – Gap Analysis of Existing Closure Reports

Based on the guidance set out in paragraph G24 of Guidance Note 5 in the 2006 Performance Standards, review the three completion reports that have already been prepared. These are:

- RCDAP Implementation Interim Wrap-Up Report, dated 15 March 2011.
- Environmental Completion Audit, prepared by COWI, dated 27 June 2014
- Project Completion Report, dated March 2016

Identify any gaps between these three reports and what is provided as guidance in the paragraph mentioned above. The relevant resettlement action plan is:

- Resettlement and Community Development Action Plan (RCDAP) for the Bujagali Interconnection Project, dated May 2008.

The gap analysis is a desktop screening exercise for the completion reports; it is not intended as a thorough analysis of whether gaps existed in the implementation of the RCDAP nor is it an assessment of the RCDAP against the provisions of the 2006 Performance Standards. The exercise should, however, identify any inconsistencies or lack of clarity that might arise in the reports.

The output from the gap analysis will be a brief report detailing any and all gaps identified in the analysis. This report should include a table of what would be expected in a completion audit and what was addressed or not addressed in the above three completion reports.

Task 2 – Supplemental External Completion Report

Should the gap analysis in Task 1 identify gaps in the existing three completion reports, the consultant will prepare a proposal for filling those gaps to UETCL and IFC. On acceptance by all parties of the proposal, the consultant will prepare a supplemental external completion report. Depending on the findings of the gap analysis, the work plan for this supplemental completion report may include:

- Identification of any instances where compensation for assets was due to individuals and companies but has not, for whatever reason, yet been paid.
- Identification of any livelihood restoration or community development measures listed in the RCDAP that were not or only partially carried out and any explanations as to why they might have not been completed.
- Retrieval of the socio-economic baseline for project-affected people as recorded in UETCL records from 2006 against which the success of the livelihood restoration measures can be assessed.
- Undertaking a survey of project-affected people based on a representative sample that would include people that were compensated for crops, resettled households, and households identified as vulnerable. The sample should reflect the differences along the length of the BIP in the density of land transactions. The primary objective of the survey should be to assess their restoration of livelihood against the socio-economic baseline.
- Review of UETCL's grievance log to determine the resolution of grievances.

The output from the external completion report should cover all areas identified in the gap analysis. The report should summarize whether commitments made in the RCDAP were completed and identify any outstanding commitments. The report should also consider whether the two following objectives of the 2006 version of PS 5 have been fulfilled:

- To improve or at least restore the livelihoods and standards of living of displaced persons
- To improve living conditions among displaced persons through the provision of adequate housing with security of tenure at resettlement sites

In making a determination of whether these objectives have been fulfilled, the consultant should identify and take into account social and economic trends not related to the land acquisition that may have negatively affected the livelihoods and living conditions of the project-affected people.

Task 3 – Corrective Action Plan

Based upon the findings in Task 2, develop an action plan with suggested measures to address any unfulfilled commitments made in the RCDAP, as well as measures to address any systematic shortfall in livelihood restoration or living conditions. The Parties, i.e., UETCL and IFC, will finalize the corrective action plan with respect to agree upon actions and a timeline in which to complete them.

Timeline

2 weeks from the start of the assignment - Draft gap analysis report;

1 week following agreement on gap among the Parties - Final gap analysis report;

4 months after agreement among the Parties on the gap analysis report - Draft supplemental completion report and corrective action plan;

2 weeks after receipt of comments from the Parties on the draft supplemental completion report and corrective action plan - Final supplemental completion audit and corrective action plan;

Overall, the assignment is expected to stretch over a period of 7 months.

Qualifications

The Parties are seeking an international consultant with experience in land acquisition and resettlement in Sub-Saharan Africa. The consultant should have knowledge of the IFC Performance Standards, particularly of the 2006 version of those standards.