

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

FOURTH PROGRESS REPORT
ON THE IMPLEMENTATION OF MANAGEMENT'S ACTION PLAN IN
RESPONSE TO
THE INSPECTION PANEL INVESTIGATION REPORT
(REPORT # 44977-UG) ON THE
REPUBLIC OF UGANDA
PRIVATE POWER GENERATION (BUJAGALI) PROJECT
(IDA GUARANTEE NO. B0130-UG)

September 13, 2013

ACRONYMS AND ABBREVIATIONS

AFD	Agence Française de Développement
AfDB	African Development Bank
APRAP	Assessment of Past Resettlement Activities and Action Plan
BEL	Bujagali Energy Limited
BEMC	Bujagali Environmental Monitoring Commission
CDAP	Community Development Action Plan
CPMP	Cultural Property Management Plan
EAC	East African Community
EIB	European Investment Bank
EPC	Engineering, Procurement and Construction
ERT	Energy for Rural Transformation
ESIA	Environmental and Social Impact Assessment
ESU	Environment and Social Unit
GoU	Government of Uganda
GWh	Gigawatt hour
IACC	Inter-Agency Coordination Committee
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
JICA	Japan International Cooperation Agency
kV	Kilovolts
kWh	Kilowatt hour
M&E	Monitoring and Evaluation
MAP	Management Action Plan
MEMD	Ministry of Energy and Mineral Development
MIGA	Multilateral Investment Guarantee Agency
MoWE	Ministry of Water and Environment
MW	Megawatt
NEMA	National Environmental Monitoring Agency
NFA	National Forest Authority
OBA	Output Based Aid
OP	Operational Policy
PAPs	Project Affected Persons
PoE	Panel of Experts
RAP	Resettlement Action Plan
REA	Rural Electrification Agency
SEAP	Social and Environmental Action Plan
SMP	Sustainable Management Plan
UEDCL	Uganda Electricity Distribution Company Limited
Umeme	Private Sector Distribution Concessionnaire
WMDP	Water Management and Development Project

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EXECUTIVE SUMMARY

- i. This is the Fourth Progress Report to the Board of Executive Directors on the implementation of Management's Action Plan in response to the Inspection Panel Investigation Report No. 44977-UG on the Private Power Generation (Bujagali) Project.
- ii. The Project consists of the 250 MW run of river Bujagali hydropower station on the Nile River, eight kilometers downstream from the existing Nalubaale/Kiira power station; a 220 kV double circuit transmission line (Bujagali-Kawanda), funded by the African Development Bank (AfDB) and Japan International Cooperation Agency (JICA); a 132 kV double circuit line from Kawanda to Mutundwe, and a 132 kV double circuit line from Bujagali to Nalubaale and then to Tororo. The project was fully commissioned in August 2012.
- iii. In response to a Request for Inspection submitted by a Ugandan NGO the Panel recommended an investigation, which was approved by the Bank's Board. Consequently, the Inspection Panel submitted its Investigation Report to the Board on August 29, 2008. On November 7, 2008, Management submitted its Report and Recommendation (MRR), including a detailed Management Action Plan (MAP), developed in response to the Inspection Panel's findings. Management has regularly provided Progress Reports on the MAP to the Board, of which this is the fourth.
- iii. Except for provision of electricity connections to the affected communities, all actions under the MAP have been completed (paras. 29-31). Bujagali Energy Limited (BEL) has also completed all activities as outlined in the Social and Environmental Action Plan's (SEAP) community designed programs for vulnerable groups and other affected communities (paras. 14-15). By end-2011 the school and health clinics were rehabilitated for vulnerable groups, including building of small scale infrastructure (paras. 26-28), and augmenting existing education and health facilities. The completion report for the Resettlement Action Plan (RAP) was submitted to the Bank in May 2013. The Bank has reviewed the report which satisfactorily assesses that the overall objectives of the resettlement program, specifically those related to restoring or improving the standards of living of displaced people resettled in Naminya, have been achieved. However, the report notes that the procurement of three land titles from the Lands office is still outstanding (para. 43). Also, as a matter of good practice, the identification of further remedial long-term assistance measures for vulnerable households needs to be carried out. BEL has prepared a supplemental action plan to address these issues.
- iv. Together with the annual independent evaluation of Assessment of Past Resettlement Activities and Action Plan (APRAP) and Community Development Action Plan (CDAP) implementation, BEL has in place qualified staff to do monitoring and provide, on a continuous basis, the quarterly environmental and social progress reports.
- v. The following activities will continue to be monitored as part of the MAP: (i) continued and satisfactory implementation of the Sustainable Management Plan (SMP) for the Kalagala Falls; (ii) electrification of households in the Naminya Resettlement Area and affected nine

villages, as a part of the community development program; and (iii) satisfactory implementation of the supplemental action plan.

vi. The World Bank continues to closely supervise the Project in coordination with other donors. The next annual progress report on MAP activities will be provided within twelve months time.

Fourth Progress Report on the Implementation of Management’s Action Plan in Response to the Inspection Panel Investigation Report on the Uganda Private Power Generation (Bujagali) Project

I. INTRODUCTION

1. This is the Fourth Progress report to the Board of Executive Directors on the implementation of Management’s Action Plan in response to the Inspection Panel Investigation Report No. 44977-UG on the Private Power Generation (Bujagali) Project.
2. The Private Power Generation (Bujagali) Project (“the project”) is a 250MW run of the river power plant with an adequate reservoir for daily storage, an intake powerhouse complex, and an earth filled dam with a maximum height of about 30 meters, together with spillway and other associated works. The project was constructed on the Nile River, approximately 8 kilometers north of the existing Nalubaale and Kiira power plants. The project’s main objective is to provide least-cost power generation capacity in order to eliminate power shortages. The project represents an increase of 250MW of generation capacity on the national grid.
3. On March 5, 2007, a Request for Inspection was filed with the World Bank’s Inspection Panel, by the Ugandan National Association of Professional Environmentalists (NAPE) and others, which alleged that the failures and omissions of the International Development Association (IDA) in the design, appraisal, and implementation of the above-referenced project materially affected the rights and interests of the Requesters and were likely to jeopardize their future social, cultural, and environmental security. Following Board approval of the Panel’s Recommendation on May 18, 2007, the Inspection Panel undertook to investigate the allegations.
4. The Inspection Panel submitted its Investigation Report No. 44977-UG on the Project to the Board of Executive Directors on August 29, 2008. On November 7, 2008, Management submitted its Report and Recommendation, including a detailed Management Action Plan (MAP), developed in response to the Inspection Panel’s findings. On December 4, 2008, the Executive Directors considered both reports and approved the MAP proposed by Management. The Board also asked that Management report on the progress in implementing the MAP annually. The first progress report was submitted to the Board on September 14, 2009; the 2nd progress report on April 1, 2011 and the 3rd on April 25, 2012. This is the Fourth Progress reporting on MAP progress being submitted to the Board.
5. Implementation of the actions contained in the MAP started in 2008 and these are monitored continuously. The completed activities, as outlined in Annex 1 of the MAP, are periodically assessed in the: (i) Quarterly Monitoring and Evaluation Reports prepared by BEL; (ii) Semi-annual reports of the Joint Lenders¹ Supervision Missions (between 2008 and 2012); (iii) Annual Review by the Independent Panel of Experts (PoE); and (iv) National Multi-stakeholder Bujagali Environmental Monitoring Committee (BEMC) Reports. This Fourth

¹ Participating financial institutions.

Progress Report consolidates the information from these sources on progress achieved to date related to the actions and outcomes.

II. PROJECT STATUS

6. **Project Implementation.** Implementation of the project started on June 26, 2007 (see Annex 1 for project details). Because of unanticipated geological conditions, project commissioning was delayed from June 2011 to April 2012. Subsequently, because of repairs necessitated by defects in the electromechanical equipment, commissioning was further delayed until August 2012. The 250 MW of power generated is now evacuated through a 220/132 kV transmission line system (in total about 103.5 kilometers of transmission lines) between substations at Bujagali, Naalubale, Kawanda and Mutundwe. The transmission line system is being financed by the African Development Bank (AfDB) and JICA.

7. **Progress in Completion of the Power Plant.** As of early April 2013, all offshore, onshore, civil and electro-mechanical works are 100 percent complete. The Contractor has demobilized from the project site and has removed all equipment. Temporary works have been removed and the ground returned to its original graded condition. Only final punchlist items are being completed with a small number of workers. The project began commercial operation on August 1, 2012 and has been operating with a cumulative availability of over 98 percent since then. All units have been fully commissioned and have passed their reliability tests. The Independent Engineer continues to provide progress reports to the Lenders. Final acceptance of the Power Plant is anticipated to occur soon.

8. **Progress in Transmission Line Construction.** The construction of the various transmission line segments is 100 percent complete and all final inspections and punchlists have been completed as well. All sections are fully electrified. The Bujagali substation was commissioned in January 2012, and the upgrading from 132 kV to 220 kV is expected by late 2013; this is being financed by AfDB/JICA. Substations (132 kV) at Kawanda and at Mutundwe, also financed by AfDB/JICA, were commissioned in November 2011. Upgrading of the substation at Kawanda (from 132 kV to 220 kV) will be financed by IDA under the Electricity Sector Development Project. Procurement of this is underway, along with construction of a new substation at Masaka (220 kV), upgrading at Mbarara (132 kV) and 132 km of 220 kV transmission line between Kawanda and Masaka.

9. **Additional Requests for Investigation.** The same group of Requesters who filed the Request with the Inspection Panel of the International Bank for Reconstruction and Development (IBRD) and IDA also filed separate complaints to AfDB and the European Investment Bank (EIB) in 2009. These underwent investigation by both institutions. The final report from AfDB was completed in 2010 and included mitigation measures that were similar to those of the Bank. The EIB investigation report is complete: in addition to the same issues raised with the Bank and AfDB, there were concerns about blasting impacts expressed. Another set of requests was filed with the complaint offices of the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). The first two complaints (dated March 2011 and May 2011) were assessed by the Compliance Advisor Ombudsman (CAO) and a report was disclosed in December 2011. The complainants' concerns related to: (i) compensation by the plant's

contractor after workers suffered injuries sustained in the course of their work; (ii) compensation for assets during the transmission line land acquisition process; (iii) impacts of loss of livelihoods related to informal tourism operator activities; and (iv) blasting impacts related to damages to buildings/structures as well as human and animal health. For all four issues, the parties agreed to a voluntary dispute resolution process under CAO auspices. While issue (iii) involving the informal tourism operators has been successfully resolved to all parties satisfaction, issues (i), (ii), and (iv) are being addressed through the CAO dispute resolution mechanism. More recently (April 2013), a third request related to unpaid wages was filed with the complaint offices of IFC and MIGA. This is currently under assessment. Remedial actions will be developed upon completion of the assessment.

III. IMPLEMENTATION OF THE MANAGEMENT ACTION PLAN

10. Table 1 (below) summarizes the status of actions taken under the MAP. Please see **Annex 1** for a more detailed description of activities.

Table 1: Status of Implementation of the Management Action Plan (MAP)

Issues ²	MAP Actions Undertaken During Supervision	Status
General		
Institutional Capacity	Management follow up on institutional coordination and capacity building: <ul style="list-style-type: none"> ▪ Establishment of a Project Monitoring Committee (Inter Agency Coordination Committee) ▪ Strengthening of capacities of Bujagali Electricity Limited's (BEL) Environment and Social Unit (ESU) 	<i>Completed</i> <i>Completed</i>
Guidance on Environmental and Social Safeguard Issues in Legacy Projects	<ul style="list-style-type: none"> ▪ Management has developed interim guidance on addressing environmental and social safeguard issues in legacy projects (which is a Bankwide activity applicable not only to this project) 	<i>Completed</i>
Social Impact Assessment and Mitigation Measures		
Vulnerable Groups (OP4.12)	<ul style="list-style-type: none"> ▪ Management has assessed progress of BEL's programs to address needs of vulnerable groups 	<i>Completed</i>
Cultural and Spiritual Values		
Physical Cultural Resources and Cultural Property Management Plan (OP4.11)	<ul style="list-style-type: none"> ▪ Management completed follow up of a stand-alone Cultural Property Management Plan (CPMP) ▪ Management assessed monitoring and reporting by BEL of the CPMP, including the Engineering, Procurement and Construction (EPC) Contractor's Code of Practice for "chance finds" procedures, and found them to be satisfactory 	<i>Completed</i> <i>Completed</i>

² See Table 2, Page 39 of the Management Report and Recommendations, November 2008.

Issues²	MAP Actions Undertaken During Supervision	Status
Environment Assessment and Mitigation Measures		
Independent Panel of Experts (OP4.01 and OP13.05)	<ul style="list-style-type: none"> Management confirmed in December 2009 that the reports of the PoE were publicly disclosed 	<i>Completed</i>
Ongoing Supervision Activities³		
General		
Institutional Capacity	Management assessed satisfactory progress in: <ul style="list-style-type: none"> Establishment of coordination arrangements by Ministry of Energy and Mineral Development (MEMD) Project Inter-Agency Coordination Committee Implementation capacity of the National Forest Authority (NFA) for the Kalagala Offset SMP, including Mabira Central Forest Reserve 	<i>Completed</i>
Social Impact Assessment and Mitigation Measures		
Remedial Steps for Updating and Completion of Baseline Socio-Economic Information (OP4.12)	Management assessed as satisfactory in the Quarterly Monitoring Report: <ul style="list-style-type: none"> Improvements in outcome indicators, as measured from findings of the updated (2010) socio-economic survey, indicating benefits received by project affected persons (PAPs) from CDAP programs; and continued monitoring of impacts recorded in the monitoring and evaluation (M&E) database Improvements in reporting in BEL's Quarterly Environment and Social Monitoring, including database on household surveys 	<i>Completed</i>
Sharing of Project Benefits (OP4.12)	<ul style="list-style-type: none"> Management has followed up with BEL on progress in delivery of services in Naminya resettlement site and directly affected villages. Provision of water supply services and market stalls is complete. Construction of electricity distribution network is in progress; connection of households to power grid has been initiated 	<i>Ongoing⁴</i>
Environment Assessment and Mitigation Measures		
Environment Management Plan and Kalagala Offset (OP4.01)	<ul style="list-style-type: none"> Management assessed as satisfactory BEL's ongoing afforestation activities Management confirmed that the SMP for the Kalagala Offset, which includes the Mabira Central Forest Reserve, was approved and implementation is underway 	<i>Completed</i>
Cumulative Impacts: Climate Change and Hydrology Risks; Potential Impacts on Lake Victoria; Alternative Project Configurations (OP4.01)	<ul style="list-style-type: none"> Management confirmed that the Government of Uganda (GoU) disclosed the Lake Victoria hydrological (water releases) data starting in 2008, and since then, the information has been made available to the East African Community (EAC) on a regular basis 	<i>Completed</i>

³ See Table 3, Page 40 of the Management Report and Recommendations, November 2008.

⁴ Provision of water supply services and market stalls is complete. Construction of electricity distribution network is in progress; connection of households to power grid has been initiated.

IV. DETAILED PROGRESS DESCRIPTION OF MAP ACTIONS

11. The paragraphs below give detailed information on the progress of the MAP actions identified in Management's Report and Recommendation. **Annex 1** provides a complete listing of the activities and their status in a table format and **Annex 2** shows the project outcome measurements.

12. **Institutional Capacity.** The project supported the establishment, by the GoU, of an Inter-Agency Coordination Committee (IACC), which has been functioning as the main decision making and coordinating body for the project. The activities that were designed to strengthen capacities of participating GoU implementing units were **completed**, and the training programs are expected to continue as part of long-term institution building under the Bank's ongoing sector support.⁵ The project **completed** establishment of the national multi-stakeholder BEMC which facilitates multi-stakeholder monitoring of the project's environmental aspects.

13. **Guidance on Legacy Projects.** The *Interim Guidelines for Addressing Legacy Issues in World Bank Projects* were **completed** and disclosed in June 2009. The document and data set are available on the Bank's safeguards website for Bank staff.

14. **Vulnerable Groups.** BEL **completed** all activities as outlined in the SEAP community designed programs for vulnerable and at-risk groups. By the end of 2011, the survey identified 358 households that belonged to vulnerable group categories (e.g., female-headed households; households with disabled or seriously ill and HIV/AIDS-infected members). BEL's Monitoring Report (2010-2011) indicated that the school and health clinics were rehabilitated for disabled people, including building of small scale infrastructure, and augmenting existing education and health facilities. Activities included, for example, BEL's initiation of a fuel saving cooking stove program for vulnerable households groups. In total 310 vulnerable PAPs received energy saving cooking stoves of which over 60 percent (about 200) were women.

15. BEL increased its gender based assistance in May 2011 by targeting female-headed households in the affected villages. As stated in BEL's 2011 report, over 65 percent of those who participated in BEL's Sanitation and Hygiene Campaigns (2009-2011) in affected and host communities belonged to women's and youth groups. BEL extended its contract with the Nile Vocational Institute in 2011 to manage youth skills training. To date, three-fourths of local youths have registered and completed the course. The next phase of vulnerable groups' skills training, which will be turned over to the district offices, will cover disabled people and young women under a small and micro enterprises program; these are discussed in more detail below.

16. **Cultural Property Management Plan (CPMP).** BEL submitted an update of the CPMP in 2010-2011 and noted **completion** of the ceremonies for the Bujagali spirits relocation site and the accompanying appeasement ceremonies. In 2011, the project supported holding of an interdenominational ceremony, which was organized by district officials, in memory of people

⁵ Institutional and capacity building programs are included in the Bank-financed Power Sector Investment Plan, which provides an investment road-map including generation, transmission, and distribution, and is currently implemented under the Bank-supported Energy for Rural Transformation II Project.

buried on the island (prior to inundation).⁶ The time line of activities related to cultural and spiritual issues is summarized in **Annex 3**.

17. **Disclosure and PoE Review Mission and Report.** The project's PoE **completed** nine reports, including the most recent review, which was done in October 2011 and disclosed by the project. The PoE noted the project's significant progress and improvements in BEL's institutional capacities for addressing environment and social issues. Following the 2011 PoE recommendations, the project carried out several measures for addressing poverty and deprivation in the area. These include poverty impact monitoring using the enhanced format for socio-economic measurements, which is shown in **Annex 4**. The PoE also suggested to BEL that in order to make communities more self-reliant, they needed to be trained on operating and maintaining the small works (e.g., water pumps and wells, garbage disposal areas, etc.) and livelihood training for youth and women should continue to be sponsored. Subsequently, BEL completed the first livelihood skills training in May 2011.

18. **Project Inter-agency Coordination Committee (IACC).** As noted in the earlier Progress Reports, BEL has been coordinating its work program with the IACC, which served as the project's highest decision making body. Day-to-day operations and sub-national coordination of activities were done through sub-committees in IACC that were organized around the programmatic areas of environment and social aspects; tourism and forest management; and communications and legal issues. IACC meetings were held on a bi-monthly basis, where BEL contributed to the project's long-term planning and evaluation. The Joint Lenders' Supervision Missions, which are held twice a year, receive status reports on project progress from the IACC and BEL. **Annex 2** presents the outcome measurements that are periodically monitored by the project.

19. **NFA Capacity to Implement SMP.** A Bank Technical Mission in June 2010 recommended measures for improving the capacity of the National Forest Authority (NFA) to implement the SMP. In the Joint Lenders' Supervision Mission of April 2011, there was a discussion on further strengthening capacities of staff in NFA and the National Environmental Monitoring Agency (NEMA), in particular, for protecting natural habitats and accelerating awareness of environmental and cultural values at Kalagala and Nile Bank Central Forest Reserve.

20. A Steering Committee (assuming the role of the proposed Technical Committee) was formed in 2011 with the three district officials and the Ministries of Finance, Energy, Culture and Tourism in addition to representatives from other stakeholders. The Ministry of Water and Environment (MoWE), which is the lead agency responsible for SMP implementation, designated an SMP coordinator in its Department of Environment Support Services to oversee implementation of the SMP. The MoWE is coordinating efforts with NFA, Department of Surveys and Mapping and Local Governments to demarcate buffer areas of Kalagala and Itanda

⁶ Originally, in 2002, the CPMP was part of the Resettlement and Community Development Action Plan. Subsequently, a CPMP was developed that outlined the steps necessary for "chance find" procedures. CPMP activities are included in the Contractor's manual. This updated stand-alone CPMP was disclosed by the GoU in-country and in the Bank InfoShop in August 2010, and community consultations were held from August to December 2010.

Falls. In addition, following sensitization meeting organized NFA, communities have stopped illegal cultivation along river banks at Itanda and Kalagala Falls, which has allowed the regeneration of natural vegetation along the river banks.

21. **Social and Cultural Issues.** As shown in **Annex 3**, the project engaged in a series of consultations and facilitated the conduct of several appeasement and spiritual ceremonies. These consultations and ceremonies were organized by the GoU district and national offices. The social and cultural needs were assessed as part of follow up panel surveys, which were completed in May 2009 and July 2011 (see **Annex 4**). The content and format of these surveys were reviewed by the PoE social specialist and a revised survey instrument was developed for the July 2011 survey. The results measured key indicators of impact, such as changes in income, diversification of livelihoods, and access to social services, including cultural and spiritual aspects. The PoE social specialist also recommended “systematic socio-economic monitoring” and provided training for the BEL monitoring team on the application of this approach. The cumulative impacts over a period of four years showed mixed results for improving incomes. It was noted in the survey analysis that gathering yearly income information was problematic because households did not systematically take account of cash incomes. Proxy indicators of income were used such as access to food sources; reinvestments; housing improvements; and child nutrition improvements. Of the 32 percent who did some cash accounting, 64 percent said they did not have significant income increases. However, among those engaged in re-investments (e.g., purchase of agricultural inputs), 72 percent reported increased access to food and ability to improve housing and family nutrition. The largest increase in incomes (from 2009 income levels) of 84 percent was in the directly affected community of Namizzi, which also reported the highest consumption of highly nutritious foods.

22. The activities outlined in the 2008 CDAP were completed and as of January 2011, there were 441 PAP households covered in the project’s CDAP baseline. Of these, 138 sample households were covered in the follow up surveys for tracking changes in income and livelihoods. Among the PAPs who received cash compensation, 300 households continued to use the cash to avail of agricultural programs (including inputs and market and group cooperatives); some 214 received, in addition to the cash support, some fishery inputs (fishing gear, boats, fish nets distributed in 2011); and 100 households participated in 2011 in the livelihood training workshops.

23. In terms of health care, BEL facilitated the community outreach programs of the two sub-county health departments (one each on the east and west banks), targeting the elderly and infirm within the community. Up to 300 people were reached within each of the two cycles of mobile clinics that were set up. The mobile clinic activity featured diagnosis and treatment of basic illnesses such as malaria, stomach complaints and skin conditions. The people treated were vulnerable persons from the nine project affected villages and the two host communities in Naminya. In addition to mobile clinics, 350 vulnerable persons’ houses were fumigated in two cycles for the control of common pests and disease vectors such as rats, bedbugs, fleas and mosquitoes. A total of 354 vulnerable PAPs were given soap, bedding and utensils and eight disabled PAP were given wheel chairs. The health center at Wakisi (HC Category III) was completed in December 2012, including the provision of medical equipment and water pipeline connections.

24. To assist the fishermen who were resettled, the construction of two fish landing sites, one each on the east and west banks, were completed in May 2013. Fishermen have been trained in fishing on lake/still waters. For fishermen relocated further away from the reservoir, fish ponds have been constructed and are in use in Naminya and Namizzi. BEL partnered with the NGO SOUL to complete training on the use of the fish ponds.

25. The focus group meetings, held between February and October 2011, noted some of the problems faced by PAPs. These include, among others: crop failure; low soil fertility; lack of funds to send children to school and for health care services; reduced fish and arable lands; insufficient livelihood opportunities; lack of access to commercial banks and employment; and lack of expensive agricultural inputs such as pesticides. The lack of pesticides led to the loss of close to 30 percent of commercial crops last year. To address these issues in general, BEL initiated a micro-credit program with financing managed through the Uganda Finance Trust. With these credits, PAPs have been able to start and expand businesses such as butchery, bakery, and motor-cycle repair shop. In 2012, BEL reached out to communities on the east side and assisted in opening up bank accounts in preparation for micro credit programs, which had begun in Phase 1 for communities on the west side in 2010. The entire program was extended until April 2013, and over US\$ 340 million (USD 136,000) was given out to the PAPs. To address the issue of insufficient livelihood opportunities, a total of 441 households received livelihood assistance in 2011 (**Annex 3**). During the last quarter of 2012, (November-December 2012), the scheme had 100 active clients and US\$ 9.5 million was disbursed. These programs have been designed to increase agricultural input support, including acceptable pest control measures, and other livelihood assistance (e.g., skills training and workshop on agricultural diversification). In addition, as requested by the community leaders, BEL constructed one market stall in 2011 and another one, located just outside the project's construction area, was completed in 2012. BEL continues to actively engage with the stakeholders, including management of grievances. The number of grievances decreased after the dam was commissioned. A witness NGO (Inter Aid) continues to oversee social and environmental activities in the project affected areas. This includes monitoring livelihood and community based training programs.

26. **Sharing of Project Benefits – Livelihood Restoration and Community Development.** BEL's efforts in this regard are **complete** except for provision of electricity connections to households, which is underway. The 2010 PoE Report emphasized the importance of restoring livelihoods especially for the reported 124 project affected land owners. The report recommended that livelihood support should respond to PAPs' needs; be targeted to the more vulnerable households and be monitored on a regular basis. Thus, BEL carried out in 2011 an update of the needs assessment of vulnerable households and finalized a socio-economic survey. A separate community development program was implemented for a larger number of "host communities" and vulnerable households. As of May 2013, the following activities have been completed: (i) nutrition enhancement, special education and livelihood inputs to 60 households under the Vulnerable People Assistance Program; (ii) 290 agricultural enhancement recipients; (iii) 384 micro credit schemes, of which 85 were started in 2011; (iv) eco-tourism support to three (3) rafting companies and 70 informal tourism service providers in 2011; (v) fisheries inputs support to 214 households, of which 6 were completed in 2011; (vi) skills training program completed by 91 participants, of which 21 were trained in 2011; (vii) construction of

fish landing sites; (viii) provision of medical equipment to the east bank sub-county health center (Budondo Health Center); (ix) completion of Resettlement Completion Audit; and (x) provision of start-up tool kits to each of the PAPs that participated in the community based training programs.

27. As part of the CDAP, six months of community based training in basic skills such as carpentry, plumbing, tailoring, hairdressing, electrical installation and other vocational skills was offered to PAPs by BEL. The training, commenced in June 2011, and concluded in December 2011. After the training, each participant was given a start-up tool kit with the total cost of tools amounting to an estimated USD 80,000. According to Inter Aid's report, diversification of skills has been a welcome improvement for the PAPs. Subsequently, the PAPs effectively utilized the tool kits and the program was deemed very successful as reflected in the Resettlement Completion Audit Report

28. In terms of providing **community infrastructure services**, BEL assisted in the rehabilitation of community water supply services. Fifteen boreholes were reinstalled (at a cost of USh 54 million under the CDAP quick fix program) and an extensive distribution network of water lines installed in two phases. Under Phase 1, 42 km of new distribution lines with 45 public yard taps (along the water line) were installed at a total cost of USD 0.94 million; this was completed in January 2012. Under Phase 2, 22 km of new distribution line with 18 yard taps (along the water line) were installed at a total cost of USD 0.33 million; this was completed in January 2013. Thus, the total cost of installing the water supply system was USD 1.27 million and financing of both phases was provided by the Agence Française de Développement (AFD). Since completion of commissioning, the water supply system has been handed over to the National Water and Sewerage Corporation (NWSC) and its District Offices are now managing the system (including collection of water charges since the supply connections are metered). Installation of yard taps has ensured better access to water for the surrounding communities. Also, installation of the water supply system reduced the price of water per jerry can⁷ from USh300 to USh75-100. As of December 2012, the activities related to water supply services have been completed, reaching approximately 800 households in Kikubamutwe, Malindi, Buloba, Naminya, and Naminya Resettlement Area on the west side, and Bujagali, Ivunamba, Kyabirwa, Namizzi on the east side.

29. The BEL-assisted community infrastructure services also provide for electrification in project affected rural areas. As planned, this includes electrification of the Naminya Resettlement Area⁸ and nine villages that include Kikubamutwe, Malindi, Buloba, Naminya-Kiira, Nankwanga on the west side and Bujagali, Ivunamba, Kyabirwa, and Namizzi on the east side. Overall, about 900 households are expected to be connected to the grid, of which the number of households in the Naminya Resettlement Area is 24: of these, 18 households have already been connected. Close follow-up is being maintained to ensure completion of the remaining households. Connections for the other households in the nine villages will be pursued through implementation of the ongoing operations.

⁷ A jerrycan holds approximately 20 liters.

⁸ The Naminya Resettlement Area is a part of the Namilyango village and neighbors Naminya-Kiira village.

30. So far, the project has focused on network expansion and intensification and has assisted in the construction of the electricity distribution system in two phases. As of December 2012, an amount of about USD 0.19 million was invested under Phase 1 and USD 0.69 million has been invested under Phase 2. The total invested amount of USD 0.88 million has been shared between the Rural Electrification Agency (REA) and AFD. In addition, investment needs of about USD 0.40 million are under consideration by AFD; once approved, this will raise the total amount of investment in the provision of electricity services to the project affected areas to about USD 1.28 million. This will complete the planned expansion and intensification of the electricity distribution network in all nine villages and facilitate connections to the households that are willing to pay for electricity consumption charges.

31. All power system infrastructure built will be owned by UEDCL but operated by Umeme as the area falls under its licensed area. Umeme will manage the system and will collect affordable electricity charges. However, as people do not seem to be willing to pay the connection charges, progress in establishing connections to individual households in all nine villages has been very slow. Thus, current challenges include financing of actual connection costs and accordingly, discussions are ongoing with Umeme on modalities of ensuring connections. Apart from directly funding connections, the possibility of utilizing funds from the Output Based Aid (OBA) facilities and from the Energy for Rural Transformation-2 (ERT-2) Additional Financing is being explored.

32. **Reforestation and Afforestation.** BEL has **completed** the afforestation program under its Environmental Management Plan. Progress of the afforestation program was verified during the December 2011 Joint Lenders' Mission and was reviewed in BEL's monitoring/progress reports. Afforestation was implemented in a 100 meter wide river bank protection zone. Activities included: sensitization, training and employment of local communities in nursery establishment, tree planting and plantation management; and promotion of agro-forestry in the outer 50 meters of the zone and outside the riverbank protection zone to reduce pressure on forestry resources. In total, 444 hectares were planted with 589,715 trees (both timber and fruit species). In addition to afforestation, soil erosion control on steep banks of the reservoir through construction of bench terraces and planting of *Calliandra* and *Napier* grass was carried out on a 6-hectare demonstration area.

33. **SMP for Kalagala Offset including Mabira Central Forest Reserve.** The Kalagala Offset SMP was **completed** in 2010 by the International Conservation Union-Uganda, under contract with the project, and its implementation launched by the GoU in 2011. The GoU approved the SMP following extensive consultations that involved 750 persons across a full spectrum of stakeholders. The budgeted cost of SMP implementation is about USD 9.8 million for the initial 10 year implementation period. The GoU allocated some incremental funding to SMP implementation in its FY10/11, FY11/12 and FY12/13 budget frameworks. In addition, funding of about USD 4.0 million (excluding counterpart funding) for implementation of priority SMP activities was included in the Uganda Water Management and Development Project (WMDP), approved by the Board on June 26, 2012. The Bank will continue to monitor SMP implementation through the WMDP and provide necessary implementation support.

34. **Mabira Central Forest Reserve.** In August 2011, there was a report in the public media that the President of Uganda had resumed his 2007 initiative to degazette parts of Mabira Central Forest Reserve, which forms a part of the Kalagala Offset, and make these accessible to a private investor for sugarcane growing. In response, Bank Management wrote to the GoU and met with the Ugandan Delegation to the Annual Meetings to advise of a potential inconsistency of such action with the Indemnity Agreement and with the implementation of the SMP. Subsequently, the GoU did not proceed with the degazettement process. The Bank continues to monitor the situation for any indication that the GoU is considering resuming degazettement and advises the GoU about the continued need to comply with the provisions of the Indemnity Agreement. In addition, there were reports of ongoing illegal forest product harvesting in Mabira in 2012 that could undermine the capacity of Mabira to provide its environmental services; these were discussed in detail with the NFA and subsequent improvement has been reported following the deployment of the Environmental Protection Force.

35. **Isimba Falls Dam.** The GoU is considering development of a new 100 and 180 MW run-of-the-river hydropower project at the Isimba Falls downstream of the Kalagala Falls. Based on recent media reports, a Memorandum of Understanding has been signed with an EPC contractor; financing has not been confirmed as yet. The feasibility and due diligence studies by Fichtner and Norplan are ongoing, and indicate that with the largest development option, the reservoir would likely inundate about 8 percent of the Kalagala Offset area, and affect about two thirds of the stretch of the Nile River that is in the Offset area. An island and parts of the shoreline near the dam would be inundated, along with five out of the remaining 13 named whitewater rapids used for local whitewater rafting activities, which support local livelihoods. The reservoir would affect the nature of the river upstream, which could have an impact on some aquatic species, including rare fish. There would be resettlement at the Isimba site of up to 140 housing structures, 700 affected persons and about 900 ha of farmland; and some cultural assets along the shores could also be affected. The Bank has been following the situation closely and will review the Environmental and Social Impact Assessment (ESIA), which is under preparation, for the proposed development to assess the significance of the potential impact on the Kalagala Offset, and consistency with the Indemnity Agreement. A zero draft ESIA (April 2013) received by the Bank indicates that there may be: (i) negligible to minor impacts on hydrology and hydrogeology; (ii) minor impacts on terrestrial ecology; (iii) moderate impacts on aquatic ecology/fish feeding and spawning habitat, water quality, air quality, noise levels, aesthetics and temporary land take; and (iv) major impacts on agriculture, as about 80 percent of the land to be permanently inundated is under agricultural production.

36. In March 2013, Bank Information Center, an NGO, shared with the Bank a report on “The Impact of Involuntary Resettlement on Children: A Case Study of the International Development Association Funded Bujagali Hydro-Power Dam – Naminya Resettlement Area.” The key objective of this report was to assess the impact of resettlement on the rights of children and whether these rights were taken into consideration during the planning and implementation of the project. The report concludes that the quality of life and standards of living of people affected by involuntary resettlement and relocated to the Naminya resettlement village have not been restored or improved and consequently, parents are not able to care for their children, which adversely impacts the development of children due to inadequate nutrition, health care and access to education.

37. A Bank mission visited Bujagali in April 2013 to assess the findings and conclusions presented in this report. On the basis of this field review, consultations with affected people and the conclusions of the RAP Completion Report, it is the mission's view that the fundamental objective of OP4.12 to restore the standards of living of people affected by resettlement to pre-displacement levels has been met by the project's resettlement program. In fact it appears that the standards of living of people resettled to Naminya have improved and the ability of parents to adequately support and educate their children has not been hindered by the resettlement program.

38. **Disclosure of Lake Victoria Water Releases.** The GoU's agreement with the Bank on disclosure of abstraction data in Lake Victoria is completed. The MoWE has adopted a monthly reporting protocol to disclose water releases data to the EAC. Management confirms that this disclosure has been undertaken monthly since December 2008. Releases remain above the "agreed curve," but are much closer to it than they were during the period 2005/06.

V. NEXT STEPS

39. **Outstanding Issues.** Management now continues to follow up with BEL on progress in delivery of electricity services at the Naminya resettlement site and directly affected villages, which remains the only ongoing item of the MAP. These services include the start of a program for provision of electricity services to rural consumers on both the east and west sides of the Nile. Upon completion, the electricity distribution network will be owned by UEDCL and operated by Umeme. In addition, Management will continue to follow up on other outstanding issues including new and pending requests with the CAO, potential illegal logging in the Mabira Central Forest Reserve and implications of the proposed Isimba Falls Dam. Close monitoring of regional/local media and CSO positions will be maintained and reported in the next Progress Report.

40. **Project implementation support.** An implementation support strategy is in place and is being carried out in coordination with other donors. On the Bank side, the team is comprised of a Task Team Leader, Lead Social Development Specialist, Senior Environmental Specialist and a Social Development Specialist in Washington D.C., and a newly recruited Senior Energy Specialist, Environmental Specialist and Social Development Specialist in Uganda. Support from the Bank's regional and corporate safeguard teams is provided as needed. Over the implementation period, Joint Lenders Supervision Missions have been organized twice each year (around March and October). BEL found the mission scheduling to be acceptable, including alternating coordination responsibility. This has allowed BEL to plan ahead for the mission and ensure that all the information and reporting was organized well in advance. Although some lenders participate on an annual basis, the World Bank team has participated in all eight of these missions to date. Lastly, the Bank team members have engaged project stakeholders on monitoring progress, providing timely advice, and discussing more on-site issues. Bankwide, the lessons learned from the project have been incorporated into training events and Bank documents, such as an *Africa Energy Briefing Note* that was disseminated at the Bank Annual Meetings.

41. Sufficient staff resources will continue to be allocated for monitoring and follow-up. To closely monitor logging and other pressures on Mabira Forest, Management recruited a short term consultant with expertise in forestry.

42. **Social and Environmental Management.** The project has been assessed as satisfactorily implementing the programs outlined in the project's APRAP, CDAP, and SMP. However, there will be challenges over the longer term. The most significant will be strengthening local governance at the district and community levels to operate the programs that were started by the project. These include activities for: (i) enhancing livelihoods; (ii) monitoring socio-economic impacts; (iii) assessing cultural and spiritual aspects; (iv) addressing needs of vulnerable groups; (v) managing the afforestation areas; (vi) promoting environment management in the Kalagala Offset and Mabira Forest ecosystems; (vii) strengthening ecotourism activities; and (viii) monitoring environmental impacts, as defined in the SMP. BEL already has in place qualified staff to do monitoring, together with continuing the quarterly environmental and social progress reports.

43. **Resettlement Completion Report.** A completion report for the RAP has been prepared and was submitted to the Bank in May 2013. The report assesses that the overall objectives of the resettlement program, specifically those related to restoring or improving the standards of living of displaced people resettled in Naminya, have been achieved. However, the report notes that there are a few actions that are outstanding, related to the procurement of three land titles from the Lands office; BEL is following up on resolution of this issue. Furthermore, BEL has prepared a supplemental action plan which has been consulted with members of the Naminya community. These actions include:

- Identification and surveying of the remaining unallocated plots within the original Naminya village and transfer of these unallocated plots to the original relocated PAPs. This will augment the land area given to each affected household by about one third of an acre. The original allocation of land was 1 acre per affected household. The plots will be transferred with the title. Survey work has already commenced.
- Distribution of four unallocated houses, which will be upgraded, to four households identified by the representatives of the community as the most vulnerable in Naminya. There are eight additional unallocated houses and plots which, in consultations with representatives of the community, will be donated to local schools and used for staff housing. Work has commenced on upgrading these houses.
- Upon consultation with households identified by the community as most vulnerable, BEL will implement a program, including skills training or other assistance, similar to that identified for the informal tourism operators.
- The outstanding land titles (three) are to be issued by the Mukono Land Office, where the computer system was reorganized a few months ago leading to significant backlogs. BEL is following up on a regular basis to get the outstanding land titles issued.

44. The implementation of the supplemental actions will be monitored and reflected in the next progress report.

45. **Next Progress Report.** The next progress report will be provided to the Board in twelve months.

Annex-1.
DETAILED STATUS OF ACTIVITIES IN THE MANAGEMENT ACTION PLAN
(MAP)

Issues ⁹	MAP Actions Undertaken During Supervision	Status
General		
Institutional Capacity	<p>Management follow up on institutional coordination and capacity building:</p> <ul style="list-style-type: none"> ▪ Establishment of a Project Monitoring Committee (Inter Agency Coordination Committee) ▪ Strengthening of capacities of BEL's ESU. 	<p>Completed The Joint Lenders' Supervision Mission of November 2011 confirmed the earlier findings of the PoE Report (in 2010), regarding the satisfactory performance of the two committees that were established, the (high level IACC and national multi-stakeholder BEMC) to facilitate inter-agency and sub-national level coordination. The IACC will continue to function as the project's main coordinating structure. The BEMC established a stakeholders' forum for the Environmental and Social Management Plan.</p> <p>Completed Several environment and social safeguards training sessions were completed during the period 2010-2012.</p>
Guidance on Environmental and Social Safeguards Issues in Legacy Projects	<ul style="list-style-type: none"> ▪ Management has developed interim guidance on addressing environmental and social safeguards issues in legacy projects (which is a Bankwide activity applicable not only to this project) 	<p>Completed The guidance note was disclosed in June 2009 and is available at http://intresources.worldbank.org/INTSAFEPOL/Resources/LegacyGuidelinesjun09.pdf</p>
Social Impact Assessment and Mitigation Measures		
Vulnerable Groups (OP4.12)	<ul style="list-style-type: none"> ▪ Management has assessed progress of BEL's programs to address needs of vulnerable groups 	<p>Completed The program for assisting vulnerable groups was designed and implemented in the project area following a baseline survey, which was completed in 2008 and updated in 2009-2010. A follow up socio-economic survey update in 2011 identified vulnerable and at-risk households. BEL's Monitoring Report (2010-2011) indicated that the school and health clinics were rehabilitated for disabled people and livelihood programs for women-headed households were started in 2011.</p>
Cultural and Spiritual Values		
Physical Cultural Resources and Cultural Property Management Plan (OP4.11)	<ul style="list-style-type: none"> ▪ Management completed follow up of a stand-alone CPMP ▪ Management assessed 	<p>Completed The CPMP was disclosed in country and in the Bank's InfoShop in August 2010.</p> <p>Completed</p>

⁹ See Table 2, Page 39 of the Management Report and Recommendations, November 2008.

Issues ⁹	MAP Actions Undertaken During Supervision	Status
	<p>monitoring and reporting by BEL of the CPMP, including the EPC Contractor's Code of Practice for "chance finds" procedures, and found them to be satisfactory</p>	<p>The CPMP was implemented throughout the construction period and was assessed in the October 2011 Joint Lenders' Supervision Missions as satisfactory. The assessment included a report on the application of the "chance finds" procedures in areas with potential cultural and spiritual significance.</p>
Environment Assessment and Mitigation Measures		
<p>Independent Panel of Experts (OP4.01 and OP13.05)</p>	<ul style="list-style-type: none"> • Management confirmed in December 2009 that the reports of the PoE were publicly disclosed. 	<p>Completed The 9th PoE Review Mission was undertaken in September/October 2011. All PoE reports are filed and publicly available on the project's website.</p>
Ongoing Supervision Activities¹⁰		
General		
<p>Institutional Capacity</p>	<p>Management assessed satisfactory progress in:</p> <ul style="list-style-type: none"> ▪ Establishment of coordination arrangements (MEMD Project IACC) ▪ Implementation capacity of the NFA for the Kalagala Offset SMP, including Mabira Central Forest Reserve 	<p>Completed The IACC served the purpose of inter-agency coordination. All IACC proceedings are recorded and available on the project's website. Completed NEMA and NFA continue to maintain their field based interventions, training and capacity building programs with respect to Kalagala Offset.</p>
Social Impact Assessment and Mitigation Measures		
<p>Remedial Steps for Updating and Completion of Baseline Socio-Economic Information (OP4.12)</p>	<p>Management assessed as satisfactory in the Quarterly Monitoring Report:</p> <ul style="list-style-type: none"> ▪ Improvements in outcome indicators, as measured from findings of the updated (2010) socio-economic survey, indicating benefits received by PAPs from CDAP programs; and continued monitoring of impacts recorded in the M&E database ▪ Improvements in reporting in BEL's Quarterly Environment and Social Monitoring, including database on household surveys 	<p>Completed The socio-economic baseline, which was reported in the APRAP (2004), was updated twice (December 2010 and November 2011) using a follow-up socio-economic survey. The results of the surveys were reported and disclosed on the project's website, where the general outcome indicated an improvement in incomes and access to livelihood options. The M&E of implementation progress, especially of livelihood restoration and community development programs, are built into the project's yearly reporting cycle. Completed BEL submits to the semi-annual Joint Lenders' Supervision Missions summaries of key project indicators. The 2011 Quarterly Environment and Social Monitoring reports are available on its website.¹¹ Completed The baseline socio-economic database is updated every two years and contains the household survey results as part of the</p>

¹⁰ See Table 3, Page 40 of the Management Report and Recommendations, November 2008.

¹¹ http://www.bujagali-energy.com/bujagali_documentsMaps1.htm

Issues ⁹	MAP Actions Undertaken During Supervision	Status
		M&E system. Following the advice received from the PoE Social Specialist, the measures of wellbeing, and income change were revised in response to difficulties gathering income data. In 2011, a new format was applied to measure income and livelihood and these indicators became part of the socio-economic database monitoring.
Sharing of Project Benefits (OP4.12)	<ul style="list-style-type: none"> ▪ Management has followed up with BEL progress in delivery of services in Naminya resettlement site and directly affected villages; start of program for electricity and water services 	<p>The results of the Phase 2 CDAP program included progress in the delivery of livelihood and social services to PAPs in the Naminya resettlement area, are reported in BEL's Quarterly Environment and Social Monitoring report. The 8th Joint Lenders' Supervision Mission (November 2011), reported on the Phase 3 CDAP programs that were to be completed in 2011. These included provision of water and electricity services and other project benefits.</p> <p>Completed: The water supply services component was completed in two phases and by January 2013, a total of 64 km of new distribution lines with 63 yard taps were installed at a total cost of USD1.27 million. Financing was made available by the AFD. In addition, the construction of the market stall on the west side was completed in 2011. Based on feedback received from communities and following the 2011 socio-economic survey, a second market stall near the project site on the east side was considered, to respond to increasing workers' consumption needs (e.g., food stalls, agricultural products, etc); it was completed in 2011 and is in use.</p> <p>Ongoing: The only activity that remains ongoing is the provision of electricity services to a larger number of affected communities (in addition to the Naminya Resettlement Area). So far, the project has focused on network expansion and intensification and has assisted in the construction of electricity distribution system in two phases at a total investment of USD0.88 million shared between BEL, REA and AFD. In addition, investment needs for a Phase 3 of about USD0.40 million are under consideration by the AFD. Completion of all construction activities (network expansion and intensification) is now expected by early 2014. In terms of actual connections to households, so far, 18 out of the remaining 24 households have been connected in the Resettlement Area. For connections in the nine villages, availability of funds from the OBA schemes and the ERT-2 Additional Financing is being explored.</p>
Environment Assessment and Mitigation Measures		
Environment Management Plan and Kalagala Offset (OP4.01)	<ul style="list-style-type: none"> • Management assessed as satisfactory BEL's ongoing afforestation activities • Management confirmed 	<p>Completed Target of 444 hectares reforested was achieved.</p> <p>Completed</p>

Issues ⁹	MAP Actions Undertaken During Supervision	Status
	<p>that the SMP for the Kalagala Offset, which includes the Mabira Central Forest Reserve, was approved and implementation is underway</p>	<p>SMP was approved and disclosed in 2010, and its implementation formally launched in 2011. Funding for implementation will be provided by the GoU and IDA-financed Water Management and Development Project (P123204).</p>
<p>Cumulative Impacts: Climate Change and Hydrology Risks; Potential Impacts on Lake Victoria; Alternative Project Configurations (OP4.01)</p>	<ul style="list-style-type: none"> ▪ Management confirmed that the GoU disclosed the Lake Victoria hydrological (water releases) data starting in 2008, and since then, the information has been made available to the EAC on a regular basis. 	<p>Completed The project continues to disclose to the EAC Member States the hydrological (water releases) updates and the information is provided in the project's website.</p>

Annex-2.
PROJECT OUTCOME INDICATORS

The Uganda Private Power Generation (Bujagali) Project supports the development of the 250 MW run of river Bujagali hydropower station on the Nile River, eight kilometers downstream from the existing Nalubaale/Kiira power station. Under the transmission component, a 220 kV double circuit transmission line (Bujagali-Kawanda), funded by the AfDB and JICA, to evacuate power through the main grid to reach Kampala city and its vicinity is under construction. Other components include a 132 kV double circuit transmission line from Kawanda to Mutundwe, and a 132 kV double circuit transmission line from Bujagali to Nalubaale and then to Tororo.

The following table shows the outcome measurements, to date, based on the project's overall results and outcome indicators.

Results/Outcome Indicators	Baseline	Current Values
Post-Commissioning		
Power Generated (GWh) from Bujagali power station	0	1,165 GWh
Levelized cost per kWh from power station	N/A	5.7-9.7¢/kWh
Level of unmet demand (GWh unserved monthly) ¹²	N/A	0 GWh
Achievement of financial closure	All lenders and borrowers have indicated intent	Financial closure and first disbursement achieved
Plant construction progress	Construction to be completed in 44 months from Financial Closure	Power station commissioned
Pre-Commissioning		
Completion of Sustainable Management Plan (SMP) for Kalagala Offset	Identification of Kalagala Offset by the GoU acceptable to stakeholders	SMP document completed and approved in 2010
Completion of Resettlement Action Plan (RAP) for affected communities	Identification and census of PAPs	RAP Completion Report submitted in May 2013
Completion of livelihood restoration	Identification and needs assessment of livelihoods covered in baseline survey	64% of households surveyed showed increase in income since start of project
		300 households used cash received from compensation for agricultural and livelihood investments; 214 received small scale fisheries support; 100 completed livelihood skills training
Completion of community development programs	Needs assessment of community small scale infrastructure needs	Completion of piped-in water supply; community electrification; and market stall on west side

¹² Bujagali energy is expected to eliminate load shedding, assuming all existing and planned capacity is operating according to Base Case assumptions.

Results/Outcome Indicators	Baseline	Current Values
Completion of support to vulnerable groups	Identification and survey of vulnerable groups	358 vulnerable people identified and received training and participated in livelihood programs
Number of gender (women's livelihood) programs completed	Identification of gender based needs	Number of Livelihood Women's Cooperatives increased from 51% in 2008 to 63% in 2009, and 68% in 2010
Cultural and spiritual activities completed	Identification of cultural and spiritual needs, based on consultations	7 appeasement ceremonies and an inter-denominational ceremony in memory of people buried in the island (prior to inundation)

Annex-3.
TIMELINE FOR THE APPEASEMENT OF THE BUDHAGALI SPIRITS

September 2, 1999 – AES Nile Power enters into an agreement with the Nabamba Budhagali to carry out traditional consultations with the Budhagali spirits informing them of the project, which may lead to the inundation of the ancestral burial grounds and shrines leading to relocation of the said tangible cultural property.

September 5, 1999 – Nabamba Budhagali held consultations with the Budhagali spirits at which the spirits did not object to the change in the environment, construction of project, and inundation of the culture site as long as ceremonies are held for appeasement.

December 8, 1999 – AES Nile and the GoU sign Implementation Agreement that refers to Budhagali site, which is said to be of “cultural importance to the Basoga tribe and the Ntembe clan in particular.”

August 21, 2001 – Agreement for the Mitigation of Cultural Impacts and Appeasement of the Budhagali Spirit, signed by the Nabamba Budhagali. The signature is witnessed by AJCM Magezi, Advocate, who attests that the agreement “was first read and explained to him in a language he understands until he appeared to fully understand the same.” The Agreement follows consultations on 6/25/01, 7/6/01, 7/13/01, 7/25/01. The Agreement contains the following provisions: “For the avoidance of doubt, after providing the agreed facilitation for the appeasement ceremonies, the Company shall deem and Nabamba Budhagali hereby asserts that all requisite cultural ceremonies associated with the interest of Nabamba Budhagali within the Project Site have been satisfied, the spirits have been appeased, acquisition of the Project Site, construction of the Project and inundation of the Culture site have been accepted by the spirits. “Nabamba Budhagali shall have no more claims for re-consulting or re-appeasing the Budhagali spirits.”

September 25, 2001 – Nabamba Budhagali accepts milestone payments 3b and 4 for the ceremony. (He had previously received all of the other milestone payments.)

September 29, 2001 – Appeasement ceremony with participation of the Nabamba Budhagali and 75 Baswezi from all over Uganda. Nabamba Budhagali refuses to sign confirmation of completion.

October 5, 2001 – Nabamba Budhagali, through legal counsel, sends letter to object to the presence of others near his shrine claiming to be “the” Budhagali.

2001-2007 - After the withdrawal of AESNP, the GoU through a procurement process identified BEL as a developer for the project. Due to the time lapse, there was a need to update the SEAP; to identify any gaps and/or improve on the mitigation measures proposed. Consultations were held with different agencies and during which Busoga Kingdom, as one of the institutions consulted, indicated that the relocation of the Bujagali Spirits was not completed because no home was built for the spirits as they were temporarily housed at the medium’s place (Lubaale

Nfuudu). Further consultations and negotiations led to an agreed list of requirements for a home for the spirits as advised by Busoga Kingdom and a relocation ceremony for the spirits.

August 18, 2007 – The proposed requirements are honored by BEL, and the transfer and appeasement ceremony is performed with Lubaale Nfuudu Benedicto as the medium.

August 2007–January 2009 – BEL requests Busoga Kingdom for progress on the construction of the three shrines (home for the spirits) at Namizzi.

February 9, 2009 – BEL in a letter to Busoga Kingdom (BEL Ref: 0-1264) requests to be furnished with information related to the completion of the shrines and does not get a response.

July, 2009 –MEMD engages a consultant to look into the spirits issue and update the CPMP to also include the procedure of chance finds.

February 19, 2010 – BEL receives a letter from Busoga Kingdom (Ref BK/ADM/10) about the latter's meeting with European Investment Bank centered on two issues – the status of Nabamba Budhagali's involvement in the spiritual issues associated with the project and completion of shrines at Namizzi.

May 18, 2010 – Meeting between BEL, Busoga Kingdom and MEMD is held to discuss the completion of spirits' relocation.

July 2, 2010 – Meeting between BEL and MEMD to follow up on the relocation of the spirits issue and it is agreed that BEL will fund both the completion of the shrines and the relocation ceremonies.

August 5, 2010 – Meeting between BEL, MEMD and Busoga Kingdom is held at the Kyabazinga's offices to communicate agreements made by BEL with MEMD on July 2, 2010, as follows:

- BEL funding both the completion of shrines at Namizzi and the associated relocation ceremonies;
- BEL to discuss with Busoga Kingdom the appropriate conduction of appeasement ceremonies, including the involvement of all key spiritual mediums like Jajja Budhagali, Infudu, etc., in the ceremonies;
- BEL to consider a budget for the appeasement ceremony and sign a legally binding Memorandum of Understanding with Busoga Kingdom; and
- Busoga Kingdom to issue a certificate of completion for completion of the shrines and the relocation ceremonies.

April 28, 2011 – Interdenominational memorial service for the people buried on the Dumbell and other islands held prior to inundation of the area.

June 29, 2011 – Ceremony for the relocation of the spirits from Budhagali (Bujagali) to Namizzi shrines undertaken by the spiritual medium Infudu and witnessed by Busoga Kingdom, the local community, and central and local government officials.

Annex-4.
SUMMARY OF SOCIO-ECONOMIC OUTCOMES

There were two follow-up socio-economic panel surveys completed in 2011 to measure changes in PAPs' incomes and livelihoods. The sampling approach (14.6% of total PAPs) and results of the second survey in 2011 are summarized below.

Villages	Number of PAPs	Number of PAPs sampled in survey
Naminya Resettlement	25	22
Kyabirwa	213	21
Malindi	153	26
Buloba	61	12
Namizzi	251	33
Kikubamutwe	117	15
Bujagali	19	2
Naminya Kiira	28	7
All villages	875	128

Overall 88 (63.8 percent) of the PAPs registered an improvement in relation to the 2009 income status based on cash income. Based on cash income, the highest improvement in income since 2009 was recorded in Namizzi (28 PAPs or 84.8 percent).

Additional data analysis, using proxy measures of income, showed the following trends among the three categories of PAPs:

- 60.6 percent of the PAPs who registered a decline in 2010 registered an improvement in 2011. 39 percent declined further.
- Three of the four PAPs who registered unchanged income in 2010 and took part in the 2011 survey, registered income improvement while the fourth maintained the same income status.
- Of the 83 PAPs who registered an improvement in income in 2010, and took part in the 2011 survey, 34 (41 percent) improved their incomes. The other 59 percent of the same PAPs had a decline in their income levels.

PAP location	Total PAPs	Sample # households	Improved		Maintained		Declined	
			No	%	No	%	No	%
Kikubamutwe	59	15	5	33.3	1	6.7	9	60.0
Malindi	70	26	13	50.0	0	0.0	13	50.0
Buloba	43	12	5	41.7	1	8.3	6	50.0
Naminya Kiira	14	7	4	57.1	0	0.0	3	42.9
Naminya Resettlement	25	22	17	77.3	0	0.0	5	22.7
Kyabirwa	86	21	16	76.2	0	0.0	5	23.8
Bujagali	6	2	0	0.0	0	0.0	2	100.0
Namizzi	138	33	28	84.8	1	3.0	4	12.1
All villages	441	138	88	63.8	3	2.2	47	34.1

The sampled households received various types of livelihood assistance from the project. These are summarized in the table below.

Village	PAPs engaged in livelihood restoration activities	Sample for Agriculture	Sample for employed	Sample for fisheries	Sample for other informal employment/ remittances	Total sample per village
Kikubamutwe	59	12	1	0	2	15
Malindi	70	11	1	4	10	26
Buloba	43	7	5	0	0	12
Naminya Kiira	14	4	1	0	2	7
Naminya Resettlement	25	15	1	0	6	22
Kyabirwa	86	14	3	0	4	21
Bujagali	6	1	1	0	0	2
Namizzi	138	25	1	2	5	33
All villages	441	89	14	6	29	138