

Project Name Uganda- - Bujagali Hydropower Project

Region Africa

Sector Electric Power and Other Energy Adjustment

Project ID UGPE063834

Borrower(s) AES Nile Power Limited (Uganda)

Implementing Agency AES Nile Power Limited (Uganda)
 Contact person: Christian Wright
 Address: 37 Kinate Kololo, Kampala, Uganda
 Tel: 256 41 346983
 Fax: 256 41 346982

Environment Category A

Date PID Prepared November 12, 2001

Appraisal Date November 9, 2001

Proposed Board Date December 13, 2001

The Strategic and Sectoral Context

The main objective of Uganda's Country Assistance Strategy is to reduce poverty through rapid economic growth, which depends upon increased foreign and domestic private investment. The World Bank Group's strategy for the power sector consists of a three-pronged approach to support this objective by:

First, promoting efficient operations of the power sector through implementation of a comprehensive sector reform program and increasing the role of the private sector in its operation and future development;

Second, providing adequate, reliable and least-cost power generation capacity to meet local demand; and

Third, increasing the percentage of rural households with direct access to electricity and revitalizing rural development.

At present, only about three percent of the population has access to electricity. While high growth performance during the 1990s has raised living standards, poverty remains pervasive and extensive. Much of Uganda's rural population remains isolated and has not yet received or seen the benefits of commonplace modern goods and services. Thus broad based economic growth in rural areas has also been constrained by the lack of infrastructure, and of integration with regional, national and international markets.

In the past, IDA has provided significant financial support to the power sector to assist Uganda in meeting its power generation needs and to improve the Uganda Electricity Board's (UEB) operational and financial performance. While this assistance has expanded Uganda's generation facilities, it failed to improve power sector efficiency and performance. UEB has been unable to generate an adequate cash flow to cover its expenses, debt service and meet even a portion of future

investment needs, mainly because of poor collection rates and high system losses. While there have been improvements in UEB's performance over the past two years under a new management team, major efficiency improvements and expansion of access are anticipated only when UEB's distribution facilities are under private management. Because the provision of adequate and reliable electricity service is critical to supporting the CAS objective of reducing poverty through promoting sustainable growth, the World Bank Group's efforts in the power sector have been directed to: (a) the unbundling and divestiture of UEB involving private sector participation as a means to improve sector efficiency and increase access; (b) the provision of adequate and reliable power at least cost to meet the growing demands of the economy, involving the development of Uganda's hydropower resources; and (c) increased direct access of rural households to electricity, including areas isolated from the national electricity grid.

Power Sector Reform. In June 1999, the Government of Uganda approved a comprehensive power sector reform strategy. In November 1999, a new Electricity Act was promulgated. The Government has since established the Electricity Regulatory Authority, unbundled UEB into three companies, one each for generation, transmission and distribution and increased tariffs substantially. The Government is in the process of concessioning generation and distribution facilities in order to transfer key operational and investment responsibilities to the private sector. The impact of these changes will be to transform the commercial operation of the system, improve the quality of supply, and facilitate the development of commercially funded new supplies to serve the market.

The Provision of Cost Effective Power Generation Capacity. Electricity demand is forecast to increase at an average annual rate of about 8 percent in Uganda, leading to a doubling of electricity demand within less than 10 years. Economic and technical studies have confirmed that the next least-cost increment of power generation in Uganda would be the development of the Bujagali Hydropower Project (200MW). The proposed Project is consistent with the Government's development objectives to: (a) remove power supply constraints hindering economic growth and meet the increasing demand for electricity over the medium term; (b) develop the country's significant hydro-electric potential; (c) support private investment and ownership in the power sector; and (d) potentially increase exports of electricity to neighboring countries

Power Sector Issues and Government Strategy

Inadequate and unreliable electricity supply has hampered economic growth. A major cause of the poor health of the power sector has been UEB's lack of management and financial autonomy from the Government. This situation, along with tariffs which did not reflect the cost of supply until recently, has hindered the development of a commercial business orientation, accountability and modern utility management practices. In addition, only about three percent of the population has access to grid supplied electricity, of which 70 percent is concentrated in the three major urban cities of Jinja, Kampala

and Entebbe. Rural electrification forms an integral part of the Government's wider rural transformation and poverty eradication agenda.

The Government's Power Sector Strategy and Reform Program
In June 1999, the Government approved a comprehensive power sector restructuring and privatization strategy. The main objectives of the strategy are to: (a) make the power sector financially viable and efficient; (b) meet the growing demands for electricity and increase electricity coverage; (c) improve the reliability and quality of electricity supply; (d) attract private capital and entrepreneurs; and (e) take advantage of export opportunities. The key reforms called for in the Government's power sector reform program are: (a) unbundling of UEB into separate generation, transmission and distribution businesses; (b) privatizing the generation and distribution businesses via long-term concessions; and (c) establishing an autonomous authority to regulate the power sector. A new Electricity Act, promulgated in November 1999, enables private participation in the power sector, establishes the ERA, permits the privatization of UEB, and sets out a strategy for rural electrification. The ERA commissioners were appointed in April 2000.

Project Objectives and Rationale for World Bank Group Involvement

The proposed project would promote increased growth through developing least-cost power generation for domestic use in an environmentally sustainable and efficient manner. In addition to mobilizing private capital, the proposed project will promote private sector ownership and management of the power sector, and sector reform.

The IFC and IDA have played an important role in Uganda's power sector. The value-added of the World Bank Group includes; (a) its advice on restructuring of the power sector, including the financing of technical experts; (b) structuring of the proposed Project to ensure proper risk sharing amongst the parties; and (c) ensuring the adoption of appropriate environmental and social safeguard policies and an environmental management plan. By catalyzing commercial finance, the IDA PRG helps to leverage IDA resources over a larger number of projects by reducing the amounts of IDA resources required for critical and significant infrastructure investments like the Project.

Project Description

The proposed Project will be located at Dumbbell Island, 8 kilometers north of the existing Owen Falls power plant near Jinja. The project includes the construction of: (a) a 200MW (1700 GWh) run-of-the-river power plant on a Build-Own-Operate-Transfer basis, at Bujagali Falls; and (b) about 100 km of 220 kV and 132 kV transmission lines and associated substations. The project sponsor is AES Corporation (AES), U.S. The privately owned and operated project company (AES Nile Power Ltd.) will sell electricity to the Uganda Electricity Transmission Company Limited under a 30-year Power Purchase

Agreement (PPA).

Project Costs and Financing Plan

	Project Costs and Financing Plan	US \$ MN
AES (equity)		
\$115		
Export Credit Agencies		
\$ 234		
IFC A loan		
\$ 60		
AfDB		
\$ 55		
IDA-Guaranteed Loan		
\$ 115		
Interim Energy Revenue		
\$ 3		
Total		
\$582		

Implementation Arrangements

The proposed Project will be implemented by AESNP, a special purpose company incorporated as a private limited liability company under the laws of Uganda, to develop, finance, build and operate the Bujagali Hydropower Project on a Build-Own-Operate-Transfer basis. AESNP will sell electricity to UETC under a 30-year PPA. The proposed Project is sponsored by AES which has a 94 percent shareholding in AESNP and Madhvani International SA which holds the remaining six percent of the shares. AESNP will be responsible for operating and maintaining the facility in accordance with agreed operating budgets and performance targets.

Sustainability

The sustainability of the proposed Project will be underpinned through a combination of the following factors:

The limited recourse structure of the Project allocates the risks amongst the parties best able to mitigate them. The investors and lenders are responsible for the financing, construction and operational risks which have been clearly defined in the Project Contractual Agreements. This provides the right financial incentives to: (a) the private sector to ensure that the Project is constructed and operated efficiently; and (b) the Government to ensure that the right enabling environment is created for the operation of the Project. The proposed Project provides for commercial and economic benefits to the Government through an appropriate sharing of the risks between the Government and private sector, and the generation of fiscal revenues which could be directed to social

programs benefiting the poor; and

The potential risk of non-payment by UETC of its capacity payments to AESNP is partially mitigated through the establishment of a Liquidity Facility which will be funded initially by interim energy revenue (energy sold prior to commissioning of the Bujagali hydropower plant), and thereafter as a continuing obligation of the Government. Poor power sector performance has been mitigated by implementation of a comprehensive power sector reform program which includes the establishment of an autonomous regulator, unbundling of UEB and the long-term concessioning of distribution to the private sector which is under way. Also, the ERA has increased retail tariffs to a full cost recovery level which will enhance the financial viability of the power sector.

Environmental and Social Safeguard Aspects

Environmental Assessment OP 4.01. The Bujagali Hydropower Project is a Category A project in accordance with OP 4.01 (Environmental Assessment). AESNP has prepared an Environmental Impact Assessment (EIA) consisting of a suite of seven documents (prepared by ESG International and WS Atkins) and entitled the Bujagali Hydropower Project EIA (March 2001). The documentation covers both the hydropower facility and the new transmission system and incorporates, as separate volumes, a Resettlement and Community Development Action Plan (RCDAP) for the former and a Resettlement Action Plan (RAP) for the latter.

Impact Assessment Process. AESNP began the impact assessment process in 1997. Throughout this process, AESNP retained an independent Panel of Experts (renamed the Environmental Assessment Review Panel). AESNP conducted extensive consultations in Uganda and in particular with project-affected people (see Section G below). AESNP also formed the Bujagali Dam Safety Panel. The impact assessment process was designed to comply with the procedural and documentation requirements of NEMA, other laws and regulations of Uganda, and requirements of IFC and IDA. In March 1999 an Environmental Impact Statement (EIS) for the hydropower facility and an interim draft version of the transmission system EIS were submitted to NEMA and IFC/IDA. NEMA approved the hydropower EIS in November 1999 and the transmission system EIS in July 2001 (based on a December 1999 submission for approval). IFC/IDA provided comments and requests for revisions on the documents during the spring of 1999. In April 2001, AESNP submitted the March 2001 suite of documents, which responded to the comments and requests for revisions, to IFC/IDA.

Disclosure. The March 2001 Bujagali Hydropower Project EIA suite of documents was released in country and to the InfoShop on April 30, 2001. The March 1999 hydropower facility EIS and the December 1999 transmission system EIS had been disclosed in Uganda earlier and followed NEMA's public review and disclosure procedures.

Complementary Studies. In addition, IFC/IDA conducted separate, complementary studies. IFC commissioned the Victoria Nile Strategic Impact Assessment (ESG International Ltd., January 2000) to provide guidance on the proposed Project from the perspective of Ugandan stakeholders and criteria for assessing

the environmental and social appropriateness of future developments on the Nile River in Uganda in a post-Bujagali era. A second study, Assessment of Generation Alternatives (Acres International Ltd., May 2000), concluded that hydropower projects on the Nile River were the least cost options for meeting demand for electricity. It also concluded that the Bujagali Hydropower Project, subject to completion of an EIA demonstrating its compliance with the safeguard policies, was the least cost hydropower project. In both studies, consultation with Ugandan stakeholders was a key component.

Analysis of Hydropower Alternatives. Alternatives to the Bujagali hydropower facility were assessed in three ways: (a) development alternatives; (b) location alternatives; and (c) alternative configurations of the Bujagali location. Studies by Rust Kennedy and Donkin (1997), Electricité de France (1998), Energy Strategy Management Assistance Strategy for a Rural Electrification Strategy Study (1999) and the Assessment of Generation Alternatives (Acres International, 1999, as finalized in May 2000) concluded that large-scale hydropower was the most viable alternative for electricity generation. These conclusions were also confirmed by the Acres November 2001 Economic Review. Comparative studies of alternate locations for hydropower development on the Victoria Nile concluded that of six sites considered, Karuma and Bujagali had lower environmental and social impacts, but Bujagali had relatively more power generation capacity. A location at Kalagala Falls was determined to have the most overall socioeconomic and environmental impacts. Seven Bujagali project configurations were considered, including different locations for a dam across the Nile River in the vicinity of the preferred project site at Dumbbell Island (approximately 8 kilometers downstream of the Nalubaale and Kiira dams) as well as a diversion canal configuration that would avoid placing a dam across the Nile River. The preferred configuration was a 29-meter high dam across the Nile at the downstream end of Dumbbell Island.

Transmission System Alternatives. AESNP and its consultant completed an alternative analysis for the project transmission lines, using a range of social, environmental, technical, economic and financial criteria, to identify the potential key impacts of alternative corridors. An alternative following the northern existing transmission line from the Kiira substation to Kampala was preferred, because impacts on settlement and property were lower, the line is shorter, and the routing does not require crossing existing transmission lines.

Cumulative Impacts. Environmental and social due diligence was not confined solely to the direct and indirect impacts of this Project. The IFC Environmental and Social Review Procedure (December, 1998) requires that the cumulative effects of a proposed Project along with existing and reasonably defined future projects be assessed and appropriate mitigation proposed. The assessment of cumulative effects was undertaken in the Acres and ESG assessments. The studies concluded that a series of new hydropower power projects on the three reaches of the Nile that were studied would have significant cumulative impacts and that Ugandan stakeholders did not want to see the Nile River

transformed into a cascade of hydropower projects. Specifically, the Acres study concluded that major negative cumulative impacts would occur if the Bujagali Hydropower Project were developed in conjunction with additional hydropower projects (Kalagala) on the upper reach of the Nile. Environmental Assessment OP 4.01 and Impacts on Tourism. The proposed Bujagali Project's reservoir will inundate Bujagali Falls and several kilometers of fast flowing water in the 7-kilometer reach upstream of the dam. The EIA for the hydropower facility pays considerable attention to the Project's impacts on tourism, recreational activities and experiences. In particular, there will be impacts on whitewater rafting; general and eco-tourism; aesthetics and ecologically protected areas. To mitigate impacts to this sector, AESNP has made the following commitments: establishment of the Jinja Tourism Development Association the objective of which is to build upon the area's existing facilities and attractions and amalgamate the presently somewhat fragmented industry into one that is sustainable; a cultural center; a visitor center; and launching facilities for whitewater rafting downstream of the dam. The Project will not result in the complete termination of whitewater rafting on the upper Nile River. AESNP has committed to mitigating impacts to the two rafting companies. These negotiations are ongoing. Natural Habitat OP 4.04 and the Kalagala Offset Agreement. In addition to consideration of cumulative effects, IFC/IDA safeguard policy requirements necessitated additional environment/social actions. The loss of Bujagali Falls resulting from reservoir inundation would be an irreversible conversion of a natural habitat (OP 4.04 on Natural Habitats) and result in the elimination of a significant stretch of free flowing water on the Nile River (OPN 11.03 on Cultural Property). In circumstances such as these, OP 4.04 allows for an "offset," i.e., protection of an area similar to the area lost as a result of a project. Kalagala Falls, a downstream site of a future hydropower project on the upper Nile, was determined to be the appropriate "offset" candidate. A hydropower project at Kalagala Falls was also considered unacceptable because of its cumulative effects. On the basis of these issues, IFC/IDA and the Government of Uganda on April 25, 2001 reached the agreement known as the "Proposed Bujagali Hydropower Project: World Bank Group's Requirement of an Offset at Kalagala Falls." This agreement, now known as the Kalagala - Itanda Offset, reflects IFC/IDA's conclusions that Kalagala Falls must be conserved in perpetuity for its spiritual, natural habitat, environmental, tourism and cultural values. (See Annex 9 for text of the Agreement.) Natural Habitat OP 4.04, Forestry Offset and Other Transmission Line Mitigative Measures. A portion of a northern existing transmission line and an equal portion of the proposed new transmission line pass through the Mabira, Kifu and Namyoya Forest Reserves. To comply with OP 4.04, AESNP will purchase and donate as an "offset" to the Government of Uganda a 234-hectare private forest enclave (the impact area of the new transmission line is 63.8 hectares of forest land) that is situated adjacent to the Mabira Forest Reserve. To avoid

impacts on the hydrological functions of Lubigi Swamp as a result of installation of concrete pads for transmission towers, temporary disturbance and permanent intrusion will be avoided by siting towers with longer than normal spans, by siting no towers in permanently wet locations, and minimizing new access roads. Natural Habitat OP 4.04, Nile River Islands and Jinja Animal Sanctuary. Approximately 35 hectares of islands in the Nile will be submerged (this includes islands located within the Jinja Animal Sanctuary) when the reservoir is filled. The inundation will result in the loss of terrestrial vegetation and habitat in the submerged areas. Enrichment plantings will be done on island areas not inundated and land along the main shoreline. AESNP will assist the Forest Department in gazetting the remaining islands and riverbank as a Forest Reserve, with the Forest Department assuming responsibility for the management of the newly created Reserve. Approximately 15.8 hectares of land on islands and 12.8 hectares of riverbank land within the Jinja Animal Sanctuary will be inundated. Mitigation measures include enhancement planting to be undertaken on the residual islands using a variety of indigenous tree species. The Forest Department has expressed interest in having the residual islands gazetted, or added to, a Central or District Forest Reserve, together with the area to be planted near Dumbbell Island and in the 100-meter protected zone along the Nile's banks. Further discussions will be held with the Uganda Land Commission and the Forest Department regarding the possible gazetting of afforested areas as a Forest Reserve.

Natural Habitat OP 4.04 and Endemic Fish Species:

Haplochromines. The EIA recognized five microhabitat types in the upper Nile River and identified the main fish taxa associated with each. The haplochromines were identified as having conservation value. The EIA and subsequent additional monitoring of haplochromines (report of November 2001) confirms that habitat and food availability for the haplochromines (including *Neochromis simotes*) would be intact after construction of the Bujagali Dam both upstream and downstream. Hence, the Project would meet the requirements of OP 4.04.

Safety of Dams OP 4.37. In accordance with the IFC/IDA safeguard policy on dam safety, AESNP has established a Dam Safety Panel. The panel consists of three independent technical experts who have provided and will continue to provide advice through final design, construction, initial filling, and start up phases of the Project. The panel has already advised on: the adequacy of spillway discharge capacity; adequacy of back-up power systems for the spillway and main power station; effects of blasting at Bujagali on the existing Nalubaale and Kiira dam structures; and the design discharge for river diversion flows during construction, which is adequate to meet a 100-year storm event.

Projects on International Waters OP 7.50. On February 24, 2000, the Government of Uganda, consistent with the IFC/IDA's policy for projects on international waterways (OP/BP 7.50) notified all nine upstream and downstream riparians (the Governments of Burundi, the Democratic Republic of the Congo, Egypt, Eritrea, Ethiopia, Kenya, Sudan, Rwanda and Tanzania) of its intention to

proceed with the proposed Bujagali Hydropower Project on the Nile River. In its letter to the Riparian States, the Government of Uganda indicated that it intended to continue with the present operating procedure which has been used since 1954 to determine and produce the controlled discharge down the Victoria Nile River (the Agreed Curve). The Government noted that the Bujagali hydropower plant would not result in any change to the discharge pattern in the Victoria Nile River. Also the Government provided the Riparian States with copies of the technical drawings and the designs of the proposed Bujagali hydropower plant, and asked for views and comments from the Riparian States before October 2000. On May 31, 2000, in line with the agreed operating procedure governing the water discharge pattern in the Victoria Nile River, the Government of Egypt gave its no objection to the Government of Uganda to proceed with the Project. There have been no other responses from Riparian States. IFC/IDA have considered the international aspects of the Project, and have assessed that the proposed Project will not cause appreciable harm to the other Riparian States, and will not be appreciably harmed by the other Riparian States' possible water use.

Mitigation Plans. Environmental Action Plans have been prepared for both the hydropower facility and the transmission system that identify the responsibilities, schedules and budgets of the environmental and social management measures to be implemented. AESNP has ultimate responsibility for the Project. The Bujagali EPC Contractor will construct the hydropower facility and transmission system on a turnkey basis. AESNP will appoint an Environmental Review Panel from among key stakeholders, including NEMA, community members, technical representatives, a witness NGO and EPC Contractor representatives. In order to deal with unforeseen or unexpected changes during implementation, a change management process has been devised to ensure continued attention to environmental and social issues. The two Environmental Action Plans are umbrella plans, comprised of several component plans that will be integrated and implemented by AESNP and the EPC Contractor and cover both social and environmental aspects. Components of the EAP to be prepared by AESNP include Environmental Manuals, stand-alone working copies of the Environmental Action Plans; Public Consultation and Disclosure Plan; and the Resettlement Action Plan and Community Development Action Plan (RCDAP), incorporating a Cultural Property Management Plan. Components of the Environmental Action Plan to be prepared by EPC Contractor include the Hydropower Facility Environmental Mitigation Plan and Transmission System Environmental Mitigation Plan, including a Traffic/Access Management Plan, Waste Management Plan and Pollutant Spill Contingency Plan; Hydropower Facility Environmental Monitoring Plan and Transmission System; and Health and Safety Management Procedures.

Monitoring. Monitoring of biophysical aspects defined in the EIA will rely on both internal and external compliance auditing. AESNP will carry out annual internal audits of compliance with the monitoring commitments of the EIA, including all requirements of NEMA and the lenders. AESNP audits are

submitted annually to NEMA for review in addition to quarterly reports provided to the lenders. The EPC Contractor will carry out audits at a minimum of every six months. External audits of the EPC Contractor's environmental compliance will be carried out in accordance with the requirements of the EPC Contractor's ISO 14001 certification. Monitoring of social aspects, as defined in the RCDAP and RAP, is carried out by AESNP staff, assisted by specialized expertise (NGOs and consultants, such as the witness NGO, Inter Aid, and independent legal counsel for affected people). Monitoring will be reinforced by external, independent evaluations of resettlement, compensation, resolution of cultural/spiritual issues, and implementation of the community development plan. Supervision of the Project will incorporate independent third party review, similar to the External Compliance Monitoring Group for the Chad-Cameroon Pipeline Project.

Strengthening Ugandan Institutional Capacity for Monitoring. IDA is proposing a stand-alone Technical Assistance Project to the Government to develop its institutional capacity and capability to monitor compliance associated with the agreed commitments in the Bujagali Project EIA suite of documents. NEMA would spearhead a team with members from relevant agencies and supplemented by local environmental and social consultants. International legal and technical consultants would also be recruited to help establish the capacity.

Socio-Economic and Socio-Cultural Aspects

Ongoing Work. AESNP is proceeding with several project initiatives, (such as resettlement, compensation, movement of graves, and ceremonies to deal with movement of household shrines) in advance of IFC/IDA Board approval. AESNP is adhering to commitments made in the EIAs, RCDAP and RAP with respect to these initiatives. AESNP is well aware that these initiatives are being carried out at its own risk and that a non-compliance situation in relation to any safeguard policy could result in Project processing delays.

Involuntary Resettlement OD 4.30. The proposed Bujagali Hydropower Project will physically displace 101 households (or 714 individuals). The total number of households affected in any way, (from a very small to a significant loss of land or other assets), by the hydropower facility is 1,288 (or 8,700 people). The total number of households affected in any way by the transmission system is 1,183 (or 5,796 individuals). A total of 522 households (1,867 individuals) currently reside on affected plots; some 326 households (1,522 individuals) will be physically displaced by the transmission lines. The great majority will be able to relocate to new houses in the immediate vicinity. Economic displacement is minimal for the majority of affected people -- the average area of land lost is less than 0.1 hectare. AESNP has prepared a RCDAP for involuntary resettlement for the main hydropower facility and a RAP for people affected by the transmission lines with all aspects in accordance with OD 4.30. An initial estimate of US\$19 million is provided for the RCDAP and RAP. The sum of US\$11.1 million is provided for the main hydropower facility. A budget estimate of US\$7.8 million is given for the transmission line RAP. AESNP

has allocated US\$1,825,500 and provided a detailed implementation timetable for community development projects during the 5-year (Phase 1) construction period. These projects are designed to be locally sustainable undertakings which respond to local priority needs. Some 1,500 jobs will be available at the peak period of construction. A policy will be implemented to provide about 10 percent of unskilled jobs to affected communities.

Cultural Property OPN 11.03 - Spiritual and Cultural Heritage. AESNP has prepared a Cultural Property Management Plan which addresses spiritual and cultural heritage impacts of the project. The Cultural Property Management Plan documents extensive studies, surveys and mapping, as well as consultations which were undertaken to identify cultural issues, graves, shrines and sites of spiritual importance to local people. The plan provides for cultural property management on three levels: At the individual or household level the plan focuses on family graves and ancestral shrines (amasabo) which will be compensated and moved in association with appropriate ceremonies; At the community level, appropriate ceremonial procedures will be carried out to address the loss of sites of spiritual importance and the movement of spirits to alternative locations; and

At the wider national and international level, an interdenominational remembrance service will be held to commemorate all those buried in the area in the past. A monument will be erected, in accordance with the wishes of the local communities.

Cultural Property OPN 11.03 -- Archaeology. AESNP facilitated an official archaeological reconnaissance level survey in July 2001. The survey team was led by the Commissioner for Antiquities and Museums of Uganda and included two Ugandan Conservators of Antiquities who were assisted on site by AESNP staff. The impoundment area is characterized by steep slopes; the land above these slopes that will be used for borrow materials and other project footprints has been heavily cultivated for many decades. The team covered the Project site and visited areas of possible interest at Namizi, Kikubamutwe and Malindi villages; the Buloba quarry site; Kaybirwa, a landing site on the Nile River; Dumbbell Island, which will be used as a footing for the dam; and areas around the Bujagali Falls tourist site, which will be partially submerged. The team was also provided with core samples taken from areas to be developed by the Project and observed soil/sub-soil profiles where cuts had been made. The survey concluded that no sites were found with a sizable concentration of cultural/archaeological materials. AESNP will continue with a full-scale archaeological survey of the inundated area, borrow areas, dam footprint, and construction areas, once vegetation is cleared from the area in preparation for construction. AESNP has committed to a thorough and careful approach to chance finds as witnessed by the discovery of bones at the resettlement site: work was stopped and experts were brought in to assess the find, which was subsequently identified as the remains of a hen. Detailed procedures for chance finds will be conveyed to the EPC

Contractor as part of its legal obligations.

Participatory Approach:

Public Consultation. IFC/IDA and AESNP have conducted additional consultations both to provide information about the IFC/IDA processing of the Project and to solicit feedback from informed stakeholders. Detailed "Meeting Summaries" of three NGO/local stakeholder consultation meetings have been released to the public. In addition, AESNP and IFC/IDA have engaged in a more informal manner with a variety of stakeholders (including the World Commission on Dams and international NGOs) to answer questions, to inform on the process and to ensure, to the extent feasible, maximize transparency. Both AESNP (www.bujagali.com) and IFC (www.ifc.org/bujagali) have Project web sites to facilitate interactions with concerned NGOs and stakeholders. The reports of the independent Panel of Experts have also been posted on the AESNP Project web site.

At the time of EIA submission to the InfoShop, AESNP had carried out 240 consultations with over 7,000 local residents from affected areas; 49 consultations were held with 103 representatives of Ugandan cultural institutions; 130 items were conveyed via local radio, television, and print media; 235 meetings were held with local Government representatives; 110 meetings with representatives of the Government of Uganda; 128 meetings were held with stakeholders, and 87 meetings were held with environmentalists and NGOs. This is in addition to the significant interaction and participation with civil society by IFC/IDA and AESNP. The AESNP public consultation program is ongoing, and will continue through construction and operation.

Contact Points:

International Finance Corporation
Haran Sivam
Senior Investment Officer Analyst
1818H Street, NW
Washington, DC 20433
Telephone: 202 473-1113
Fax: 202 974-4307

World Bank
Karen Rasmussen
Lead Financial
1818 H Street, NW
Washington, D.C. 20433
Telephone: 202 473-4168
Fax: 202 473-5123

Implementing Agency
AES Sirocco Limited
Bob Chestnutt
Project Director
18 Parkshot
Richmond-upon-Thames
Surrey TW9 2RG

United Kingdom
Telephone: 44 20 8334-5320
Fax: 44 20 8940-1170

For information on other project related documents contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-5454
Fax: (202) 522-1500
Web: [http:// www.worldbank.org/infoshop](http://www.worldbank.org/infoshop)

Note: This is information on an evolving project. Certain components may not be necessarily included in the final project.

This PID was processed by the InfoShop during the week ending November 30,2001