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PROGRAM-FOR-RESULTS FINANCING

UGANDA SUPPORT TO MUNICIPAL INFRASTRUCTURE DEVELOPMENT PROGRAM  
ADDITIONAL FINANCING

(USMID AF)

(P163515)

**ENVIRONMENT AND SOCIAL SYSTEMS ASSESSMENT  
(ESSA)  
UPDATE**

Prepared by the World Bank

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## **List of Acronyms**

AF	Additional Financing
AFDB	African Development Bank
CDO	Community Development Officer
CPF	Country Partnership Framework
CSO	Civil Society Organization
DfID	(UK) Department for International Development
DLIs	Disbursement-linked Indicators
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Mitigation Plan
ESSA	Environmental and Social Management System Assessment
GDP	Gross Domestic Product
GoU	Government of Uganda
ICT	Information and Communication Technology
IDP	Internally Displaced Person
IPF	Investment Project Financing
LG	Local Government
MC	Municipal Council
MDF	Municipal Development Forum
MEO	Municipal Environmental Officer
MOGLSD	Ministry of Gender, Labour and Social Development
MOLHUD	Ministry of Land, Housing and Urban Development
MOLG	Ministry of Local Government
NEMA	National Environmental Management Agency
NGO	Non-Governmental Organization
OHS	Occupational Health and Safety
PAP	Program Action Plan
PDO	Program Development Objective
PforR	Program for Results
POM	Program Operational Manual
PST	Program Support Team
TC	Town Clerk
ToR	Terms of Reference
USAID	United States Agency for International Development

## Executive Summary

### Introduction

1. The Uganda Municipal Infrastructure Investment Program (USMID) has been under implementation since 2013. The Program has performed consistently well since effectiveness. Progress towards the Program Development Objective (PDO) has been rated satisfactory throughout, with overall implementation progress rated moderately satisfactory or better. The safeguards performance has ranged between satisfactory and moderately satisfactory. Given the success of the ongoing USMID Program, replenishment of funds through Additional Financing (AF) is now being proposed to both broaden the investments and increase the number of municipalities. Investments are being targeted in four infrastructure areas: (i) roads and associated auxiliary infrastructure (e.g. pedestrian walkways, solar street lighting, beautification/planting of trees); (ii) drainage improvement; (iii) liquid and solid waste management; and (iv) the promotion of local economic development (e.g. market infrastructure).

### Methodology

2. A full Environmental and Social System Assessment (ESSA) was conducted for the original program in 2012-2013, in a process that included stakeholder consultations and full disclosure. This Update builds on the original ESSA to reflect some changes in the institutional arrangement of national and local institutions, and both progress made and lessons learned over the Program period. This ESSA Update was informed by the findings from relevant document reviews (including the original ESSA, subsequent reports of World Bank's implementation support missions, progress reports from the Program Support Team (PST), the last annual assessment by an independent verification agent), as well as interviews of key stakeholders including national level agencies<sup>1</sup>, management and staff of municipal councils, local community leaders, and project-affected communities. Field level assessments in 2 current USMID Municipalities (Lira and Mbale) and 4 other Municipalities (Kitgum, Kamuli, Mubende and Kasese) were carried out during the period from September 20 to October 3, 2017. Formal consultations on the ESSA Update will be held in [January, 2018] in Kampala.

### Consultations - Key points

3. Key observations from consultations carried out during the initial preparations of the AF and ESSA Update included: (i) the proposed investments do not pose any significant environmental and social risks, (ii) municipalities understand what is required to address environmental and social risks arising from investments though their individual

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<sup>1</sup> Including the Ministry of Land, Housing & Urban Development & Program Support Team, National Environmental Management Agency, Ministry of Works, Ministry of Local Government, Public Procurement and Disposal of Public Assets.

capacities vary, (iii) all municipalities have an environmental officer and Community Development Officer, who need to be supported in a consistent and systematic manner by the Project Support Team, and municipal engineering and other staff, (iv) strengthening of environmental and social considerations in the procurement, contract and supervision is required; (v) strengthening of municipal capacity on safeguards management through training and sharing experience is critical; and (vi) further attention to address solid waste management, drainage and sewage management will clearly be a benefit in the AF.

## **Key Findings & Recommendations**

4. Broadly, the activities supported under the Program will continue to focus on rehabilitation or upgrading and new construction of existing municipal infrastructure. The scale of such investments has been and will be modest. No large-scale or high-risk projects (i.e. equivalent to category A in a World Bank project investment financing (IPF) were and will be financed under the Program; To ensure the compliance with the World Bank Policy for Program-for-Results Financing, the screening process in the Program Operational Manual has criteria to exclude certain categories of projects as well as projects of a scale that could pose significant adverse environment and/or social impacts

## **Environment**

5. The existing legal and regulatory framework as relevant to the Program activities, is largely adequate in its coverage of environmental aspects. The national laws/regulations cover aspects such as the management of air, water and noise pollution, and a functioning environmental assessment procedure administered by NEMA is in place.
6. All current USMID municipalities have a position of Environmental Officer; an arrangement which will continue under the AF program. The ongoing program has built the capacity of the Environmental Officer and other municipal staff, particularly the engineering and social team. Their capabilities will be strengthened under the AF program. The national environmental assessment procedures (NEMA) have been adhered to in the ongoing program. Further, the supervision consultants and the contractors have environmental and safety officers to ensure on-the-ground implementation of project-level mitigation measures. Municipalities have been monitoring compliance with environmental norms, with support from the supervision consultants. All of these implementation arrangements in the ongoing program will be continued and strengthened to fill some perceived gaps in the expanded AF program.
7. The Program has clearly brought environmental benefits to the municipalities through the improved enhancements (tree planting, landscaping and solar street-lighting) along the urban roads. As proposed under the AF, a renewed focus on improved collection of urban liquid and solid waste, and improved local economic development infrastructure is expected to have further positive environmental benefits. Improved air quality, reduced

traffic congestion, reduced road flooding, and enhanced green cover through tree planting & landscaping will improve both urban livability and public health.

8. Residual potential risks that will be addressed in the AF include: (i) community and worker's health and safety risks associated with construction/rehabilitation work; (ii) impacts associated with improving currently deficient liquid and solid waste management systems; (iii) adverse impacts on biodiversity and physical cultural heritage incidental to sub-projects; and (iv) adverse impacts from expanding investments in storm water and drainage management.
9. The following mitigation actions have been proposed: (i) integrating appropriate E&S controls and staffing in the procurement, contractor selection, and supervision phases of civil works; (ii) strengthening particular ESMP provisions pertaining to borrow pits, quarry sites, tree plantation particularly indigenous species, downstream impacts due to drainage improvements, waste management for slaughterhouses and screening checklists for new town markets and (iii) strengthening overall capacity of municipality on environmental management issues. The ESSA Update proposes these actions as recommendations to the overall Program Action Plan, Disbursement Linked Indicators, and the revised Program Operations Manual.

## **Social**

10. The existing legal and regulatory framework, as relevant to the Program activities, is somewhat adequate in addressing social issues. The national laws/regulations that cover aspects such as land acquisition, grievance redress, Indigenous peoples, Social Accountability and Transparency, Public Participation, inclusion, and gender issues are in place.
11. All municipalities have a position of the Community Development Officer, which has been filled in the USMID municipalities and will be filled in the new municipalities under the AF program. The ongoing program, through coordination from the PST's Environment and Social focal points, has built the awareness and capacity of these officers and other relevant municipalities' staff, particularly those in engineering. The national social assessment procedures have generally been adhered to during the ongoing program. Further, the supervision consultants and the contractors generally have social and safety officers to ensure on-the-ground implementation of project-level mitigation measures. Municipalities have been conducting ESMP formulation and monitoring with support from the supervision consultants and the PST. These implementation arrangements in the ongoing program will be continued and strengthened in the expanded AF program.
12. The program has several social benefits, particularly owing to its design to enhance the institutional performance of participating LGs to improve urban service delivery to the local community. From the perspective of socio-economic development, new or refurbished streets, centralized and modern market areas, and general improvement in

municipal services are all enabling factors for the community at large. Some examples of social benefits include improved community accessibility to schools, health care centers, and other livelihood activities through better roads and associated auxiliary infrastructure, improved security and safety through improved walkways and street lights, employment opportunities for the community through construction and maintenance of the municipal infrastructure, positive economic impact on livelihood and the businesses through better accessibility and improved security, and strengthened local capacity to deliver.

13. The main adverse social impacts to be addressed by the program include potential risks associated with (i) land acquisition and physical/economic displacement, (ii) influx of labor into municipalities during construction activities, (iii) exclusion of vulnerable groups from Program benefits, (iv) and the risk of social tension in the community due to lack of access to a functioning grievance redress and limited community engagement.
14. The following mitigation actions have been proposed: (i) ensure appropriate E&S controls and staffing are included in the procurement, contractor selection, and supervision phases of civil works, (ii) strengthen directions for critical ESMP provisions, (iii) improved management of resettlement activities, (iv) sensitization on the social risks associated with influx of labor, (v) address potential exclusion of vulnerable groups from Program benefits, (vi) mainstream functioning grievance redress and community engagement in municipalities, and (vii) strengthen the capacity of municipalities and other stakeholders in management of environmental and social issues. The ESSA Update proposes these actions as recommendations to the overall Program Action Plan, Disbursement Linked Indicators, and the revised Program Operations Manual.

## SECTION 1. PROGRAM BACKGROUND

1. The Uganda Support to Municipal Infrastructure Program (USMID) supported with Program-for-Results (PforR) financing, aims to enhance the capacity of municipal Local Governments (LGs) in the management of urban infrastructure development. The total Program budget of USMID is US\$160 million, of which IDA funding amounts to US\$150 million and Government of Uganda (GOU) contribution from the existing Local Government Management and Service Delivery program is US\$10 million. USMID currently supports 14 municipal LGs as well as the Ministry of Lands, Housing and Urban Development (MOLHUD). The Program was approved by the World Bank Board on March 28, 2013, became effective on August 20, 2013, and is being implemented over a six-year period (FY2013-FY2018).
2. The Program's Development Objectives (PDO) is to enhance the institutional performance of Program LGs to improve urban service delivery. Regarding expenditures, USMID finances two major areas of activities at the local government level, namely: (i) urban infrastructure investments with associated servicing costs (e.g. engineering design, preparation of bidding documents, and supervision), and (ii) capacity building activities to strengthen institutions at both the LG and MOLHUD levels for achievement of the PDO and results. The 14 municipalities currently in the Program are Arua, Gulu, Lira (Northern Uganda); Soroti, Moroto, Mbale, Jinja, Tororo (Eastern Uganda); Entebbe, Masaka (Central); Mbarara, Kabale, Fort Portal, and Hoima (Western Uganda).
3. Investment activities allowable under the Program fall under the following categories: (i) rehabilitation and construction of urban roads and associated infrastructure, (ii) urban liquid and solid waste management, (iii) water and sewer extension; including to peri-urban areas, (iv) urban local economic infrastructure such as markets and slaughter houses, (v) support for urban transport such as bus parks and taxi parks, and (vi) urban beautification through landscaping and tree planting.
4. The Program has performed consistently well since effectiveness. Progress towards the PDO has been rated satisfactory throughout and overall implementation progress has been rated moderately satisfactory or above. All loan covenants, including audit and financial management reporting requirements have been met. Under batch 1 works, the Program has been able to deliver over 50 km of paved roads with associated auxiliary infrastructure (road side drains; pedestrian walk ways; cycle lanes; solar street lights; curbstones and trash cans along the roads). It has also delivered over 36,000 square meters of green areas with planted trees and generated around 800 jobs; 14% of which were for women<sup>2</sup>.
5. As for safeguards performance, the environmental and social impacts of the program activities remain moderate. The overall rating has largely been "Satisfactory," with an exception of recent downgrading to "Moderately Satisfactory" due to implementation lapses on safety measures for drain works and tree planting, as well as some delays in staffing in the implementing agency (MOLHUD) and overall coordination gaps between the Program

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<sup>2</sup> Concept memorandum-Proposed USMID Additional Financing, June 9, 2017

Support Team (PST) and some municipalities. On the social safeguards side, the resettlement impacts of the program have been moderate due to limited scope of physical works: The physical displacement has generally been minimized and duly compensated. To date, fourteen project-affected persons have had their land affected (mostly partial) and seven have lost structures<sup>3</sup>. The economic displacement has also been minimized and not significant and largely relates to mobile vendors or temporary impact during the construction. The Program has not been implemented in areas hosting indigenous communities. No social issues associated with influx of labor, including gender-based violence, have been reported. Although its effectiveness varies across Municipalities, the grievance redress mechanism managed by respective Municipal Development Forum (MDF) continues to play a crucial role in bridging communication gaps between project affected persons and the administrations.

6. Given the success of USMID and demands at the MC level that go beyond the current USMID financing, the Government of Uganda is seeking Additional Financing (AF) of \$300 million. The overall PDO remains the same, with scaling up through:
  - 1) replenishing the funding resource pool as a result of the better-than-anticipated Program performance (e.g. current disbursements at 81% against a target of 75%<sup>4</sup>);
  - 2) expanding the Program to additional municipal LGs;
  - 3) a more selective focus on specific needed investments in four key types of infrastructure: (a) roads and associated auxiliary infrastructure (pedestrian walk ways, solar street lighting, beautification/planting of trees, etc); (b) drainage improvement; (c) liquid and solid waste management; and (d) promotion of local economic development (market infrastructure, etc);
  - 4) reviewing and adjusting Disbursement Linked Indicators (DLIs) and associated performance measures to enhance the Program's impact on service delivery and local economic development, building on the municipal capacity improvements achieved in the first phase;
  - 5) expanding institutional development support both to the MOLHUD as well as the participating municipal LGs to enhance development impact and ensuring sustainable and resilient urban development; and
  - 6) extending the program period of the USMID by an additional five years, from the current closing date of December 31, 2018 to December 31, 2023 – bolstering support to existing municipal LGs, and implementing the scaled-up Program.
  
7. The expanded Program is already envisaged in the Country Partnership Framework (CPF) between Government of Uganda and the World Bank for the period 2016-2021. Additional financing will be the appropriate modality, as opposed to preparation of a new program, given that the next phase would continue with the same PDO and major design components of the current program. The targeting and tailoring under the AF builds on the solid successes of USMID, while addressing implementation gaps and risks.

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<sup>3</sup> Based on the report submitted by the Program's Project Support Team during the ESSA preparation mission conducted from September 20 to October 3, 2017.

<sup>4</sup> Concept memorandum-Proposed USMID Additional Financing, June 9, 2017.

8. A full Environmental and Social System Assessment (ESSA) was conducted for the original program in 2012-2013. Stakeholder consultations on a draft ESSA took place on May 8, 2012, and the final ESSA was disclosed on the World Bank Infoshop and in-country before the Board approval. This Update builds on the original ESSA to reflect changes in the institutional arrangement of the national and local institutions, and the progress made and lessons learned over the Program period.

## SECTION 2. METHODOLOGY

9. The update of the ESSA is informed by the findings from relevant document reviews including the original ESSA, subsequent reports of World Bank's implementation support missions, progress reports from the Program Support Team (PST), the latest annual assessment by an independent verification agent, as well as interviews of key stakeholders including management and staff of municipal councils, local community leaders, and project-affected communities. Field level assessments in 2 current USMID MCs and 4 other MCs was carried out during the period from September 20 to October 3, 2017. Formal consultations on the ESSA Update were held in [January, 2018] in Kampala (See Section 7).
10. The update of the ESSA gives special emphasis to (i) potential impacts of any new sub-project activities and new municipalities to be considered in the proposed AF; and (ii) the challenges and opportunities for improved environmental and social risks management in the original Program.
11. The Update comprises an assessment of performance of the existing country systems in relation to the needs of the proposed AF, namely (a) the potential environmental and social effects associated with the activities under the proposed AF; (b) the environmental and social management systems defined in the country's policies and legal and strategic frameworks; and (c) the capacity and experience of the municipalities in applying the environmental and social management systems associated with the program's environmental and social effects.
12. The ESSA Update considers the strength and gaps in the system with respect to the "six core principles" outlined in paragraph 8 of the World Bank Policy for Program-for-Results Financing. These principles establish the policy and planning elements that are necessary to achieve outcomes consistent with PforR objectives. They are intended to guide the assessment of the country's systems and its capacity to plan and implement effective measures for environmental and social risk management. The six core principles are as follows:
  - 1) Promote environmental and social sustainability in the Program design; avoid, minimize, or mitigate adverse impacts, and promote informed decision-making relating to the Program's environmental and social impacts
  - 2) Avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources resulting from the Program
  - 3) Protect public and worker safety against the potential risks associated with: (i) construction and/or operations of facilities or other operational practices under the Program; (ii) exposure to toxic chemicals, hazardous wastes, and other dangerous

- materials under the Program; and (iii) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards
- 4) Manage land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement, and assist the affected people in improving, or at the minimum restoring, their livelihoods and living standards
  - 5) Give due consideration to the cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of the Indigenous Peoples and to the needs or concerns of vulnerable groups
  - 6) Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.
13. While the ESSA Update is a product of the World Bank<sup>5</sup>, the input and support of national and MC stakeholders has been invaluable, and is sincerely appreciated.
14. On the basis of the findings of the analysis, the ESSA Update proposes recommendations for consideration as relevant to the overall Program Action Plan, Disbursement Linked Indicators, and elements of the revised Program Operations Manual. These actions will strengthen existing national and LG systems, substantially contributing to achieving the program's desired results.

### **SECTION 3. OVERVIEW OF KEY INVESTMENTS, BENEFITS, RISKS AND MITIGATING MEASURES**

#### **Key Investments under the Program**

15. The infrastructure types eligible for USMID AF funding will fall within the same set of sub-projects under the original USMID, for example: (i) urban roads and associated auxiliary infrastructure (pedestrian walk ways, solar street lighting, beautification/planting of trees, etc); (b) drainage improvement; (c) urban liquid and solid waste management; and (d) promotion of local economic development (market infrastructure, taxi/bus parks, small municipal slaughterhouses, etc). Each participating municipal council will continue to prepare a prioritized list of subprojects from the above menu for financing under USMID, based on its specific local needs, and reflected in its development plan, linked to its physical development plan.
16. The subprojects supported under the Program will continue to focus on rehabilitation or upgrading and new construction of existing municipal infrastructure. The scale of such investments has been modest, and no large-scale or high-risk projects (i.e. equivalent to

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<sup>5</sup> The World Bank team responsible for this ESSA Update consisted of Herbert Oule (Senior Environmental Specialist), Christine Kasedde (Environmental Specialist), Ron Hoffer and Vaideeswaran Sankaran (Environment Consultants), Boyenge Isasi Dieng (Senior Social Development Specialist), Aki Tsuda (Senior Social Development Specialist) and Elizabeth Aisu (Social Consultant). The support of Margaret Lwanga, environmental lead for the PST, Maria Nanteza, environmental specialist with the Ministry of Local Government, and Evelyn Lutalo of NEMA for the field assessments is especially appreciated.

category A in a World Bank project investment financing (IPF)) were financed under the initial USMID nor can these be financed under the AF. To ensure the compliance with the World Bank Policy for Program-for-Results Financing, the screening process in the Program Operational Manual has criteria to exclude certain categories of projects as well as projects of a scale that would include significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and affected people. The following types of projects are excluded from the Program financing:

- Centralized wastewater treatment plants;
- New or expanded sanitary landfills; or
- Activities that would significantly convert natural habitats or significantly alter potentially important biodiversity and/or cultural resource areas.

17. Screening of all sub-projects has been carried out to date and will be carried out under the AF to ensure policy compliance. Under batch 1 works, the original USMID has delivered in total 54 km of paved roads with associated auxiliary infrastructure (road side drains; 45 km pedestrian walk ways; 25 km cycle lanes; 1,161 solar street lights; 8 km curbstones; and 420 trash cans along the roads). It has delivered 31,863 square meters of green areas, planted 1,907 trees and generated 747 jobs of which 90 of women<sup>6</sup>. The majority of road subprojects has been upgrading or rehabilitation of existing sites, and small in scale, ranging from approximately 0.1 to 2 km. As of October 2017, the batch 2 works of USMID are under preparation and the physical works have not been started. It is envisaged that the batch 2 works may include investments beyond urban roads, for example upgraded taxi and bus parks, as well as upgraded central food markets. There have been proposals under batch 2 for small municipal slaughterhouse upgrading and relocated premises for micro-enterprises and other cottage industries; proposals which could continue for consideration under the AF.

## **Environmental and Social Benefits**

### *Environmental Benefits*

18. USMID urban road and beautification subprojects have already contributed positively to environmental sustainability. Other infrastructure to be financed under batch 2 works of USMID and AF, such as improved collection of urban liquid and solid waste, and improved local economic development infrastructure are also likely to have positive environmental benefits. The following are some examples of environmental benefits:

- 1) **Improved air quality** due to improved traffic flow, reduced fuel consumption and dust entrainment through better roads and associated auxiliary infrastructure. The improved traffic infrastructure has also **reduced vehicle accident hazards** because of solar-powered street lights and signage;
- 2) **Reduced road flooding** and reduced roadside erosion through drainage improvement. The improved roadside drains keep contaminated floodwater away from pedestrians, therefore **reducing the risk of water-borne diseases**;
- 3) **Public health improvement** because of removal of accumulated solid wastes from

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<sup>6</sup> Concept memorandum-Proposed USMID Additional Financing, June 9, 2017

city streets through better solid waste management. **The volume of solid waste will be reduced** if new composting plants will convert a substantial fraction of solid waste to a useful organic resource; and

- 4) **Improved treatment of contaminated wastewater or solid waste** through improved market facilities and small municipal slaughterhouses.
- 5) **Reduced traffic congestion** and reduced pedestrian accident hazard through improved taxi parks.
- 6) **Enhanced green cover** through tree plantation and landscaping of public areas associated with the planned urban infrastructure.
- 7) **Increased awareness on the importance of environmental management** at the Municipal level that has an effect outside of the USMID investments.

### Social Benefits

19. Overall, the USMID has had a number of social benefits, particularly owing to its Program design to enhance the institutional performance of participating LGs to improve urban service delivery to the local community. From the perspective of socio-economic development, new or refurbished streets, centralized and modern market areas, and general improvement in municipal services are all enabling factors for the community. The following are some examples of social benefits:

- 1) **Improved community accessibility** to schools, health care centers, and other livelihood activities through better roads and associated auxiliary infrastructure;
- 2) **Improved security and safety** through improved walkways and street lights;
- 3) **Employment opportunities for the community** through construction and maintenance of the municipal infrastructure. **Positive economic impact on livelihood and the businesses** through better accessibility and improved security; and
- 4) **Strengthened local capacity to deliver.** The experience gained by municipal officials in managing the environmental and social impacts of infrastructure investment should strengthen their capacity to manage municipal growth in more sustainable ways.

## **Environmental and Social Adverse Risks and Impacts**

### Environmental Risks and Impacts

20. Screening of subprojects under USMID has been routinely carried out, and is expected to continue as a primary means for managing risks. Because of the nature and relatively moderate scale of the works under USMID, the environmental impacts have been minor, temporary, and confined to the area immediately surrounding the construction. The short-term construction impacts for the most part have been prevented or mitigated with standard operating procedures and good construction management practices, though such performance has been shown to be very dependent on the capability of contractors and supervisory personnel. The Program has excluded project activities that may have significant adverse impacts on natural habitats and physical cultural resources. The potential impacts of operation are fewer and generally moderate and manageable by means of good design and adherence to proper operating procedures. Further, because of the significant geographic dispersion of the participating municipalities and the scale of proposed investments within

each municipality, cumulative effects of the Program as a whole are unlikely. However, the ESSA Update has identified the following types of key potential environmental risks which will be reviewed in later sections:

- 1) **Localized environmental risks, community and worker's health and safety risks associated with construction/rehabilitation work.** These risks include the normal impacts of civil works (i.e. dust, noise, erosion, surface water sedimentation, traffic interruptions, temporarily impeded pedestrian access, pollution from construction wastes), as well as waste from worker campsites, interference with local businesses, and disruption of water service. Relocation of markets and other elements of local economic infrastructure can pose risks if the sites do not have adequate water services and wastewater and solid waste collection. These short-term impacts can be prevented or mitigated with standard operating procedures and good construction management practices. However, experience under USMID shows the planned mitigation measures do not work where the quality of contractors or the lack of capacity in managing them are weak. USMID AF will propose additional measures to enhance the capacity to manage contractors (see Section 6).
- 2) **Potential impacts associated with improving currently deficient liquid and solid waste management systems.** While there have not been any physical works financed under USMID for urban liquid and solid waste management, most municipalities face waste management issues that are critical for long-term sustainability and public health improvements. USMID AF will only be supporting investments for example to: (i) improve garbage collection and processing of urban solid waste at National Environmental Management Agency (NEMA) licensed composting sites, and/or possibly (ii) rehabilitation of existing NEMA-licensed urban sewage lagoons or pre-treatment of wastewater from small municipal slaughterhouses. Nevertheless, the Program Operational Manual (POM) and screening forms will be modified to ensure that investments under USMID AF do not exacerbate longer-term risks from improper disposal, and are commensurate with the P4R instrument.
- 3) **Potential adverse impacts on biodiversity and physical cultural heritage.** Most municipalities contain some land with inherent environmental sensitivity. Many of the municipalities have wetland areas within their boundaries, which may not be designated as natural habitat but nonetheless, serve important functions that may be at risk due to urban development. The situation is more urgent with regard to the peri-urban forests, many of which have already been converted to other uses, whilst other reserves are heavily encroached. It is possible that some of the municipalities, particularly newly participating municipalities, will have such areas that may be potentially affected through development of USMID sub-projects. There is also a potential for the sub-projects to affect physical cultural resources that have not been recognized. In this regard, the USMID AF proposes to both (i) maintain the criteria to exclude project activities which may have significant adverse impacts on natural habitats and physical cultural resource, and (ii) provide further insights in the POM on approaches to minimize risks to non-critical resources.

- 4) **Potential adverse impacts from expanding investments in storm water and drainage management.** USMID has been influential in linking investments in better urban roads with better drainage. Support for new municipal urban drainage master plans has been helpful as well, though further attention is needed regarding consideration of downstream impacts as well as changing hydrology from climate variability.
- 5) **Potential risks arising from urban civil works initiated without mandatory NEMA clearances** that may result in abrupt suspensions of works activities and costly retrofitting and/or fines once such deficiencies are brought to light.

### Social Risks and Impacts

21. The adverse social impacts of the Program have not been significant. For example, the Program has not had significant adverse impacts related to land acquisition or loss of access to resources. There are no Indigenous Peoples (Ethnic Minorities) in the Program areas. However, the ESSA Update has identified the following types of key potential social risks:

- 1) **Potential risks associated with land acquisition and physical and economic displacement.** The resettlement impacts of the USMID Program have been moderate due to the limited size of the individual physical works. The physical displacement has been minimized and duly compensated: To date, fourteen project-affected persons have had their land affected (mostly partial) and seven have lost structures<sup>7</sup>. The economic displacement has also been minimized and not significant and largely relates to mobile vendors or temporary impact during the construction. However, the overall resettlement process, especially on economic displacement, is being implemented in an ad-hoc manner, without clear documentation and systematic planning and follow-through mechanism. In particular, municipalities are less aware of the need to addressing economic displacement/livelihood impact than physical displacement, which could potentially cause situations that may be inconsistent with Bank Policy for PforR. To address these gaps, the USMID AF will propose some additional measures including revision of the Operational Manual to enhance the management of economic displacement and capacity development of relevant municipal officers.
- 2) **Potential risks associated with influx of labor.** There have been no issues reported associated with influx of labor induced by the USMID projects. Due to the relative small scale of subprojects and the location of subprojects in urban areas with substantial labor pool, it is not expected that the USMID AF will induce an influx of significant number of workers from outside the community. However, Bank's recent experience and stakeholder consultations show that influx of workers could cause a range of social risks and impacts including social tension with the host community, gender-based violence, and HIV/AIDS and other sexually transmitted infections due to the potential risk from commercial sex. To address such potential

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<sup>7</sup> Based on the report submitted by the Program's Project Support Team during the ESSA preparation mission conducted from September 20 to October 3, 2017.

risks, the USMID AF proposes various mitigation measures such as preferential use of local workforce, extensive sensitization activities and enhanced contractor/worker management, in line with the World Bank Guidance Note on the Management of Risks associate with project- induced labor influx (See Section 6).

- 3) **Potential exclusion of vulnerable groups from Program benefits.** The Program aims to improve conditions for urban residents in terms of quality of life. However, if new or improved services, for example transport, drainage, solid waste management, etc., are not affordable or accessible, or if services formerly provided by the informal sector as income generating activities are institutionalized, the poor and vulnerable groups (such as women, persons with disabilities or elderly) will not benefit from them, or may be left worse off. Similarly, if new markets or abattoirs come with higher cost for rental space or use, small traders may actually be worse off, experiencing higher operating costs. Therefore, it will be critical that pro-poor considerations are made in the process of environmental and social assessment of subprojects and mitigation measures are considered.
- 4) **Potential risk of social tension in the community with the lack of functioning grievance redress and community engagement.** While there is little risk that the Program cause major social conflict, some cases of grievance may occur during project implementation that could lead to social tension (such as dispute over resettlement, community health and safety, or gender issues related to construction work). Impacts arising from USMID subprojects and other developments in the municipalities may be worsened by a lack of understanding and involvement of the urban citizens, whom the services are intended to benefit. While a grievance handling system<sup>8</sup> has been established and operationalized in 14 existing municipalities involving their respective MDFs, the grievance procedures and its functionality vary. There is no specific office that handle USMID subproject- related grievances in any municipalities. Also, some of other municipalities consulted during the ESSA Update process show weakness in grievance redress system. It is essential to ensure that the democratic processes of participation and accountability are functioning adequately to avoid potential social conflict as a result of the project. Under USMID AF, grievance redress mechanism will be strengthened through the involvement of the MDF, in particular in the new municipalities.

## **SECTION 4. APPLICABLE ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS**

### ***Description of policy and legal framework***

22. The environmental and social management system for USMID AF will be based on the Ugandan legal and regulatory framework. The GOU has a number of policies, instruments

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<sup>8</sup> According to the report submitted by the Program's Project Support Team during the ESSA preparation mission conducted from September 20 to October 3, 2017, 144 grievances were registered in the grievance handling system of USMID municipalities over the last four years, and 97% of them were resolved. The main categories of grievances include in a descending order: land acquisition and resettlement; environment; procurement; and fraud and corruption.

and laws which support the assessment and management of environmental and social risks and impacts. As presented in the ESSA for the original USMID, the country's policy and legal framework in place is comprehensively designed and broadly adequate as written. There are gaps in the framework, however, with respect to application of mitigation measures, limited compliance, and constrained availability of human resources and operating funds. As noted in subsequent sections of this Update, such gaps have been noted in USMID implementation, with strengthening measures taken to date, and reflected in the ESSA Update recommendations. Below is a succinct overview of the applicable legal and policy framework, including recent developments passed or proposed since the original ESSA.

## **Environment**

23. ***The Constitution of Uganda, 1995 (as amended)*** is the supreme law of Uganda. It imposes obligations on the Government of Uganda to promote sustainable development and environmental protection, and it obliges the state and citizens to endeavor to preserve and protect public property and Uganda's heritage. The Constitution gives every Ugandan a right to a clean and healthy environment. Parliament must provide measures intended to protect and preserve the environment from abuse, pollution and degradation and to manage the environment for sustainable development. Parliament holds natural lakes, rivers, wetlands, forest reserves, game reserves, national parks and any land to be reserved for ecological and tourism purposes in trust for the people, and must protect them for the common good of all citizens.
24. ***The National Environment Management Policy (NEMP) (1994)*** aims to promote sustainable economic and social development. Among the provisions of the policy is a requirement for an Environmental Impact Assessment (EIA) to be conducted for any policy or project that is likely to have adverse impacts on the environment. The country is currently considering an update to the NEMP, which could be finalized before the end of calendar year 2017. To inform this update, a comprehensive review (including local, national and regional consultations) of the NEMP was undertaken to identify lessons learnt from implementation since 1994, as well as policy gaps and emerging issues to address more current environmental management concerns. The draft policy is broad, cross sector and flexible to meet changing circumstances. There are several other Ugandan policies for environment and natural resource management relevant to USMID, including:
  - ***The National Policy for the Conservation and Management of Wetland Resources (1995)***. This policy establishes the principles by which wetland resources can be optimally used now and in future. It calls for the application of EIA to all activities to be carried out in a wetland, and aims at ensuring that the environmental goods and services provided by wetlands are safeguarded and integrated in development considerations.
  - ***The National Water Policy (1999)***. This policy's objective is the management and development of the water resources of Uganda in an integrated and sustainable manner. The policy requires EIA for all water related projects and integration of water and hydrological cycle concerns in all development programs. It covers water quality, water use, discharge of effluents and international cooperation on trans-boundary water resources.

- **Disaster Management and Preparedness Policy.** This policy aims to promote the implementation of prevention, preparedness, mitigation and response measures for disasters, in a manner that integrates disaster management with development planning.
25. **The National Environment Act, Cap 153.** The most important of the Ugandan environmental laws relevant to development of urban infrastructure in Uganda is the National Environment Act, Cap 153. This law established the National Environmental Management Authority (NEMA) and provides tools for environmental management. It sets requirements for management of various aspects of the environment, including wetlands, waterways and shorelines, forests, and hillsides. It authorizes NEMA to set environmental standards in consultation with cognizant line ministries. It makes EIA mandatory for certain types of projects. A number of regulations have been issued to implement the National Environment Act. Those relevant for USMID include regulations on (i) Environmental Impact Assessment; (ii) Conduct and Certification of Environment Practitioners; (iii) Noise Standards and Control; (iv) Standards for Discharge of Effluent into Water or on Land; (v) Wetlands, River Banks and Lake Shores Management; and (vi) Waste Management.
  26. The country is also proposing **updates to the National Environmental Act** on a parallel timeline with revisions to the National Environment Management Policy (NEMP), which would similarly bring the Act up to date in terms of the national and international commitments. The current draft Act would also bring specificity in critical elements, for example the environmental and social assessment process<sup>9</sup>. Proposed changes to the Act would also strengthen enforcement through a more responsive and effective set of penalties for non-compliance. In the realm of strengthening organizational structures, there is an explicit recognition of the importance of urban jurisdiction in addition to the district jurisdiction by specifying urban environmental committees. In all, proposed changes to both the NEMP and Environmental Act are bound to provide an enhanced policy and regulatory framework in the context of ensuring better environmental management in the urban context.
  27. It should be noted that while most USMID sub-projects are rehabilitation of existing sites and have limited environmental impacts, each municipality has grouped these investments together for bidding and contracting purposes and submitted a full EIA for NEMA approval. While not required under the Act, the MCs are required to prepare ESMPs based on the Environmental and Social Screening Form (ESSF) under **USMID Program Operational Manual**. For the USMID AF, the MCs will continue to ensure that the above procedures are adhered to, with the ESMP embedded in project contracts and compliance monitored on an ongoing basis. Also, it should be noted that USMID AF may support waste handling facilities such as compost sites, or small slaughterhouses (equivalent to Category B projects for World Bank IPF), for which the Act requires a full EIA. Under the AF, furthermore,

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<sup>9</sup> For instance, in the part on Environmental and Social Assessment, the new Act defines the (i) Responsibility of developer, (ii) Basis for environment and social assessment, (iii) Projects for which project briefs are required, (iv) Categorization of projects for purposes of environmental and social impact assessment, (v) Environmental risk assessment, (vi) Mitigation hierarchy, biodiversity or other offset and compensation mechanisms and (vii) Decommissioning of a project.

increasing emphasis will be placed on ensuring compliance of linked investments – for example ensure NEMA certification of quarry site operation and closure/restoration.

28. ***The Water Act, Cap 152*** provides for the management of water resources and the protection of the water supply. The act regulates public and private activities that may influence the quality and quantity of water available for use and establishes the Water Policy Committee to maintain an action plan for water management and administration. It gives general rights to use water for domestic purposes, fire-fighting or irrigating a subsistence garden. A permit is required to use water for constructing or operating any works or to discharge wastewater. Pertinent regulations issued to implement the Water Act include *The Water (Water Resources) Regulations (1998)* that describe the water permit system; and *The Water (Waste Discharge) Regulations (1998)* that regulate effluent and waste water discharges, and require discharge permits to be acquired.
29. ***The National Forestry and Tree Planting Act (2003)*** provides for the conservation, sustainable management and development of forests and establishes the National Forestry Authority (NFA). It defines forest reserves and specifies what actions can and cannot be carried out in them. The Act commits government to protect and sustainably manage the Permanent Forest Estate (PFE), set aside permanently for conservation of biodiversity and environmental services and sustainable production of forest produce. The Land Act of 1998 recognizes Central Forest Reserves (CFRs) as it prohibits their leasing or alienation and requires all landowners to manage and utilize their land in accordance with the Forests Act and other relevant laws. The PFE lands are set aside permanently for the conservation of biodiversity, the protection of environmental services, and the sustainable production of domestic and commercial forest produce. The CFRs are held in trust for the people of Uganda and managed by the National Forestry Authority (NFA). EIA is required for projects that may have a significant impact on any forest. This Act has not been enforced adequately with regard to municipal peri-urban forests which are heavily encroached or degazetted.
30. ***The Uganda Wildlife Act (1996)***. In general, activities in national parks are limited to biodiversity conservation, recreation, scenic viewing, scientific research and other economic activities. Activities permitted in wildlife reserves include those for national parks plus “regulated extractive utilization of natural resources.” Wildlife sanctuaries are declared for the protection of a particular plant or animal species, and activities that will not be destructive to the species or its habitat are permitted. The Act states in Section 15 that: “Any developer desiring to undertake any project which may have a significant effect on any wildlife species or community shall undertake an environmental impact assessment.” Section 18 describes various types of wildlife conservation areas, including national parks, wildlife reserves, wildlife sanctuaries, and community wildlife areas, and defines permissible activities in each type. No designated wildlife conservation areas occur in the 14 municipalities but there may be cases, in particular in new USMID municipalities, of wildlife species occurring on natural habitat such as wetlands, water bodies and forests, or other open ground, which may be affected by USMID AF sub-project development and would need to be identified in the screening process.
31. ***The Historical Monuments Act Cap 46*** law allows a minister to declare any object of archaeological, ethnological, traditional or historical interest to be a preserved or historical

object, and to acquire any land necessary for preserving it on behalf of the Uganda Land Commission. It also provides protection of historical sites in development. The Department of Monuments and Museums in the Ministry of Tourism, Wildlife and Heritage (MoTWH) states that physical cultural heritage in Uganda has not been surveyed adequately and that potential monuments and other cultural resources may exist which are not known. While the subprojects under USMID have not caused any impacts on known cultural resources, this is an area requiring further attention in the USMID AF sub-project screening process to assist MEOs in recognizing potential resources.

32. ***The Occupational Safety and Health Act, 2006*** addresses the duty of the employers to safeguard the health and safety of employees and the public in the workplace. Section 13 of the Act states that: “it is the duty of an employer to take, as far as is reasonably practicable, all measures for the protection of his or her workers and the general public from the dangerous aspects of the employer’s undertaking at his or her own cost.” Section 18 of the Act tries to safeguard the environment by requiring employers to monitor and control the release of dangerous substances into the environment when handling chemicals or any dangerous substance that is liable to be airborne or to be released into rivers, lakes or soil and that are a danger to animal and plant life. However, at the moment very few LG’s nationwide refer developers plans to the Ministry of Gender, Labour and Social Development (MoGLSD) to ensure compliance with this Law and no enforcement of recommendations is possible as action can only be taken retrospectively in case of accident.
33. ***The Workers Compensation Act, 2000.*** This law provides for compensation to be paid to workers (or their dependents) for injuries suffered and scheduled diseases incurred in the course of their employment. Of particular interest to USMID AF is a requirement for employers to provide Personal Protective Equipment (PPE) to employees.
34. ***The Employment Act*** gives authority to labor officers to engage in inspections and enforce legal provisions relating to conditions of work and the protection of workers. Labor officers, either at Ministry or at LG level are also empowered to issue improvement orders or to close down a work place or discontinue any work if he or she is of the opinion that there is imminent danger to the health or safety of workers. However, there are only 35 officers at District LG, with none in the municipalities, and severe resource constraints in the parent Ministry, so the enforcement of this Act is weak at present.
35. ***The Public Health Act, Cap 281*** provides local authorities with administrative powers to take measures for preventing or dealing with any outbreak of infectious, communicable or preventable disease. It imposes a duty on the local authority regarding pollution of the drinking or domestic water supply, and directs where to locate waste disposal facilities in relation to settlements and food points. MCs should ensure that in USMID AF sub-projects involving rehabilitation of landfill or installation of compost plants, the original landfill complies with the recommendations for location.

## **Social**

### **Management of Land Acquisition**

36. ***The Constitution of Uganda 1995*** vests all land directly in the Citizens of Uganda, and states that every person in Uganda has the right to own property. The Constitution also sets the standard for any form of compensation in Uganda and provides for prompt payment of fair and adequate compensation prior to the taking possession or acquisition of the land/property. Ugandan law recognizes four distinct land tenure systems. The Constitution gives the government and local governments power to compulsorily acquire land. The Constitution states that “no person shall be compulsorily deprived of property or any interests in or any right over property of any description except if the taking of the land necessary for public use or in the interest of defense, public safety, public order, public morality or public health.”
37. ***The Land Acquisition Act, 1965*** makes provision for the procedures and method of compulsory acquisition of land for public purposes. Whenever government has decided that any land is required for a public purpose, it may, by statutory instrument, make a declaration to that effect. An instrument made under sub sec (1) shall specify the location of the land to which it relates, its approximate area, and if the plan of the land has been made, a place and time at which the plan may be inspected. Further, the Land Acquisition Act states that the minister responsible for land may authorize any person to enter said land to survey the land, bore the subsoil, or any other examination necessary for determining whether the land is suitable for a public purpose. Additionally, once the assessment officer takes possession, the land immediately becomes vested in the land commission. Any dispute as to the compensation payable is to be referred to the Attorney General or Court for decision. The Constitution of Uganda requires that if a person’s property is compulsorily acquired, that person must receive prompt payment “of fair and adequate compensation prior to taking possession” of the property. However, there is no clarification in the Land Acquisition Act on the promptness, fairness and adequacy of the compensation. To address this gap in the implementation of USMID, the MCs are required under the **USMID Program Operational Manual<sup>10</sup>** to prepare a Resettlement Action Plan (RAP) to address program-related physical and economic displacement.
38. ***The Land Act*** gives valuation principles for compensation; i.e. crops are compensated at rates set by the District Land Boards; and the basis of compensation for land is open market value. The value of buildings is to be taken at open market value for urban areas and depreciated replacement cost in the rural areas. In addition, a 15% or 30% disturbance allowance must be paid if six months or less notice is given to the owner respectively. The Land Act gives powers to District Land Tribunals to determine any dispute relating to the amount of compensation to be paid for land acquired compulsorily. However, not all districts have functioning Land Boards or Tribunals, and yet these institutions are also responsible for the municipalities.
39. ***The Land Act, Cap 227*** states that land tribunals must be established at district level. It

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<sup>10</sup> The USMID Program Operation Manual, Section 11 “Land Acquisition and Compensation Framework” provides detailed step-wise guidance on the process of land acquisition and compensation. This process includes: (1) screening; (2) preparation of TOR for Compensation Plan; (3) identification of Project Affected Persons (PAPs); (4) sensitization of PAPs; (5) establishment of cut-off date and notification of PAPs; (6) conduct of valuation exercise and determination of entitlements; (7) designing compensation package; and (8) delivery of entitlements and compensation payments.

empowers the District Land Tribunals to determine disputes relating to amount of compensation to be paid for land acquired compulsorily. The affected person may appeal to a higher ordinary court. Similarly, the Land Acquisition Act allows for any person to appeal to the High Court within 60 days of the award being made. All land disputes must be processed by the tribunals, before the case can be taken to the ordinary courts. The act also states that traditional authority mediators must retain their jurisdiction to deal with, and settle, land disputes.

40. ***The 1965 Roads Act*** defines the road reserve “right of way” for a road as the area bounded by imaginary lines and of no more than 50 feet from the center line of the road. This area is declared by statutory instrument as the road reserve. The act also states that no person may build any structure, or plant any tree, plant or crop in the road reserve. The road authorities are allowed to take materials and/or dig within the road reserve for the construction and maintenance of the road.

#### *Consideration of the Needs of Indigenous Peoples and Vulnerable Group*

41. The overall legal framework for **ethnic minorities** (also known as indigenous peoples) is derived from ***the Constitution*** of the Republic Uganda 1995 (as amended), the Equal Opportunities Commission Act 2007, international and regional conventions, treaties, protocols and declarations to which Uganda is party that relate to or are relevant to the protection of ethnic minorities socially, politically, economically and environmentally. The Constitution offers no express protection for indigenous peoples but Article 32 places a mandatory duty on the state to take affirmative action in favor of groups who have been historically disadvantaged and discriminated against. The Constitution also mandated Parliament to enact appropriate laws, including laws for the establishment of an Equal Opportunities Commission (EOC), for the purpose of giving full effect to Article 32. The original ESSA undertook a screening of the Program area for recognized indigenous groups in Uganda. These are the Ik, located on a limited area of Kamion Escarpment of Kaabong mountains, and the Batwa, found in South Western Uganda in the forests of the Muhavura mountain ranges and areas bordering the Republic of Congo. The ESSA Update confirmed that no USMID AF municipalities are located in these areas and therefore this social aspect (Indigenous Peoples) is not applicable to the Program.
42. ***National Gender Policy, 1997***. The government adopted a National Gender Policy of 1997, a tool to guide and direct the planning, resource allocation and implementation of development programs with a gender perspective. The adoption of the gender policy has facilitated Uganda’s gender mainstreaming programs in all sectors of the economy.
43. ***National Policy on the Elimination of Gender-Based Violence (GBV), 2016***. The Policy was adopted in 2016. Based on a request from the GoU, the World Bank has supported the preparation of a project to prevent and address more effectively GBV in the country and help implement the National Policy. The project will increase the capacity of national institutions such as the Ministry of Gender, Labor and Social Development; the district-level agencies responsible for GBV in 13 districts of Uganda; and community-level organizations to help

them prevent and address GBV. The project will also support a major national campaign to influence norms, values and behaviors that condone GBV.

44. ***National Policy For Older Persons 2009.*** This policy is clearly set within the framework of the Constitution of the Republic of Uganda and other laws that promote the rights of older persons among other vulnerable groups. It provides a framework for enhancing the recognition of the roles, contributions and potentials of older persons in the development process among others. The policy targets older persons aged 60 years and above with special emphasis on the vulnerable. Section 3.4 states that, “All stakeholders will ensure that issues of older women and men are included in planning and implementation of programs.”
45. ***Equal Opportunities Commission Act, 2007.*** The Act makes provision in relation to the Equal Opportunities Commission pursuant to articles 32 (3) and 32 (4) and other relevant provisions of the Constitution; to provide for the composition and functions of the Commission; to give effect to the State’s constitutional mandate to eliminate discrimination and inequalities against any individual or group of persons on the ground of sex, age, race, color, ethnic origin, tribe, birth, creed or religion, health status, social or economic standing, political opinion or disability, and take affirmative action in favor of groups marginalized on the basis of gender, age, disability or any other reason created by history, tradition or custom for the purpose of redressing imbalances which exist against them; and to provide for other related matters. Regulation 14 2(a) states on the functions of the commission being to investigate or inquire into, on its own initiative or on a complaint made by any person or group of persons, any act, circumstance, conduct, omission, program, activity or practice which seems to amount to or constitute discrimination, marginalization or to otherwise undermine equal opportunities.
46. ***Children Act Cap 59 Laws 2000.*** Section 5(2) thereof provides for a duty of a person having custody of a child to protect the child from discrimination, violence, abuse and neglect. Section 10 thereof provides for protection of children with disabilities. It is the duty of the parents of the child with disability and the state to take appropriate steps to see that children with disabilities are assessed as early as possible, offered appropriate treatment and afforded facilities for rehabilitation and equal opportunities to education.
47. ***National Council on Disability Act, 2003.*** This establishes the National Council for Disability. The objective of the National Council for Disability among others is; to promote the implementation and equalization of opportunities for persons with disability, monitor and evaluate the impact of policies and programs designed for equality and full participation of persons with disability.

#### *Avoidance of Exacerbating Social Conflict*

48. ***The Access to Information Act, 2005.*** Transparency and accountability are key aspects of good governance that creates trust of the society to the government and helps avoid potential social tension. The *Constitution of the Republic of Uganda* provides for the right of access to information in Article 41 and states: “Every citizen has a right of access to information in the possession of the state or any other organ or agency of the state except where the release

of the information is likely to prejudice the security or sovereignty of the state or interfere with the right to the privacy of any other person.” The Act provides for the right of access to information pursuant to article 41 of the Constitution; prescribes the classes of information referred to in that article; the procedure for obtaining access to that information, and other related matters. Article 5, *Right of access* indicates that - Every citizen has a right of access to information and records in the possession of the State or any public body, except where the release of the information is likely to prejudice the security or sovereignty of the State or interfere with the right to the privacy of any other person. However, the *Access to Information Act* exists on paper and has not been implemented due to undefined responsibility centers and therefore no financial and human resources available for its operationalization.

49. ***The Framework for Promoting Good Governance and Anti-Corruption in Local Government.*** In 14 USMID participating municipalities, a grievance handling system has been established and operationalized, based on the Framework for Promoting Good Governance and Anti-Corruption in Local Government. While there is little risk that the program will cause major social conflict, some cases of grievance may occur during project implementation that could lead to social tension (such as dispute over resettlement, community health and safety, or gender issues related to construction work). While a grievance handling system has been established and operationalized in 14 municipalities involving their respective MDFs, the grievance procedures and its functionality vary. There is no specific office that handle USMID subproject-related grievances in any municipalities. Also, some of other municipalities show particular weakness in grievance redress system.

#### ***Description of institutional framework***

50. The main institutions with key responsibilities for environmental and social management relevant to USMID AF are as follows:
51. **Ministry of Lands, Housing and Urban Development (MoLHUD)** is executing ministry for USMID at national level. It is responsible for overall implementation of the Program and provide oversight of all program activities funded under USMID. MoLHUD is also responsible for oversight of all land related matters including policy guidance, supervision and monitoring. The Ministry has 13 zonal/regional land offices. MoLHUD is a relatively new Ministry that requires additional capacity to coordinate urban development and management. Therefore, the Program Support Team (PST) has been established for USMID to support MoLHUD in (i) Program Coordination, (ii) Procurement, (iii) Financial Management, (iii) Engineering, (iv) Physical Planning, and (v) environmental and social management for the program implementation. The PST is mapped to the necessary Departments within the MoLHUD and answerable to the respective heads of Departments. Another positive development at the Ministry since the initial ESSA is the addition of a permanent environmental and social specialist to interface with the PST on these matters, seek synergies outside the Program, and coordinate with NEMA.
52. **The National Environment Management Authority (NEMA)** is established under Section 4 of the National Environment Act as the principal agency in Uganda for the management of

the environment to coordinate, monitor and supervise all activities in the field of the environment and many elements of natural resource protection. NEMA coordinates the process of Environmental Impact Assessment, reviews EIAs and issues certificate of approval (e.g. 2882 projects were submitted to NEMA for approval last year), monitors and enforces compliance with environmental standards and with the conditions contained in certificates of approval for EIAs, and has promulgated general guidelines for EIA as well as EIA guidelines for specific economic sectors. NEMA provides clearance of EIAs for the aggregate of USMID investments in a given municipality. The Ministry's role in review and clearance of certain linked investments is important; for example any USMID batch 2 or AF sub-projects in improved garbage collection must show linkages to a NEMA-approved compost site. While there have been reported delays in some EIA approvals during batch 1, NEMA is regrouping staff by sectoral clusters which should reduce review time and improve quality. NEMA is also adding additional staff on social safeguards, issuing revised technical guidelines, and is interested in expanding training down to the municipal level.

53. **Office of the Chief Government Valuer (CGV)** is responsible for compensation issues in terms of clearing resettlement packages for the project affected people based on the current policy, legal and regulatory framework for land acquisition.
54. **Ministry of Local Government (MoLG)** is mandated to carry out a number of responsibilities in the Local Government Act, including to inspect, monitor and offer technical advice, support supervision and training to all Local Governments, to coordinate and advise Local Governments for the purposes of harmonization and advocacy, to act as a liaison ministry with respect to other Central Government Ministries and other institutions and to research and develop national policies on all taxes, fees, etc, for LGs.
55. **Ministry of Gender, Labour and Social Development (MoGLSD):** Matters relating to vulnerable groups like orphans, disabled persons, women are the responsibility of the MoGLSD. Further, the same ministry coordinates Health and Safety, including HIV/AIDS, in work places and issues related to Gender Based Violence (GBV) and Violence Against Children (VAC). Through the USMID's Program Steering Committee (PST), MoLHUD and MoGLSD coordinate in resolving land acquisition related matters especially inclusive compensation, HIV/AIDS in construction related activities and provision of job opportunities and other rehabilitation measures to the project affected persons.
56. **The National Forest Authority (NFA)** was established by the National Forestry and Tree Planting Act. It is mandated to ensure the conservation, sustainable management and development of the national forest estate. Under the 1993 Local Government (Resistance Councils) Statute, co-ordination of development programs, including forest management, were decentralized to the district level. The NFA is thus responsible for 506 central forest reserves (CFR), with District Forest Service (DFS) responsible for local forest reserves (LFRs) – although these amount to less than one per cent of the total forested areas. EIAs are required for all developments within gazetted forests, which will be reviewed by NFA as a Lead Agency.
57. **Directorate of Water Resources Management (DWRM).** Under the Ministry of Water and Environment (MOWE), it has the mandate to “promote and ensure rational and sustainable

utilisation, effective management and safeguard of water for social and economic welfare and development as well as for regional and international peace”. It is responsible for managing, monitoring and regulating water resources through issuing water use, water abstraction and wastewater discharge permits.

58. **National Water and Sewerage Corporation (NWSC)** is a state-owned utility within the Ministry of Water and Environment. It is responsible for construction and operation of water supply and sewerage facilities in much of Uganda, because these functions have not been decentralized to local governments. If any of the USMID participating municipalities chooses to invest in extension of water or sewer systems, they will do so in collaboration with NWSC.
59. **The Ministry of Tourism, Wildlife and Antiquities (MoTWA)** is a new Ministry formed by splitting the former Ministry of Tourism, Trade and Industry. The *Department of Wildlife* liaises with the Uganda Wildlife Authority and the *Department of Museums and Monuments* has the responsibility of protecting physical cultural resources and is a line Ministry called in by NEMA when required.
60. **The Uganda Wildlife Authority (UWA)** was established by the Uganda Wildlife Act. It monitors regulatory compliance of activities in wildlife protected areas (national parks and reserves); harmonizes national and international performance standards on wildlife protected areas; monitors impact of development activities on wildlife protected areas; and participates in evaluation of EIAs and environmental audits, mandatory where development takes place within a protected area, but also will be called in by NEMA for EIA review in cases where wildlife might be affected outside of protected areas.
61. **Municipal Local Government:** In addition to implementing the investments that USMID will support, the municipalities are responsible for development planning and, depending on the project, at times responsible for oversight of environmental impact management within their boundaries. The ESMP prepared for individual USMID subprojects are being reviewed and approved by Municipal Councils (MCs). The municipalities are also at the center of land acquisition for USMID activities and will be responsible for drawing the terms of reference for the preparation of the compensation plans including the valuations of the properties following the rates established by districts within which the municipality is located. These are then approved by the CGV. The key person for environmental and social management is the Municipal Environmental Officer (MEO) and Community Development Officer (CDO). The CDO is responsible for mobilization and empowerment of local communities and ensuring that they participate in municipal planning exercises. USMID municipalities typically have one of each on staff, and capacity strengthening -- especially with respect to their role in compliance and enforcement -- is an important agenda for the Program under the AF. It is reportedly the intention of Government to bolster these capacities into 2-person teams of a senior and a staff-level MEO and CDO, which will improve USMID oversight.
62. **Municipality Development Forum (MDF)** is a forum that facilitates the dialogue and communication between the municipal government and the local community. It is represented by local community members. Launching of MDFs is a major positive outcome of USMID; few non-USMID municipalities have an MDF in place.

63. **Ministry of Works** is responsible for providing technical guidance on infrastructure to local governments; for example on district and urban road construction. Their 2005 “*General Specifications for Roads and Bridges*” does include chapters on good environmental and social performance, though awareness of these is contractor-specific. This Ministry could, in theory, provide supplemental, practical guidance on these topics, and showed a willingness to support training to LGs under the USMID AF.

## SECTION 5. OPERATIONAL PERFORMANCE AND INSTITUTIONAL CAPACITY ASSESSMENT IN MANAGING ENVIRONMENTAL AND SOCIAL IMPACTS

64. Based on a review of the available data and detailed analysis of the environmental and social effects of the Program and the institutional context, the analysis presented here is organized by each of the six Core Principles of the Bank Policy and Directive for Program-for-Results Financing. It synthesizes the main findings using the SWOT (Strengths-Weaknesses-Opportunities-Threats) approach, which is adapted and applied to the PforR context in the following way:

- **Strengths** of the system, or where it functions effectively and efficiently and is consistent with Bank Policy and Directive for Program-for-Results Financing;
- Inconsistencies and **gaps** (“weaknesses”) between the principles espoused in Bank Policy and Directive for Program-for-Results Financing and capacity constraints
- **Actions and opportunities** to strengthen the existing system.
- **Risks** (“threats”) to the proposed actions designed to strengthen the system

Information from this analysis – and identification of gaps and opportunities/actions – are used to inform the recommendations for action which follow this section (Section 6).

### ***Core Principle 1: General Principle of Environmental and Social Management***

***Bank Policy for Program-for-Results Financing:*** Environmental and social management procedures and processes are designed to (a) promote environmental and social sustainability in Program design; (b) avoid, minimize or mitigate against adverse impacts; and (c) promote informed decision-making relating to a program’s environmental and social effects.

***Bank Directive for Program-for-Results Financing:*** Program procedures will:

- Operate within an adequate legal and regulatory framework to guide environmental and social impact assessments at the program level.
- Incorporate recognized elements of environmental and social assessment good practice, including
  - (a) early screening of potential effects;
  - (b) consideration of strategic, technical, and site alternatives (including the “no action” alternative);
  - (c) explicit assessment of potential induced, cumulative, and trans-boundary impacts;
  - (d) identification of measures to mitigate adverse environmental or social impacts that cannot be otherwise avoided or minimized;
  - (e) clear articulation of institutional responsibilities and resources to support implementation of plans; and

(f) responsiveness and accountability through stakeholder consultation, timely dissemination of program information, and responsive grievance redress measures.	
<b>Applicability:</b> Applicable. The municipal infrastructure to be addressed under the Program includes (a) roads and associated auxiliary infrastructure (pedestrian walk ways, solar street lighting, beautification/planting of trees, etc); (b) road-related and general drainage improvement; (c) urban liquid and solid waste management; and (d) promotion of local economic development (e.g., urban beautification, market infrastructure, bus and taxi parks, etc). While the physical work focuses on minor rehabilitation and construction, it may cause localized moderate adverse risks and impacts at the project site.	
<p><b>System Strengths</b></p> <ul style="list-style-type: none"> <li>• Environmental policies and regulations under NEMA are in place within the country, and these are applicable to the municipalities implementing USMID.</li> <li>• There are similar national and municipal level commitments on the conservation of natural and cultural resources.</li> <li>• USMID investments in roads and associated drainage/access along with landscaping projects have been implemented successfully with minimal impacts beyond the construction area. Discreet sub-projects have not caused unexpected cumulative impacts. Screening of E&amp;S risks is carried out routinely, and NEMA review and clearance of EIAs and requirements in the bid/contract documents is routine.</li> <li>• Waste management and drainage Master Plans financed under USMID sets a helpful baseline for expanded investments in these sectors.</li> <li>• Within the Municipality, there is an organization structure that provides for an environmental officer to address environmental issues.</li> </ul>	<p><b>Gaps</b></p> <ul style="list-style-type: none"> <li>• The process of NEMA clearances turned out to be lengthy but these were eventually obtained though it was not always prior to the commencement of the activities.</li> <li>• Investments in urban liquid and solid waste management have not advanced during original USMID to date and could be more challenging for weaker MEO and CDO staff. Coverage of E&amp;S concerns in the bidding and contractor selection process is inconsistent and can be weak in places. Contractor and supervisory engineer capability on E&amp;S issues varies. Program sub-indicators do not capture useful nuance to accelerate good performance. Consideration of some “linked investments” (e.g. borrow pit licensing and closure; service requirements for transitional or new sites for economic development) needs bolstering.</li> <li>• Weak emphasis and focus on enforcement of regulations both at a procedural level and at an implementation level.</li> </ul>
<p><b>Actions and Opportunities</b></p> <ul style="list-style-type: none"> <li>• The Ministry of Land, Housing and Urban Development (MLHUD) and its Program Support Team (PST) are providing constant oversight and advice to the Municipalities.</li> <li>• For all USMID projects and even those proposed under USMID AF, the adherence to the NEMA requirements</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• USMID AF investments in the “front end” of waste management collection, while overall positive in terms of investments, could exacerbate weaknesses at the “back end” if the proposed mitigation measures are not implemented effectively.</li> <li>• Municipalities appear to be less</li> </ul>

<p>has been and will be ensured. ESIA's and ESMPs are prepared for each set of projects in each municipality.</p> <ul style="list-style-type: none"> <li>• There is a concerted effort within NEMA to reduce time delays in providing clearances. An agency-wide, streamlined disclosure mechanism is planned to track and monitor effectively possible non-compliances in this regard.</li> <li>• Proposed actions include (a) bolstering incorporation of E&amp;S issues in the procurement, contracting and selection process under USMID AF which could set the stage for sector-wide change. (b) providing standardized and expanded checklists and screening forms; (c) extending training to the front line MEO and CDO staff; and (d) providing targeted guidance and oversight (for example on borrow pits and basic service needs for relocated urban local economic infrastructure).</li> </ul>	<p>consistent in following compliance and enforcement procedures on environmental issues due to local considerations, or shortfalls in budget and other resources (e.g. transport, monitoring equipment, and/or staff training.)</p>
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**Core Principle 2: Natural Habitats and Physical Cultural Resources**

<p><b>Bank Policy for Program-for-Results Financing:</b> Environmental and social management procedures and processes are designed to avoid, minimize and mitigate against adverse effects on natural habitats and physical cultural resources resulting from program.</p>	
<p><b>Bank Directive for Program-for-Results Financing:</b> As relevant, the program to be supported:</p> <ul style="list-style-type: none"> <li>▪ Includes appropriate measures for early identification and screening of potentially important biodiversity and cultural resource areas.</li> <li>▪ Supports and promotes the conservation, maintenance, and rehabilitation of natural habitats; avoids the significant conversion or degradation of critical natural habitats, and if avoiding the significant conversion of natural habitats is not technically feasible, includes measures to mitigate or offset impacts or program activities.</li> <li>▪ Takes into account potential adverse effects on physical cultural property and, as warranted, provides adequate measures to avoid, minimize, or mitigate such effects.</li> </ul>	
<p><b>Applicability:</b> Applicable</p> <p>The program activities under USMID with physical footprint focuses on urban infrastructure, which has not caused adverse impacts on natural habitats. However, depending on the environment in new municipalities for USMID AF, it could cause adverse impacts on natural habitat such as wetland and physical cultural resources.</p>	
<p><b>System Strengths</b></p> <ul style="list-style-type: none"> <li>• USMID supervision has not identified major risks with regards to conversion</li> </ul>	<p><b>Gaps</b></p> <ul style="list-style-type: none"> <li>• Despite awareness of general ecosystem threats, and the presence of</li> </ul>

<p>of natural habitats or infringement on parks or cultural heritage sites. MCs themselves, however, have identified more general issues with impacts on wetlands or peri-urban forests from urban development.</p>	<p>urban Master Plans, MCs have found limitations on their ability to carry out compliance monitoring and enforcement, with limited success in turning around illegal encroachment not related to USMID.</p> <ul style="list-style-type: none"> <li>• Current approaches to prevent drainage issues are based on studies that do not take climate change into account.</li> <li>• Weak emphasis and focus on enforcement of regulations both at a procedural level and at an implementation level.</li> </ul>
<p><b><i>Actions and Opportunities</i></b></p> <ul style="list-style-type: none"> <li>• The Program Operations Manual should continue to exclude activities that will potentially cause adverse impacts on natural habitat and physical cultural heritage. Supplemental guidance on drainage control considerations could be needed.</li> <li>• Opportunities to link MEO and CEO staff to other compliance and enforcement bodies could be fruitful.</li> <li>• The Ministry of Land, Housing and Urban Development (MLHUD) and its Program Support Team (PST) should continue to provide valued oversight and advice to the Municipalities.</li> <li>• For all USMID projects (including under AF), adherence to the NEMA requirements should be continued. ESIAAs and ESMPs are prepared for each set of projects in each municipality. These would necessarily cover natural and cultural heritages issues both at the procedural and implementation levels.</li> </ul>	<p><b><i>Risks</i></b></p> <ul style="list-style-type: none"> <li>• Expanded investments in drainage control under USMID AF could exacerbate weaknesses if further guidance is not provided.</li> <li>• Given the overall emphasis on economic &amp; financial aspects, cultural and natural heritage tend to given less importance at the municipality level. Therefore, there are risks that may escape the attention particularly during implementation.</li> </ul>

***Core Principle 3: Public and Worker Safety***

<p><b><i>Bank Policy for Program-for-Results Financing:</i></b> Environmental and social management procedures and processes are designed to protect public and worker safety against the potential risks associated with (a) construction and/or operations of facilities or other operational practices developed or promoted under the program; (b) exposure to toxic chemicals, hazardous wastes, and otherwise dangerous materials; and (c) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards.</p>
<p><b><i>Bank Directive for Program-for-Results Financing:</i></b></p>

<ul style="list-style-type: none"> <li>▪ Promotes community, individual, and worker safety through the safe design, construction, operation, and maintenance of physical infrastructure, or in carrying out activities that may be dependent on such infrastructure with safety measures, inspections, or remedial works incorporated as needed.</li> <li>▪ Promotes use of recognized good practice in the production, management, storage, transport, and disposal of hazardous materials generated through program construction or operations; and promotes use of integrated pest management practices to manage or reduce pests or disease vectors; and provides training for workers involved in the production, procurement, storage, transport, use, and disposal of hazardous chemicals in accordance with international guidelines and conventions.</li> <li>▪ Includes measures to avoid, minimize, or mitigate community, individual, and worker risks when program activities are located within areas prone to natural hazards such as floods, hurricanes, earthquakes, or other severe weather or climate events.</li> </ul>	
<p><b>Applicability:</b> Applicable</p> <p>While the physical work focuses on minor rehabilitation and construction, it could expose the public and workers to work-related injuries, pollution of air, water, solid waste and toxic or hazardous materials at site.</p>	
<p><b>System Strengths</b></p> <ul style="list-style-type: none"> <li>• The Ministry of Gender, Labour and Social Development (MGLSD) is the focal ministry on occupational health and safety issues. The Labour Inspectors at the District level support the Municipality in dealing with worker and public safety issues.</li> <li>• There are occupational health and safety guidelines, which are applicable across the country, including the municipalities.</li> </ul>	<p><b>Gaps</b></p> <ul style="list-style-type: none"> <li>• Though the organization structure exists, the attention given to safety issues at the Municipality level is low. The district-level labour inspector has a range of issues to deal with and is stretched to find specific support on safety issues to the Municipality.</li> <li>• Also the capability at the Municipality level to deal with worker and community safety issues is low.</li> </ul>
<p><b>Actions and Opportunities</b></p> <ul style="list-style-type: none"> <li>• Ministry of Land, Housing and Urban Development (MLHUD) and its Program Support Team (PST) are providing constant oversight and advice to the Municipalities on safety issues as well.</li> <li>• For all USMID projects and even those proposed under USMID AF, ESIA's and ESMPs have been / will be prepared for each set of projects in each municipality. These will necessarily cover safety issues and management plans pertaining to these.</li> <li>• Contractors and supervision consultants working at the municipality level are</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• The low capability at the Municipality level prevents thorough attention to the prevention of community and worker injuries &amp; fatalities.</li> </ul>

constantly urged to address safety issues as a high priority matter.	
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**Core Principle 4: Land Acquisition**

**Bank Policy for Program-for-Results Financing:** Land acquisition and loss of access to natural resources are managed in a way that avoids or minimizes displacement, and affected people are assisted in improving, or at least restoring, their livelihoods and living standards.

**Bank Directive for Program-for-Results Financing:** As relevant, the program to be supported:

- Avoids or minimizes land acquisition and related adverse impacts;
- Identifies and addresses economic and social impacts caused by land acquisition or loss of access to natural resources, including those affecting people who may lack full legal rights to assets or resources they use or occupy;
- Provides compensation sufficient to purchase replacement assets of equivalent value and to meet any necessary transitional expenses, paid prior to taking of land or restricting access;
- Provides supplemental livelihood improvement or restoration measures if taking of land causes loss of income-generating opportunity (e.g., loss of crop production or employment); and
- Restores or replaces public infrastructure and community services that may be adversely affected.

**Applicability** Applicable  
 The municipal infrastructure to be addressed under the Program includes (a) roads and associated auxiliary infrastructure (pedestrian walkways, solar street lighting, beautification/planting of trees, etc); (b) drainage improvement; (c) solid waste management; and (d) promotion of local economic development (market infrastructure, abattoirs, etc). While the physical work will focus on minor rehabilitation and construction, it may cause minor to moderate physical or economic displacement.

<p><b>System Strengths</b></p> <ul style="list-style-type: none"> <li>• The Constitution of Uganda and its Land Act explicitly requires that if a person’s property is compulsory acquired, that person must receive prompt payment of fair and adequate compensation prior to taking possession of the property.</li> <li>• The institutional responsibility for land acquisition is relatively clear: The municipalities are at the center of land acquisition for USMID activities and will be also responsible for drawing the terms of reference for the preparation of the compensation plans including the valuations of the properties following the rates established by districts within</li> </ul>	<p><b>Gaps</b></p> <ul style="list-style-type: none"> <li>• Despite the provisions in the Constitution and Land Act, implementing rules on compensation are unclear. The country’s legal framework does not provide details to clarify and enforce on the promptness, fairness, and adequacy of the compensation required under the Constitution.</li> <li>• The framework does not include compensation for economic displacement; for example impacts. on livelihood. However, oftentimes these are included in projects financed by donors such as the World Bank. Thus, the awareness of municipalities on</li> </ul>
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<p>which the municipality is located. These are then approved by the Office of the Chief Government Valuer (CGV) which is responsible for compensation issues in terms of clearing resettlement packages for the project affected people.</p> <ul style="list-style-type: none"> <li>• The resettlement impacts of the USMID Program have been moderate due to the limited size of the individual physical works. The physical displacement has been generally minimized and duly compensated. The physical displacement has been minimized and duly compensated. To date, fourteen project-affected persons have had their land affected (mostly partial) and seven have lost structures <sup>11</sup>. The economic displacement has also been minimized and not significant and largely relates to mobile vendors or temporary impact during the construction.</li> </ul>	<p>livelihood impacts appears to be inconsistent and generally weak.</p> <ul style="list-style-type: none"> <li>• Inconsistency in the compensation process. The physical planner and the municipal engineer informally manage land acquisition, through negotiating with project-affected persons for the compensation or convincing land owners to voluntarily contribute their land without any compensation, given the project's benefits. The resettlement process is often not documented (It should be noted that the land required for USMID is often a very small portion of the land-generally to build drainages or sidewalks.).</li> <li>• Consultations conducted for ESSA Update reveal that new municipalities have particular gaps in the above aspects.</li> <li>• Under USMID, the overall resettlement process, especially on economic displacement, is being implemented in an ad-hoc manner, without clear documentation and systematic planning and follow-through mechanism. (While there are guidelines at Local Government level for land acquisition, which MCs follows, the documentation is not systematically shared with the USMID office due to the suboptimal coordination between the entities.)</li> </ul>
<p><b><i>Actions and Opportunities</i></b></p> <ul style="list-style-type: none"> <li>• The participating municipalities to USMID have gradually enhanced their capacity to manage resettlement activities, including addressing economic displacement, planning and documentation of the resettlement activities. The lessons gained and tools (consent form etc.) developed under USMID should be mainstreamed and strengthened in USMID AF, in</li> </ul>	<p><b><i>Risks</i></b></p> <ul style="list-style-type: none"> <li>• While a number of willing-buyer and willing seller transaction do proceed successfully, there is a potential risk that such negotiations can lead to unequal compensation and this places vulnerable groups in a position where they might be unable to represent themselves fairly. However, such risks are low as the project is being exclusively implemented in urban</li> </ul>

<sup>11</sup> Based on the report submitted by the Program's Project Support Team during the ESSA preparation mission conducted from September 20 to October 3, 2017.

<p>particular for the new municipalities.</p> <ul style="list-style-type: none"> <li>• The Municipality Development Forum (MDF) together with the Community Development Officer (CDO) play a key role in facilitating stakeholder engagement between the municipality authorities and affected communities. The human and financial resources for this purpose should be strengthened.</li> <li>• To ensure the consistency of the Program with Core Principle 4 and to minimize the risk of significant economic and physical displacement, continuous training opportunities should be provided to municipalities and other stakeholders (MDF, etc.).</li> </ul>	<p>settings where project-affected persons are generally aware of their rights and thanks to the sensitizing role of MDFs, they understand their options in compensation.</p> <ul style="list-style-type: none"> <li>• Such potential risks could also exist for economic displacement of vulnerable groups. To address such risks, the consultation process needs to be more systematically documented and closely monitored.</li> </ul>
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***Core Principle 5: Indigenous Peoples and Vulnerable Groups***

<p><b><i>Bank Policy for Program-for-Results Financing:</i></b> Due consideration is given to cultural appropriateness of, and equitable access to, program benefits giving special attention to rights and interests of Indigenous Peoples and to the needs or concerns of vulnerable groups.</p>	
<p><b><i>Bank Directive for Program-for-Results Financing:</i></b></p> <ul style="list-style-type: none"> <li>• Undertakes free, prior, and informed consultations if Indigenous Peoples are potentially affected (positively or negatively) to determine whether there is broad community support for the program.</li> <li>• Ensures that Indigenous Peoples can participate in devising opportunities to benefit from exploitation of customary resources or indigenous knowledge, the latter (indigenous knowledge) to include the consent of the Indigenous Peoples.</li> <li>• Gives attention to groups vulnerable to hardship or disadvantage, including as relevant the poor, the disabled, women and children, the elderly, or marginalized ethnic groups. If necessary, special measures are taken to promote equitable access to program benefits.</li> </ul>	
<p><b><i>Applicability:</i></b> Applicable</p> <ul style="list-style-type: none"> <li>• There are <b>no Indigenous communities</b> (Ethnic Minorities) in the program area identifiable under the World Bank Policy.</li> <li>• <b>Gender-based violence:</b> While the physical work will focus on minor rehabilitation and construction, some limited number of temporary workers may be brought into the project area. Bank experience shows that such labor influx could have potentially significant impact on the vulnerable groups of the host community, including gender-based violence.</li> <li>• <b>Potential risk of exclusion of the poor and vulnerable groups:</b> While the physical work under USMID will improve the community access to public services, the infrastructure needs to take into account the affordability and accessibility for vulnerable groups and the poor to promote equitable access to program benefit.</li> </ul>	
<p><b><i>System Strengths</i></b></p> <ul style="list-style-type: none"> <li>• Under the Constitution, the country has</li> </ul>	<p><b><i>Gaps</i></b></p> <ul style="list-style-type: none"> <li>• The World Bank’s recent experience</li> </ul>

<p>a number of policies and acts that support the protection and promotion of the rights of vulnerable groups, which include National Gender Policy, National Policy for Older Persons, Equal Opportunities Commission Act, Children Act, and National Council on Disability Act. The GOU also has the Ministry of Gender, Labour and Social Development for the protection and promotion of rights of the vulnerable groups.</p> <ul style="list-style-type: none"> <li>• There have been no issues reported associated with influx of labor induced by the USMID projects. Due to the relative small scale of subprojects and the location of subprojects in urban areas with substantial labor pool, it is not expected that the USMID AF will induce an influx of significant number of workers from outside the community.</li> <li>• Following the Bank’s recent experience regarding gender-based violence associated with project- induced labor influx, the awareness on this issue is high among central and local government authorities. There are ongoing WB supports to the country to address GBV issues at policy as well as project levels.</li> <li>• USMID AF consultation team found that while some municipalities have similar experience in their own past projects, the relevant risks were mitigated successfully.</li> </ul>	<p>(supported through stakeholder consultations conducted for the ESSA) show that influx of workers could cause a range of social risks and impacts, including social tension with the host community, gender-based violence, and HIV/AIDS and other sexually transmitted infections due to the potential risk from commercial sex.</p> <ul style="list-style-type: none"> <li>• While the country has a number of policies and acts that support the protection of vulnerable groups, it is unclear how the legal and institutional framework for the protection of the vulnerable groups are functional on the ground, in particular in the context of USMID projects. Also the mechanism under USMID needs to be enhanced to ensure that the poor and vulnerable groups have equitable access to Program benefit.</li> </ul>
<p><b><i>Actions and Opportunities</i></b></p> <ul style="list-style-type: none"> <li>• To address such potential risks, the USMID AF proposes various mitigation measures such as preferential use of local workforce, extensive sensitization activities and enhanced contractor/worker management, in line with the World Bank Guidance Note on the Management of Risks associate with project- induced labor influx (See</li> </ul>	<p><b><i>Risks</i></b></p> <ul style="list-style-type: none"> <li>• The mitigation measures under USMID AF are unlikely to fully prevent occurrences of such cases or address existing and local dynamics pertaining to gender-based violence.</li> </ul>

<p>Section 6).</p> <ul style="list-style-type: none"> <li>• It will be critical that pro-poor considerations are made in the process of environmental and social assessment and consideration of mitigation measures (See Section 6).</li> </ul>	
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**Core Principle 6: Social Conflict**

<p><b>Bank Policy for Program-for-Results Financing:</b> Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.</p>	
<p><b>Bank Directive for Program-for-Results Financing:</b> Considers conflict risks, including distributional equity and cultural sensitivities.</p>	
<p><b>Applicability:</b> Applicable</p> <p>While there is little risk that the program will cause major social conflict, some cases of grievance may occur during project implementation that could lead to social tension (such as dispute over resettlement, community health and safety, or gender issues related to construction work).</p>	
<p><b>System Strengths</b></p> <ul style="list-style-type: none"> <li>• Following the establishment of a complaints handling system in MOLHUD, the MOLHUD Grievance Redress Mechanism at national level has been developed and presented for approval and adoption. A toll-free line and help line with SMS capability, along with a dedicated e-mail address, have been put in place to facilitate submission of complaints from the public.</li> <li>• In all 14 USMID existing municipalities, a grievance handling system has been established and operationalized, based on the Framework for Promoting Good Governance and Anti-Corruption in Local Government.</li> </ul>	<p><b>Gaps</b></p> <ul style="list-style-type: none"> <li>• While a grievance handling system has been established and operationalized in 14 existing municipalities involving their respective Town Clerks and MDFs, the grievance procedures and its functionality within the 14 existing municipalities varies. There is no specific office that handles USMID subproject-related grievances in any municipalities.</li> <li>• Some of other municipalities consulted during the ESSA Update process show particular weakness in grievance redress system.</li> </ul>
<p><b>Actions and Opportunities</b></p> <ul style="list-style-type: none"> <li>• Under USMID, the MDFs continue to play a crucial role in ensuring that communities are duly consulted and involved in all project activities. However, representatives from a number of them indicate that Municipal councils are not always clear on their mandates and therefore resistant to their input. To address</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Some people might not resort to grievance mechanisms for various socio-cultural reasons. However, this risk is very low in an urban setting.</li> <li>• There is also a potential risk that Municipal Councils attempt to disempower these crucial bodies for political reasons.</li> </ul>

<p>this, the MoLHUD/PST should take necessary steps to ensure that MDF's roles and responsibilities are periodically presented to municipal councils.</p> <ul style="list-style-type: none"><li>• New municipalities should have a CDO in place and establish MDF to address project-related grievances with support from MOLHUD/PST.</li></ul>	
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## SECTION 6. RECOMMENDED REMEDIAL MEASURES TO STRENGTHEN SYSTEMS PERFORMANCE

65. The ESSA Update analysis presented above identifies strengths, gaps, opportunities and risks in Uganda’s environmental and social management system with respect to effectively addressing the environmental and social risks associated with the Program. This section translates these gaps and opportunities into a viable strategy to strengthen and monitor environmental and social management capacity and performance at the national and local level. The analysis has identified the following key areas for action to ensure that the Program interventions continue to be aligned with the Core Principles of Bank Policy for Program-for-Results Financing. The summary table below – supported by the more detailed narrative that follows -- indicates the actions to be included in the Program Action Plan (PAP) with indicative timeline, responsibility for implementation and indicators for measuring the completion of such actions. These actions may be further refined and adjusted during the consultation process and the implementation of the Program, as required.
66. Furthermore, while the sub-indicators under Disbursement-linked Indicator (DLI) of the original USMID highlight environmental and social aspects, the criteria for a maximum positive score are minimal, and implementation lapses are not recognized. To address this gap, it is proposed that the sub-indicators be revised to reflect proposed improvements in the PAP. Further, the level of emphasis given to environmental and social management aspects in the performance assessment tools should be also revised and strengthened.

### Proposed Program Action Plan (PAP) relating to E&S Considerations

Action Description	Due Date	Responsible Party	Completion Measurement
<b>Action 1: Ensure appropriate E&amp;S controls and staffing are included in the procurement, contractor selection, and supervision phases of civil works.</b>	Before effectiveness	MOLHUD, PST and PPDA	<ul style="list-style-type: none"> <li>• Revised standard bidding document disseminated to municipalities and utilized for individual USMID AF subprojects.</li> <li>• Evidence that the bidding evaluation considers environmental criteria.</li> <li>• Evidence that the Environmental officer has implemented the sign-off on contractor payments</li> <li>• Organized training</li> </ul>
	Ongoing		
	Ongoing		
	Ongoing		

			activities for stakeholders as per the POM
<b>Action 2: Strengthen directions for critical ESMP provisions</b>	Before effectiveness  Ongoing	MOLHUD and PST	<ul style="list-style-type: none"> <li>• Updated Program Operational Manual disseminated to municipalities and training provided.</li> <li>• Evidence of the coverage of the critical provisions in the ESMPs that are being prepared.</li> </ul>
<b>Action 3: Improve management of resettlement activities</b>	Before effectiveness	MOLHUD and PST	<ul style="list-style-type: none"> <li>• Updated Program Operational Manual disseminated to municipalities and training provided.</li> </ul>
<b>Action 4: Sensitize the social risks associated with influx of labor</b>	Ongoing	MOLHUD and Municipalities	<ul style="list-style-type: none"> <li>• Community Development Officer in place and Municipality Development Forum (MDF) set up and sensitization activities conducted for stakeholders regularly</li> </ul>
<b>Action 5: Address potential exclusion of vulnerable groups from Program benefits.</b>	Before effectiveness	MOLHUD	<ul style="list-style-type: none"> <li>• Updated Program Operational Manual which addresses such exclusion; disseminated to municipalities and training provided.</li> </ul>
<b>Action 6: Mainstream functioning grievance redress and community engagement in municipalities.</b>	Before effectiveness	MOLHUD, PST and Municipalities	<ul style="list-style-type: none"> <li>• Grievance handling system in place in municipalities and operationalized</li> </ul>
<b>Action 7: Strengthen the capacity of municipalities and other stakeholders in management of environmental and social issues.</b>	Ongoing	MOLHUD and PST	<ul style="list-style-type: none"> <li>• Organize training activities for stakeholders</li> <li>• Partnerships with other entities engaged in compliance.</li> </ul>

## **Supporting Narrative for PAP relating to E&S Considerations**

67. The following sections provide further detail on suggestions to be included in the overall USMID AF Program Action Plan.

### **Action 1: Ensure appropriate E&S controls and staffing are included in the procurement, contractor selection, and supervision phases of civil works.**

While the USMID POM includes a full consideration of E&S risks, impacts and mitigating measures, the Bill of Quantities (BOQ) for many civil works managed by MCs include much fewer provisions and hence, are not covered comprehensively in works contracts. BoQs do not normally include even the most basic of social assessment and impact considerations. Similarly, Supervisory Engineers are tracking compliance with inadequate standards. Given the above, some USMID contractors and supervisory engineers do not have adequate numbers of E&S staff on board. All civil works under USMID are screened for E&S risks, but the standardized format used by MCs could use further specificity and coverage. Environmental Officers in MCs would welcome such improvements and reportedly can utilize amended screening forms from the USMID experience. A number of promising ideas were raised on this issue during stakeholder consultations, many of which fall into the following topics:

- Develop revised screening forms and insert key E&S elements into the Bill of Quantities (BOQ) and relevant technical specifications, including monitoring indicators as per the ESMP. This should be included in POM and standardize USMID procedures;
- Ensure each contractor has environmental and social officers on their staff with clearly defined roles;
- Seek to have critical environmental and social performance in MC contracts certified by the EO and CDO before MC approval of invoices;
- Train procurement officers and add E&S expertise on contractor selection panels, and also include environmental and social criteria in the bidding process; and
- In the mid-term, the Bank should influence/strengthen national standard bidding package and prepare tailored guidelines based on USMID experience, for example: (i) as potential supplemental guidance to the General Specifications for Roads and Bridges, and (ii) under the proposed/draft National Public Procurement Strategy.

**Action 2: Strengthen directions for critical ESMP provisions.** To address the gaps identified in the current system under USMID, the coverage of ESMP should be enhanced on the following key aspects:

- Borrow pits and quarry sites (NEMA clearances, licensing and restoration)
- Revegetation of areas of work through planning for tree plantation and landscaping;
- Revegetation with indigenous tree species
- Assessment of downstream impacts from improved drainage; both site specific and as part of new or amended drainage Master Plans.
- Update drainage approaches and designs given clear changes in hydrology from urban development and climate change.
- Waste disposal and wastewater treatment for municipal abattoirs

- E&S screening checklist for new town markets or small cottage industry park; specify attention to drainage, waste and wastewater management, access for the disabled, and other social issues.

**Action 3: Improved management of resettlement activities.** The overall resettlement process, especially on economic displacement, is being implemented in an ad-hoc manner, without clear documentation and systematic planning and follow-through and coordination mechanism. In particular, municipalities are less aware of the need to addressing economic displacement/livelihood impact than physical displacement, which could potentially cause situations that may be inconsistent with Bank policy. To address these gaps, it is proposed to revise the relevant section of the Program’s Operational Manual (Section 11 Land Acquisition and Compensation Framework) to enhance the management of economic displacement and also develop the capacity of relevant municipal CDO officers.

**Action 4: Sensitize the social risks associated with influx of labor.** Bank’s recent experience in the country and ESSA Update consultations reveal that influx of workers can also cause various social risks and impacts including social tension with the host community, gender-based violence, and HIV/AIDS and other sexually transmitted infections due to the risk from commercial sex. To address such potential risks, the USMID AF proposes a range of mitigation measures such as use of local workforce, extensive sensitization activities and enhanced contractor/worker management, in line with the World Bank Guidance Note on the Management of Risks associate with project-induced labor influx. It is recommended that the Operational Manual provide for a code of conduct for workers employed by the Contractor in the context of community relations.

**Action 5: Address potential exclusion of vulnerable groups from Program benefits.** If new or improved services – transport, drainage, solid waste management, etc. -- are not affordable or accessible, or if services formerly provided by the informal sector as income generating activities are institutionalized, the poor and vulnerable groups (such as persons with disabilities or elderly) will not benefit from them, or may be left worse off. Similarly, if new markets or abattoirs come with higher cost for rental space or use, small traders may actually be worse off, experiencing higher operating costs. Therefore, it is proposed that pro-poor considerations are made in the process of environmental and social assessment of subprojects and mitigation measures are considered. This will be clarified in the Operational Manual.

**Action 6: Mainstream functioning grievance redress and community engagement in municipalities.** While a grievance handling system has been established and operationalized in 14 existing municipalities, the grievance procedures and its functionality vary. Also, some of other municipalities consulted during the ESSA Update process show weakness in grievance redress system. It is essential to ensure that the democratic processes of participation and accountability are functioning adequately to avoid potential social conflict as a result of the project. Under USMID AF, grievance redress mechanism will be strengthened through the involvement of the MDF, in particular in the new municipalities. Also, it is proposed to establish a system of disclosure of all NEMA clearances on the USMID project website managed by MoLHUD with PST’s assistance. It would be the responsibility of the Municipality to furnish all the clearances that includes the main project and all auxiliary investments.

**Action 7: Strengthen the capacity of municipalities and other stakeholders in management of**

**environmental and social issues.** During the ESSA consultations, stakeholders emphasized the lack of capacity in managing environmental and social issues in municipalities and other actors, and raised promising ideas on improving their capacity. The Box in Annex IV summarizes such ideas, and these will be refined and improved during the Program implementation.

## SECTION 7. FINDINGS FROM STAKEHOLDER CONSULTATIONS

68. The process to update the ESSA includes extensive stakeholder consultations and disclosure of both draft and final reports, in accordance with the World Bank Policy and Directive for Program-for-Results financing and Access to Information Policy. Feedback from stakeholders has been instrumental in designing and revising the Program Action Plan, indicators, and Program Operational Manual. The stakeholders consulted include central government and agencies, municipal local governments, representatives of local communities, project-affected persons and CSOs.
69. *Consultations for Preparing ESSA Update in Kampala and Municipalities (September 20-October 3, 2017).* For the preparation of this ESSA Update, World Bank specialists undertook a series of meetings with central government ministries and agencies, including MoLHUD, NEMA, Ministry of Work, PST, PPDA, MoLG. They also conducted consultations with existing and new municipalities in USMID and site visits to projects that have been developed under USMID and future potential project sites in other municipalities (For more details, see Annex II “Summary of ESSA Consultations” and Annex III “Participants List”). The outcomes of the consultations have been incorporated into the ESSA and the proposed Program Action Plan. Key takeaways from the consultations are as follows:
- 1) **Proposed investments** for USMID AF are consistent with the current program, and do not appear to pose any significant increase in environmental or social risk. Implementation Support Reports, Annual Assessments and USMID progress reports to date provides a good basis for AF capacity strengthening. Expansion into drainage and waste management, and further clarification on handling relocation/resettlement, does require tailored attention.
  - 2) In those municipalities who participated in USMID, **there is an understanding on what is required in terms of addressing environmental management requirements in urban infrastructure project.** This includes (a) obtaining NEMA clearances, (b) integrating environmental requirements in the bid / contract documents, (c) closely monitoring the contractor with the supervision consultants’ support on environmental management activities, (d) reporting on the environmental performance and (e) conducting environmental self-audits for annual submission to NEMA. Though this may not have been effectively executed in all USMID municipalities, there is an appreciation and acceptance that these need to be done. This understanding would have to be built and streamlined in other Municipalities joining USMID AF. Some of them have been exposed to environmental requirements through their involvement in other projects that are being undertaken by other development partners. In all municipalities, there is an acceptance that enforcement on environmental issues needs to be strengthened.

- 3) The **capacity of municipalities varies**. Some are impressive with reasonable capacity, while others appear to need capacity enhancement. One new municipality is relatively stronger than the others on environment, social, and overall governance, but would still greatly benefit from USMID elements, such as the MDF and an enhanced role of the CDO in resettlement.
- 4) **Adding staff on E&S issues**, as called for in national plans, will go a long way towards building capacity and is encouraged. All municipalities have a provision for the position of the Environmental Officer. However, this is not always substantively filled, particularly in the Municipalities that have been recently established. And, more recently, there is a provision made for a Senior Environmental Officer. While no municipality has yet made an appointment for the Senior Environmental Officer, some of them are considering the same.
- 5) **Fostering further incorporation of E&S issues including health & safety** in the procurement, contracting and supervision process should be effective for filling gaps noted in current USMID implementation. For example, key proposed measures include adding E&S sign-off on invoice; based on quarterly E&S compliance certification to the Town Clerk (TC); and attaching an inspection report from both EO and CDO.
- 6) **USMID training on E&S issues** has been very helpful for building awareness and confidence in EO and CDO staff in understanding and carrying out their duties. This needs to be continued given staff changes, but should be targeted even further to “on the ground” compliance and enforcement matters. NEMA training hasn’t been taken regularly; It should be done annually, 4-day training for EOs and CDOs.
- 7) In USMID municipalities, **environmental monitoring instruments** were purchased. However, except for noise meters, the other instruments have not been used. There are issues pertaining to calibration and lack of adequate capacity, which have to be addressed. In the other municipalities, there are no monitoring instruments and substantive capacity building would have to be done.
- 8) All municipalities face **solid waste management** issues which are critical for long term sustainability and public health improvements, but the Bank needs to ensure that needed investments in garbage collection, transport and processing do not exacerbate longer term risks from improper disposal, e.g. being included in a good municipal waste management plan. Focus is needed on bolstering the efficiency of Bank-financed composting facilities, while strengthening overall capacity, and ensuring facilities meet minimum NEMA clearance. While the USMID municipalities have a solid waste management strategy in place, the other municipalities don’t have that. A number of gaps / deficiencies were identified in all municipalities, and strengthening is generally required. Changing the people’s attitude towards waste, particularly segregation at source, at point of generation is a big challenge. The equipment for transporting waste is old, subject to frequent

breakdowns and needs to be augmented. Composting is in place but there are a number of operational challenges. Managing the dump yard is also a challenge.

- 9) Investments in **road and general municipal drainage** is important, but Master Plans and EIAs should place greater emphasis on downstream impacts and adjustments given recent climate variability. In most municipalities where the terrain is hilly and undulating, drainage & soil run-off are important issues. Conserving **wetlands** is particularly important for drainage in these municipalities but the challenges to protect the wetlands are considerable. There are municipalities that have **forest reserves** within their jurisdiction. Preventing the encroachments has been a huge challenge. And, de-gazetting these forest reserves is still under process in selected municipalities.
- 10) None of the municipalities have a **sewage network**. Sewage collection from the individual pit latrines, transportation and disposal are challenges. Only a few municipalities have an aerobic lagoon yet and some are in the process of developing these lagoons.
- 11) Investments in **small scale economic development** (e.g. food markets and space for small cottage industries) should receive NEMA clearance, and take into account E&S risks and mitigating measures such as drainage control, waste and wastewater management, water and sanitation, and appropriate treatment of any relocation or resettlement issues.
- 12) Pre-treatment of effluent from even small **slaughterhouses** is required.
- 13) Overall, the **resettlement process, especially on economic displacement**, is being implemented in an ad-hoc manner, without clear documentation and systematic planning and follow-through and coordination mechanism. This could be addressed in the USMIF AF. USMID municipalities are less aware of **economic displacement** (livelihood impact) than physical displacement. Some municipalities appear to plan economic resettlement in a manner that may be inconsistent with Bank policy (maintenance of the livelihood level). This could cause potentially significant consequence, and thus basic training of CDOs and health and safety workers is needed.
- 14) There is potential impact on the community associated with **labor influx**, including gender based violence. These issues should be addressed in the USMID AF.
- 15) **Grievance redress mechanism** could be strengthened, involving the MDFs; some municipalities look successful, while others not so.
- 16) The **Annual Performance Assessment tool** could be used more effectively to track E&S implementation, and suggestions from the ESSA Update should be considered.

70. *Formal Consultation for Finalizing ESSA in Kampala (January 2018)*: During appraisal, a

formal consultation was organized in [January, 2018] in Kampala where the draft ESSA Update was presented and a large group of stakeholders including central and local government agencies, CSOs and other stakeholders were invited to offer inputs on the findings and recommended actions in an interactive format (see Annex III “Participants List”). Main issues raised during and after the consultation and Bank staff responses are summarized as follows [The following table will be completed after the formal consultation.]:

<b>Topics</b>	<b>Issues Raised</b>	<b>Bank Staff Responses</b>
<b>Environmental risks</b>	1.	
	2.	
	3.	
<b>Health and safety risks</b>	4.	
	5.	
	6.	
<b>Land acquisition and livelihood impact</b>	7.	
	8.	
	9.	
	10.	
	11.	
<b>Gender and vulnerable groups</b>	12.	
	13.	
	14.	
	15.	
	16.	
<b>Contractor risks</b>	17.	
	18.	
<b>Others</b>	19.	

71. **Document Dissemination and Public Disclosure:** The draft ESSA was shared with the Government of Uganda, and publicly disclosed and shared with other stakeholders before the formal consultation. The final report will be disclosed publicly in-country and on the World Bank’s external website.

## **Annex I**

### **ESSA Core Principles**

Paragraph 8 of Bank Policy for Program-for-Results Financing outlines what the ESSA should consider in terms of environmental and social management principles in its analysis. Those core principles are:

- a. Promote environmental and social sustainability in the Program design; avoid, minimize, or mitigate adverse impacts, and promote informed decision-making relating to the Program’s environmental and social impacts
- b. Avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources resulting from the Program
- c. Protect public and worker safety against the potential risks associated with: (i) construction and/or operations of facilities or other operational practices under the Program; (ii) exposure to toxic chemicals, hazardous wastes, and other dangerous materials under the Program; and (iii) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards
- d. Manage land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement, and assist the affected people in improving, or at the minimum restoring, their livelihoods and living standards
- e. Give due consideration to the cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of the Indigenous Peoples and to the needs or concerns of vulnerable groups
- f. Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

The ESSA considers the consistency of the Program systems with these principles on two levels: (1) as systems are defined in laws, regulation, procedures, etc, and (2) the capacity of Program institutions to effectively implement the Program environmental and social management systems. ESSA Vol. 1 (Analysis) considers the baseline information presented in this volume and compares this to how the system performs in practice vis-à-vis the core principles in the PforR policy outlined below.

#### **Core Principle 1: General Principle of Environmental and Social Impact Assessment and Management**

***Bank Policy for Program-for-Results Financing:*** Environmental and social management procedures and processes are designed to (a) promote environmental and social sustainability in Program design; (b) avoid, minimize or mitigate against adverse impacts; and (c) promote informed decision-making relating to a program’s environmental and social effects.

***Bank Directive for Program-for-Results Financing:*** Program procedures will:

- Operate within an adequate legal and regulatory framework to guide environmental and social impact assessments at the program level.
- Incorporate recognized elements of environmental and social assessment good practice, including (a) early screening of potential effects; (b) consideration of strategic, technical, and site alternatives (including the “no action” alternative); (c) explicit assessment of

potential induced, cumulative, and trans-boundary impacts; (d) identification of measures to mitigate adverse environmental or social impacts that cannot be otherwise avoided or minimized; (e) clear articulation of institutional responsibilities and resources to support implementation of plans; and (f) responsiveness and accountability through stakeholder consultation, timely dissemination of program information, and responsive grievance redress measures.

### **Core Principle 2: Environmental Considerations – Natural Habitats and Physical Cultural Resources**

***Bank Policy for Program-for-Results Financing:*** Environmental and social management procedures and processes are designed to avoid, minimize and mitigate against adverse effects on natural habitats and physical cultural resources resulting from program.

***Bank Directive for Program-for-Results Financing:*** As relevant, the program to be supported:

- Includes appropriate measures for early identification and screening of potentially important biodiversity and cultural resource areas.
- Supports and promotes the conservation, maintenance, and rehabilitation of natural habitats; avoids the significant conversion or degradation of critical natural habitats, and if avoiding the significant conversion of natural habitats is not technically feasible, includes measures to mitigate or offset impacts or program activities.
- Takes into account potential adverse effects on physical cultural property and, as warranted, provides adequate measures to avoid, minimize, or mitigate such effects.

### **Core Principle 3: Environmental Considerations – Public and Worker Safety**

***Bank Policy for Program-for-Results Financing:*** Environmental and social management procedures and processes are designed to protect public and worker safety against the potential risks associated with (a) construction and/or operations of facilities or other operational practices developed or promoted under the program; (b) exposure to toxic chemicals, hazardous wastes, and otherwise dangerous materials; and (c) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards.

***Bank Directive for Program-for-Results Financing:*** Promotes community, individual, and worker safety through the safe design, construction, operation, and maintenance of physical infrastructure, or in carrying out activities that may be dependent on such infrastructure with safety measures, inspections, or remedial works incorporated as needed.

- Promotes use of recognized good practice in the production, management, storage, transport, and disposal of hazardous materials generated through program construction or operations; and promotes use of integrated pest management practices to manage or reduce pests or disease vectors; and provides training for workers involved in the production, procurement, storage, transport, use, and disposal of hazardous chemicals in accordance with international guidelines and conventions.
- Includes measures to avoid, minimize, or mitigate community, individual, and worker risks when program activities are located within areas prone to natural hazards such as floods, hurricanes, earthquakes, or other severe weather or climate events.

#### **Core Principle 4: Social Considerations – Land Acquisition**

***Bank Policy for Program-for-Results Financing:*** Land acquisition and loss of access to natural resources are managed in a way that avoids or minimizes displacement, and affected people are assisted in improving, or at least restoring, their livelihoods and living standards.

***Bank Directive for Program-for-Results Financing:*** As relevant, the program to be supported:

- Avoids or minimizes land acquisition and related adverse impacts;
- Identifies and addresses economic and social impacts caused by land acquisition or loss of access to natural resources, including those affecting people who may lack full legal rights to assets or resources they use or occupy;
- Provides compensation sufficient to purchase replacement assets of equivalent value and to meet any necessary transitional expenses, paid prior to taking of land or restricting access;
- Provides supplemental livelihood improvement or restoration measures if taking of land causes loss of income-generating opportunity (e.g., loss of crop production or employment); and
- Restores or replaces public infrastructure and community services that may be adversely affected

#### **Core Principle 5: Social Considerations – Indigenous Peoples and Vulnerable Groups**

***Bank Policy for Program-for-Results Financing:*** Due consideration is given to cultural appropriateness of, and equitable access to, program benefits giving special attention to rights and interests of Indigenous Peoples and to the needs or concerns of vulnerable groups.

***Bank Directive for Program-for-Results Financing:***

- Undertakes free, prior, and informed consultations if Indigenous Peoples are potentially affected (positively or negatively) to determine whether there is broad community support for the program.
- Ensures that Indigenous Peoples can participate in devising opportunities to benefit from exploitation of customary resources or indigenous knowledge, the latter (indigenous knowledge) to include the consent of the Indigenous Peoples.
- Gives attention to groups vulnerable to hardship or disadvantage, including as relevant the poor, the disabled, women and children, the elderly, or marginalized ethnic groups. If necessary, special measures are taken to promote equitable access to program benefits.

#### **Core Principle 6: Social Considerations – Social Conflict**

***Bank Policy for Program-for-Results Financing:*** Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

***Bank Directive for Program-for-Results Financing:***

Considers conflict risks, including distributional equity and cultural sensitivities.

## **Annex II**

### **Summary of ESSA Preparatory Consultations**

For the preparation of the Environmental and Social Systems Assessment (ESSA) Update of USMID AF Program for Results Operation, Bank Specialists undertook a series of meetings and consultations with different stakeholders including central and local government agencies, community representatives, project-affected persons and CSOs, and followed up with site visits. These preparatory consultations were aimed at helping the Bank team assess the operational aspects of the proposed Program, including the legal and institutional framework relevant to the Program, the capacity of stakeholders, the potential positive and adverse environmental and social impacts, and recommendations for Program scope and design. They have substantially informed the content of the present ESSA Update. The summary of the preparatory consultations is as follows (The summary of the formal consultation is provided in the Table in Section 7, summarizing feedback received from stakeholders and responses provided by the Bank team.):

#### ***Consultations with central government and agencies in Kampala (September 20-22, 2017)***

- **MOLHUD and USMID Program Support Team (PST)**
  1. Despite the fact that all Municipalities are supposed to have Grievance Handling Systems to handle land related and other issues, some of these issues are caused by inadequate enforcement of the law, encroachment on the road reserve and inadequate implementation of the ESMP. It is good that a toll-free line and email compliant handling system have been instituted at the MLHUD headquarters to help solve some of these grievances. However, there is need for continuous capacity building for the officers to enhance their abilities to sort out issues.
  2. MDF is a citizen platform that allows citizen voices to be involved in the urban development. These should be apolitical but there is some concern that in places, the MDF has been for more political purposes. The independence of the MDF is vital. Some argue that membership in the MDF be for two years and renewable for only an additional one term. Voluntary and inclusive membership is encouraged.
  3. Other views were expressed by participants regarding the MDF, for example:
    - Some MDFs are coming to the end of their second term, some want to have their term extended, they claim that this is a very short period and yet modifying their elections through electoral colleges will affect their representation.
    - There is support for legalizing the MDF structure and integrate it in the municipal system.
    - MDFs should remain as non-state actors and MLHUD should examine their framework, linkages with other Government Institutions, and how to support MDFs without too much “capture” under local government.
    - If the MDFs should be supported from the Center/ MLHUD, and connected to the National Urban Forum (UNUF), as the UNUF has been instituted, nominated, inducted, updated into a Charter and has an elected committee.
    - For long time sustainability and ensuring accountability and good governance, a National MDF could have a secretariat and look for possibilities of resources from other areas (e.g. the private sector).
  4. The PST will provide detailed reports on tree cutting and revegetation. Environmental audits reports and social safeguard reports will also be provided on how land acquisition, relocations, and other social risks have been mitigated during sub-project implementation.

- **National Environmental Management Agency**
  1. NEMA does review all relevant USMID EIAs, and their new staff “clustering” approach should reduce previous backlogs of review and approval. Hiring of additional social development specialists will also be beneficial. USMID MEOs (especially in new MCs) should familiarize themselves with relevant NEMA staff.
  2. Their M&E team can support consideration of potential program sub-indicators.
  3. Capacity building to help MEOs understand their role in compliance and enforcement would complement ongoing NEMA training.
  4. Municipal Environment Officers and Community Development Officers are rarely trained and hence lack exposure. There is need to build their capacities and also include an exposure strategy in USMID AF for them to appreciate what an urban place should look like.
  
- **Ministry of Works**
  1. General Specifications do have sections on E&S but are not considered mandatory by many contractors and supervisors. Nevertheless, they do constitute a legal basis and can be supplemented with additional guidance (e.g. as was done for HIV/AIDs).
  2. Better sub-indicators for E&S compliance would be helpful.
  3. Standardized designs for drainage control do not take into account recent experience with climate variability, including more extremes in flooding from climate and urban development.
  4. USMID AF projects should now include all aspects including; defining indicators and hydrological surveys which have been a challenge.
  5. Municipalities should have some control on human activities along roads like washing bays, garages etc.
  6. The Ministry of Works and Transport had neglected Municipalities in the areas of capacity building because they are thin on the ground, however, the department has four staff who can support the USMID during training and to review reports.
  
- **Ministry of Local Government (MoLG)**
  1. The MoLG supervises municipalities and conduct inspections to ensure that they comply with national requirements on a range of topics. For **labor issues**, they conduct quarterly inspections. **Environment** and other issues, such as physical planning and budget execution, are covered under thematic areas for inspection. The inspection is general in nature, using a check list, and does not go into the level of details.
  2. There is no dedicated inspection for USMID projects.
  
- **Public Procurement and Disposal of Public Assets (PPDA)**
  1. For USMID projects, PPDA **ensures the compliance** of individual project bidding documents with the requirements under the national standard bidding document. PPDA also provides **capacity building** to municipalities. PPDA provides input to Program Technical Committee (PTC) on procurement issues.
  2. Going forward, PPDA may also **revise the standard bidding document for USMID projects** to enhance environmental and social elements. PPDA may also include environmental and social issues in the training module.
  3. Currently, the environmental and social aspects in the national standard bidding document are weak. Since the **national standard bidding document is under amendment process**, there is avenue to enhance environmental and social aspects in the standard bidding document. Through this enhancement, the environmental and social aspects in national procurement

- system across the country can be improved.
4. In July 2017, the **National Public Procurement Strategy** has been approved which includes the green procurement.
  5. In large projects, there are environmental and social specifications, such as health and safety and waste disposal. However, the challenge is that smaller, **low value projects** do not have such environmental and social specifications in the procurement process.
  6. The government guideline on the **threshold for procuring national contractor** was raised in March this year. Consequently, international contractors are not eligible for smaller projects, including USMID projects.

### *Consultations with municipalities (September 25-October 2, 2017)*

#### **Consultations with stakeholders in Lira**

1. The Municipality has been in existence for several years and is also one of the 14 participating municipalities under the ongoing USMID. It is also one of the better performing municipalities and the investments have been the foremost since Uganda's independence.
2. As part of the ongoing USMID, Lira Municipality has successfully managed to upgrade a set of urban roads with support of a good, cooperative contractor. Some of the urban roads were challenging as it involved movement of solid waste as well as planning new drainage channels. The integration of environmental considerations in implementing road projects is being done constantly.
3. As in other municipalities, solid waste management is a challenge. After the solid waste management strategy was developed, the municipality issued a bylaw on solid waste management. Inspection and enforcement capacity needs to be developed within the municipality. To address solid waste management, one of the divisions has initiated a system of garbage scouts, which is working well. It is proposed to expand the system to the other divisions within the municipality as well.
4. Although the completed roads were done well, the contractor camp management practices were found to be sub-optimal, particularly in terms of oily waste management (e.g. storage and disposal) in the maintenance workshop. Supervisory consultants and municipality staff should also check contractor camp performance along with road-related concerns.
5. The road rehabilitation project under USMID has improved the livelihood and accessibility of the community significantly. The security situation in the project area has also improved, as street lighting has reduced the level of street crime. Businesses in the area are booming and can now operate longer hours. The value of the land around the area has also increased significantly.
6. Under the USMID project, there was only one case where land was acquired and compensation was provided to the affected person with a land-for-land approach. In such a case, the affected person signs a consent form and the compensation process is documented.
7. There are about 90 workers from outside the community. However, only a limited number of specialized workers stay in the worker's camp and the majority of external workers stay in the accommodation in the town. No serious grievance has been raised from the community regarding workers.
8. Lira has a well-functioning Municipal Development Forum (MDF) which facilitates community engagement. It also has a complaint register system in place.
9. Going forward, the municipality needs to improve solid waste management, bus/taxi parks and market places.

- **Consultations with stakeholders in Soroti**

1. The Bank team was informed that the Cemetery road project could necessitate the relocation of a large number of car repair shops and their workers along the road. This could be in conflict with the USMID approach; a factor that has been shared with the PST and Municipality. The consultation process with potential project-affected persons has not been finalized, so a decision regarding any relocation or support from USMID is pending.
2. It was noted, furthermore, that the proposed relocation site was not ready and sufficient to maintain the business of the resettled shops, with limited access to electricity, structures and other services. These factors, unless resolved, also pose potential conflicts with the PforR approach under USMID.

- **Consultations with stakeholders in Mbale**

1. The Municipality has been in existence for several years and is also one of the 14 participating municipalities under the ongoing USMID. Mbale is the commercial hub of the Mbale district, and was earlier recognized as one of the cleanest municipalities of East Africa. It is a position and status that Mbale would like to regain.
2. There is an Environmental Officer, whose capacity is appropriate to coordinate activities pertaining to environmental safeguards management. However, there are several other roles that the officer is also involved with. In line with the MoLG order, there is a plan to recruit another environmental officer in the Municipality.
3. Under USMID, the required NEMA clearances were obtained, the integration of specific measures from the ESMP in the BOQ was done, and monitoring of the contractor's performance was also carried out. In one instance, during the dry season, dust during construction was an issue raised by the community. This was effectively addressed with the support of the MDF; helping to overcome challenges by the contractor.
4. The role of the environmental officer in the procedure for payments to the contractor needs to be strengthened, as that would enable enforcement of environmental mitigation measures.
5. The environmental monitoring instruments, except the noise meter, are not being used for the lack of calibration and adequate capacity.
6. The NEMA clearance for the main project was not obtained prior to the commencement. Further, streamlining the clearance for the auxiliary facilities was also not possible during the mobilization period. Perhaps, this necessitates review of the mobilization period.
7. Due to contract-related issues, the construction of selected roads under the ongoing USMID has not yet been completed. The balance of the works relevant to environmental safeguards including tree planting, landscaping and provision of road side waste bins will be done as a part of the contract for the balance works. With the contractor, there was also an issue of not restoring the borrow pit.
8. Under USMID, a solid waste management strategy was developed. A number of gaps / deficiencies were identified, and strengthening is required. Changing the people's attitude towards waste, particularly segregation at source, at point of generation is a big challenge. Composting is in place but there are a number of operational challenges. Managing the dump yard is also a challenge. Draft bylaws to strengthen enforcement are being planned. The equipment for transporting waste is old and subject to frequent breakdowns. A combination of software, e.g. waste education in schools, and hardware solutions are required.
9. There are industrial activities in Mbale, and therefore the development of small industrial parks as being proposed in USMID AF should take into account possible industrial wastes / wastewaters.

10. Mbale has a functioning municipal slaughterhouse but there is no pre-treatment of the waste water, before discharge into the National Water's system. Further, the facility is not using any mechanical equipment.
11. Under the current USMID, four road projects were screened and ESMPs were prepared. The municipality has also embedded environmental and social items in the contractor's Bill of Quantities (BOQ), including measures for HIV prevention and traffic safety. BOQ is a useful tool to penalize environmental and social non-compliance and enforce the relevant requirements with costing breakdown. It is important to continue to reinforce the importance of compliance with the contractor, so that they understand the importance of the issue, while their main concern is cost saving. Going forward, the environmental officer and community development officer should be involved in the certification process for payment to contractors. This would enable the municipality to ensure that the environmental and social requirements in the contract are complied with.
12. The labor camps for USMID projects were not resident and used for equipment and work space. There has been no complaint relating to workers' misbehavior. Most complaints are such as dusts or design issues.
13. The resettlement impacts of USMID road projects in the municipality have been minor. They are primarily economic impacts on vendors with mobile kiosks.
14. The grievance redress system of the municipality is functioning. Complaints submitted are forwarded to relevant departments for review and action. There is a complaint committee involving the MDF, the environmental officer and local community leaders. The grievance redress system is publicized through notice boards etc. The system is based on the national anti-corruption policy. The budget is small.
15. Going forward, the priority investment would include slaughterhouse and "front end" solid waste management equipment such as garbage trucks. The lack of proper solid waste management collection poses serious issues to public health and education. The municipality produces 150 tons solid waste a day but can only treat 70 tons a day at the compost facility. Excess from the composting facility goes to an adjacent dump site which has operational challenges. For the abattoir, the waste water treatment process needs to be improved.

- **Consultations with stakeholders in Kitgum**

1. It is one of the new municipalities established in July 2015. There are three Divisions who are represented by Councilors. Being new, there are a number of infrastructure gaps that require to be addressed.
2. A part of the Municipality lies within the forest reserve. There has been an ongoing effort to inventory/map the forests. About 70% of the forests have been encroached and the Municipality is taking an initiative to conserve the remaining forest area.
3. They are in the process of building the staff capacity. Only about 60% of the positions are so far filled. Once in place, there would be a need to build capacity of the recruited staff.
4. An environmental officer is in place. Formal training of the environmental officer is required. As a part of the overall strengthening, the position of the senior environmental officer would also be considered.
5. As a Town Council, the staff has been involved in supporting in the various district projects. Currently, the Municipality is involved in a fecal sludge management project being implemented with development support. Municipality staff ensured that NEMA clearance is obtained. Further, the staff were involved in sensitizing / informing the community, who had initially opposed the project. The initial opposition was subsequently resolved.

6. There is some capacity within the Municipality to oversee the NEMA EIA process. This is being done with private sector projects.
7. There is the integration of environmental considerations in the projects through the participation of the environmental officer, who is a member of the Technical Planning Committee, which oversees development projects.
8. The Municipality has no environmental monitoring instruments and therefore does not conduct any monitoring at a parameter level.
9. Solid waste management is an issue. There are a few skips to store solid waste but no trucks to transport. There is no segregation or sorting. There is a dumping site that has been developed with support of development partners. But there are challenges in its operation and maintenance.
10. There were a few public latrines that were very poorly managed. These were recently demolished in order to improve the municipality's sanitation conditions. The Municipal Council also passed a bylaw on sanitation, and its enforcement needs to be strengthened.
11. Kitgum is located in a strategic location near South Sudan. The municipality is happy to be selected for assessments for potential participation in USMID.
12. The municipality is in the process of recruiting necessary staff; augmenting an Environmental Officer and Community Development Officer (CDO). The CDO facilitates the dialogue with the community and organizes sensitization programs in areas such as gender mainstreaming, children, HIV, work safety etc.
13. There is no systematic grievance redress mechanism in Kitgum. The people raise complaints to Town Clerk if they arise.
14. Kitgum had a project-level Municipal Development Forum (MDF) for a slum project. However, due to financial constraints, the municipality has not established a permanent MDF.
15. Priority area for investment: the needs for basic infrastructure are high. Especially, roads are a big challenge. Kitgum also has a challenge in garbage collection and needs garbage collection trucks. The awareness of the community on the importance of environment is weak. Solid waste treatment is being supported by other development partners under a separate budget. Other priority areas include protecting the river embankment and sanitation. The municipality has been demolishing abandoned portable latrines which have health concerns.
16. Road projects in the municipality are being selected on a demand-driven basis by communities. So in most cases, land acquisition is not necessary. But when necessary, they negotiate with the affected person(s) and provide compensation through national valuation system. The land acquisition process is documented when compensation is paid.
17. While environmental and social elements are missing in the bidding document, the municipality does not have instruments to monitor and enforce the environmental and social aspect of physical works. This poses a challenge.
18. In a past road project, there were cases where married local women had sexual relationship with road workers from outside the community and their husbands complained. Through sensitization and dialogue between the community and the contractor, such issues were solved over time.
19. Regarding a recent sludge plant, the community originally opposed the project. However, the consultation and engagement with the community led to an agreement with them and the project was successful.
20. There are encroachments in municipal forest areas. The municipality is trying to recover the lost forests through tree planting.
21. There are no security concerns in Kitgum. Refugees from South Sudan purchase land and

are settled in Kitgum District, which is outside of the municipality.  
22. AFDB has a project of the central market of Kitgum.

- **Consultations with stakeholders in Kamuli**

1. The Municipality was established about 2 years ago, is spread over 100 sq. km, has a population of 92,000 and most Departments are in place. The nature of its geographical location is such that there is no visiting population; and hence caters largely to its resident population.
2. There is no Environmental officer in place, and the Physical planner is acting as an Environmental Officer as well. Recruitment – both the Senior Environmental Officer and the Environmental Officer – would have to be done.
3. Discussions revealed that substantive strengthening on NEMA procedures and requirements would be required as the Municipality once the environmental staff is appointed.
4. Integration of environmental requirements in the bid / contract documents appears to be done in a limited manner. This needs to be substantially strengthened.
5. Enforcement is being done with the support of Environmental Inspectors, five of them in the municipality. This has been used to ensure roadside tree plantation and can be expanded to other environmental actions.
6. District Headquarters - which is in Municipality – is located in a Forest Reserve. There are issues being resolved in this context.
7. Solid waste management is a major concern.
8. Sewage collection, transportation and disposal are challenges. There is also no municipal wastewater treatment lagoon yet. An investment project to develop such a lagoon is ongoing and should address this issue.
9. Tree cutting and loss of green areas is an issue. There was a law that there should be 2 acres of green areas for every 2,000 persons.
10. There have been issues of accidents in the road that is brought to the attention of the Municipality. Apart from that, there is no particular role for the Municipality.
11. There is a limited budget allocation to address environmental issues and challenges.
12. Kamuli is in the second year as a new municipality. The challenge is enormous and the municipality needs technical and financial support from ministries. The biggest challenge is capacity building to deliver. They are in the process of additional staffing which requires clearance from Ministry of Public Services.
13. Priority areas of investment include health and education infrastructure; water and sanitation; solid waste management.
14. The municipality has one Community Development Officer (CDO). The CDO's primary work is mobilization and sensitization of the community.
15. There is no Municipality Development Forum (MDF) in place.
16. While there is no grievance redress system in the municipality, the community can come to the office of Town Clerk to register their complaints. Typical complaints include road safety issues, uncovered excavation and damage to the neighboring crops.
17. There was a case in the past where a worker approached a teenage girl. Through sensitization and dialogue involving teachers, the community and the contractor, the issue was resolved.
18. District Environment Office and Municipal Environment Office visit the labor camp every month to monitor the contractor for issues including gender and HIV, health and safety.
19. For a national government funded project upgrading 15 km of roads, some 20 households were physically displaced temporarily. For another private sector project in a market area, 460 market vendors were resettled to an alternative site. The municipality facilitated communication between the investor and the vendors and also provided security measures

such as fencing of the new site. The municipality was not responsible for any other compensation measures.

- **Consultations with stakeholders in Mubende**

1. This is a large municipality that spreads over 130 sq. km. covering both urban and rural areas. Much of the Municipality is rural. The business center surrounds the municipality. The population is about 100,000. It has recently been made a Municipality.
2. Discussions revealed that substantive strengthening on NEMA procedures and requirements would be required as the Municipality has not had much opportunity in the past. Presently, it appears that the MoLG's screening form is used to determine what environmental actions to be done.
3. Integration of environmental requirements in the design, consistency with the physical planning and contract documents appears to need substantive strengthening as not much experience in that regard.
4. The Municipality has about 10 sq. km. of Government-gazetted forests, whose protection falls within their jurisdiction.
5. Tree plantation within the Municipality has just started.
6. Protecting the wetlands from encroachment is a big issue. Presently, the municipality is dealing with a church that has chosen to locate itself on earmarked wetlands. Similar issue exists with the agricultural practices too.
7. Solid waste management is a real issue, particularly in the big markets and considering the size of the municipality. As the Army barracks is located within the Municipality, there are issues – including solid waste collection – for the army. Further development is moving faster than service delivery. Also, dealing with the migrants with varying cultures and practices. Waste sorting and composting has challenges.
8. Disposal of waste from the pit latrine is also an issue. For the cess pool emptier, there is a dependence on the neighboring Mityana District.
9. Flooding due to the undulating terrain (valleys and ridges) is an issue. This is particularly relevant during large downpours. Associated with that is the soil run-off and therefore to strengthen rainwater harvesting.
10. It's been only 9 months since Mubende became a municipality. The major economic activity in Mubende is agriculture with emphasis on food crops like maize. The current population is about 104,000 and growing. Mubende hosts a number of immigrants from across Africa, including Rwanda, Sudan, Burundi and Zambia.
11. The municipality has huge infrastructure challenges, including roads, drainage systems (channeling of storm water), solid waste management (garbage disposal), sewerage and sanitation system (pollution associated with septic tanks), market places and trading centers. The municipality has also wetlands and national parks, which are being damaged by encroachment. We also have the problem of illegal excavation of mines and woods.
12. The Municipality has capacity challenges. The municipality has an Environmental Officer and a Community Development Officer. Additionally, they are currently recruiting a Senior Environmental Officer and a Principal Community Development Officer. The role of CDO is sharing information, prevention of child labor, and mobilization of the community to benefit from government programs, including women and other marginalized groups.
13. There is no Municipality Development Forum (MDF) in place. While there is no formal grievance redress system in the municipality. The challenge in consultation with the community is that the people expect monetary compensation in exchange for attending the consultation meetings.
14. While the municipality has in total 270 km roads, only 98 km of which are maintained due

to budgetary constraints. The road shoulders are worn out, and stormwater from the hills causes flooding. USMID funds could be used for upgrading the roads. Upgrading of roads, could be carried out without physical displacement of the people. Potential economic displacement could be minimized through consultation with the community and phasing the construction. Help for vulnerable groups could be provided pending available resources.

15. The Municipality holds regular site meetings with contractors to address any issues including HIV awareness, payment of wage and community and workers health and safety. We don't deal directly with workers. The influx of external workers is very limited. For maintenance work, no camp site set-up is required.
16. Mubende has a rehabilitation center for 1,500 households (about 20,000 people) with disabled soldiers, and support comes in part through CSOs. The access roads to the center need to be improved. Also, some soldiers are with wives from other countries whose social and cultural mannerisms, including sexual behavior differs from the local community. This requires vigilance in relevant programs.
17. Children and teachers would benefit from better roads. The quality of access road to schools is a big challenge for students. The school does not have the capacity to design drainage. The septic tank at school poses health risks, such as water-borne diseases to students.

- **Consultations with stakeholders in Kasese**

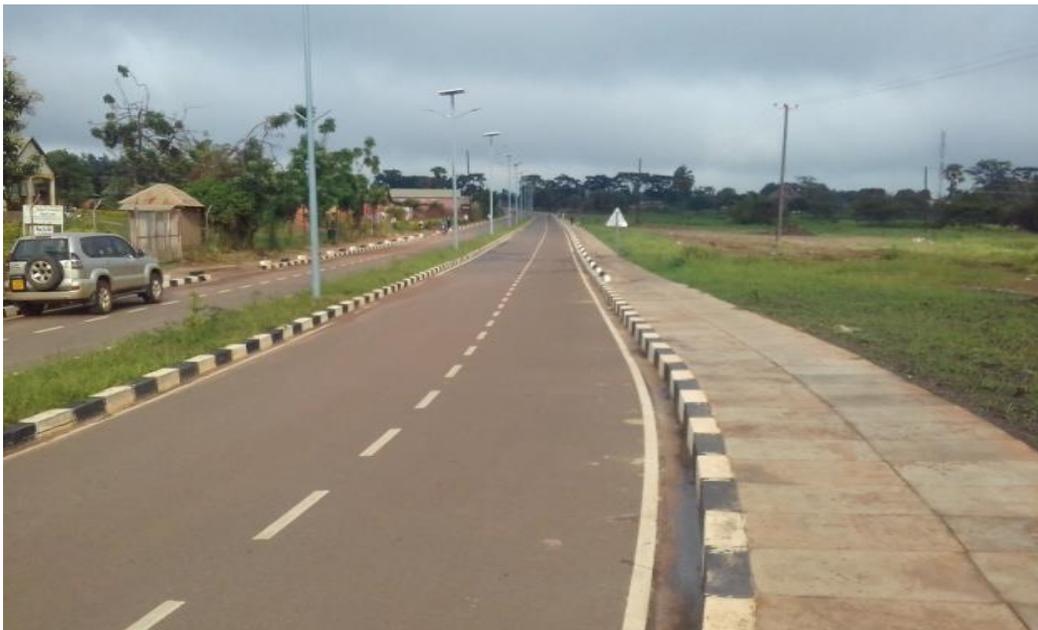
1. A commitment to address environmental issues in its Vision "A well-planned, clean, and poverty free Municipality" and Mission "sustainable social economic development." This is a large municipality that spreads over 176 sq. km. covering both urban and rural areas.
2. There is an Environmental Officer within the team, who has the capacity to address urban infrastructure projects with some orientation and awareness training, particularly on NEMA-related management issues. Further, the Municipality is also looking at recruiting a Senior Environmental Officer to enhance their capacity.
3. Integration of environmental requirements in the design, consistency with the physical planning and contract documents, appears to be done in a very basic way. Substantive capacity building both with engineering and procurement on integrating environment and safety requirements in the contract, particularly BOQ, would be required.
4. There is an acceptance that enforcement on environmental issues needs to be strengthened. Suggestions on enhancing the environmental inspectors and also the environmental protection force were well received.
5. There is no use of any environmental monitoring instruments in use and hence their monitoring is basic.
6. The terrain is hilly and undulating, and therefore drainage & soil run-off are issues. There is a wetland in the center of town, which is important for drainage. But the municipality has several challenges to protect the wetlands.
7. The Municipality is next to the buffer area of the Queen Elizabeth Park. There are no human-animal conflicts to deal with but withdrawal from the forests for firewood is an issue.
8. The roadside tree plantation appears to have been done over the years. This was a good initiative that provides comfort-shade as well as is a decorative. There is a recently established tree nursery, which is distributing saplings to encourage more tree plantation and to compensate for the tree cutting.
9. Solid waste management is a challenge, particularly due to the growing population; including migration from outside the municipality. Door-to-door collection and transportation is being streamlined but there are equipment shortages. There is a composting facility, which is a basic, manual operation and produces a limited quantity of manure. This facility also includes leachate collection.

10. Awareness on energy saving / efficiency within the municipality is high as their new building is planned so that dependence on energy is reduced. Standard features from “Green buildings” are being integrated and that could serve as a model for other municipalities.
11. The Community Based Services Department has 5 out of the 11 staff they are mandated to have and these include; the 3 Division CDOs, a Labour Officer and a Principal CDO who heads the department.
12. Their duties include; mobilize and sensitize communities towards government programs such as Youth Livelihood Program, Uganda Women Entrepreneurship Programs, PWDs Program; advocate for the different interest groups like the youth, PWDs, children and women; advise council on matters of gender and equity; handle cross-cutting issues such as ensuring that employees comply with labour laws, and finally mobilize communities for national days celebrations.
13. The staff have never been involved in Social Impact Assessments for projects, and only get involved at mobilization time.
14. Sometimes staff participate in joint monitoring and supervision of projects at an overview level, but nothing specifically related to social risks. Staff are not involved in project planning nor are they considered during the procurement process and do not even know how BOQs look like.
15. The physical planning department does not involve the CDO in their planning activities; they are only called in when communities have issues with the projects. An example was cited where communities are planning a demonstration due to forceful removal of their stalls from alongside a road under construction.
16. A grievance redress mechanism is in place where all grievances are addressed to the Town Clerk who then directs the responsible officers to attend to the grievances. The department has two grievance record books for children and labour cases. The disciplinary committee at the council solves staff complaints.
17. Office space is inadequate all the department is squeezed in one small room, which they are sharing with the Deputy Mayor. But this will be solved after the new block is completed.
18. They do not have enough office equipment; just have one computer and printer which is used by all the division CDOs, 1 photocopier in the whole Municipality, no departmental vehicle nor a motorcycle, use personal or public means. Needs were expressed; for example; computers, printers, photocopier and internet service for each Division, along with transportation such as a vehicle and motorcycle(s).
19. Limited budgetary allocations mean the staff receive just 10% of the budgeted local revenue; given 3% of the amount disbursed for government programs like YLP and UWEP for monitoring.
20. Capacity building needs were expressed in the areas of; social safeguards, social impact assessments, occupational health & safety, monitoring & evaluation of projects.

**PICTURES FROM PROJECTS SITES**



**Commercial Road under USMID in Gulu (Before)**



**Commercial Road under USMID in Gulu (After)**

Lights and road markings have been installed to enhance safety on the road especially at night.



**Lack of drainage system and road erosion in Kitgum**



**Bus/taxi park in Kitgum**



**Solid waste dump and compost site in Mbale**



**Slaughter house in Mbale**



Camp site in Lira

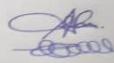
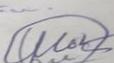
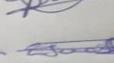
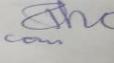
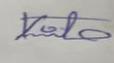


Complaints registry box in Kamuli Municipal Office

### Annex III

### ESSA Consultation Meetings Participants List

#### Consultation in Kitgum, September 25, 2017

KIB MISSION ON ENV'T AND SOCIAL SAFEGUARDS ASSESSMENT STUDY AT KITGUM MUNICIPAL COUNCIL				
No.	NAME	TITLE	CONTACT	SIGN
1				
2	ABONGA ALFRED ALEXIS	Municipal Engineer	072879110	
3	ATIIM HARRIET	Principal Education Officer	0752371555 harricatia@kitgum.gov	
4	Okot Donasiano	Land supervisor	0782346249 okotokot@500@gmail.com	
5	Ayot Judith	Environment officer	0776486487	
6	KAREO Rhina	Public Health Officer	Justice.ouf@talkcom 0782-857377 krhina@yaho.com	
7	Kilama Michael	Senior County Development Officer	Kilamagaliwo@gmail.com 0772352967 0784062062	
8	Achola Irene Origa	Physical Planner	0782927970	



Consultation in Mbale, September 27, 2017

ATTENDANCE			
SN	NAME	TITLE ORGANISATION	SIGN
1	Namulondo Tuffy	Town clerk	
2	Stina Fredicks	Senior Procurement Officer	
3	Maria Nanteza	Env't officer - MHTUD	
4	Evelyn Lutalo	SBSO - NEMA	
5	Semanda Twaha Bin MUSA	MDF - President	
6	Masaba Johnson	AEO - MMC (st ME)	
7	Neumba Angela	CEO Mbale MC	
8	MILTON WOVAKU	MDF - member	
10	Kandoba Zadenia. Kudal	MDF - "	
10	AKI Tsuda	World Bank, Social Dev. Specialist	
11	Ron HOFFER	" consultant ENV	
12	VAIDEE SWARAN S.	WORLD BANK SSA MISSION	
13	Margaret lwanga	USMID / MHTUD	
14	SABBO PAUL	MDF MEMBER	
15	NYARIBI RHODA	Env't officer Mbale MC	
16	Kamuli Robert	MEO	
17	Wavelere Charles	PM - MMC	

**Consultation in Kamuli, September 28, 2017**

KAMULI MUNICIPAL COUNCIL  
 P.O. BOX 127, KAMULI  
 FAX: 043 353030  
 E mail-Kamuli municipal council @ ymail-com  
 Website - ntown cka



OFFICE OF THE  
 TOWN CLERK

THE REPUBLIC OF UGANDA

IN ANY CORRESPONDENCE ON THIS SUBJECT  
 PLEASE QUOTE NO:

NO.	NAME	TITLE IN FULL	CONTACT	SIGNATURE
01	KUNYA ROBERT	DR. HEALTH INSPECTOR	0755309099	[Signature]
02	KADHUBA MOSES	Asst. Municipal Engr.	0782673928	[Signature]
03	Nangoli N. Proscovia	Head of Finance	0772646919	[Signature]
04	Ufumbwe Paul	Technical Assistant	0778398757	[Signature]
05	Mukisa Robert B.	Procurement Officer	0758116089	[Signature]
06	MULINDWA AZIZ	Asst. Principal medical Officer	0705-767128	[Signature]
07	Margaret Lwanga	ESMS/USMIS	0772492947	[Signature]
08	Maria Nanteza	Env't Officer - MLHU	0772553429	[Signature]
09	VAIDESWARAN S	ENV. CONSULTANT - WORLD BANK	077352333	[Signature]
10	Evelyn Lutalo	SENIOR DISTRICT SUPPORT OFFICER - NEMA	0772652728	[Signature]
11	Aki Tsuda	Senior Social Development Specialist, World Bank	+1-202-631-7105	[Signature]
12	Baganzzi Ronald R	T/C	0774096267	[Signature]
13	KANTALE ERIC - A	Senior Community Dev't Officer	0704008155	[Signature]
14	AKANWISA MOSES	Assistant Town Clerk	0702819741	[Signature]
15	KALEEBI JACOB NANTEZA	Senior Physical Planner / Asst. Env't Officer	0772548114	[Signature]
16	NAPUKWITA ESTHER	Finance officer	0721-533568	[Signature]
17	IKANGA THOMAS	MUNICIPAL PLANNER	0754266396	[Signature]
18	Dr. Mwanjika Mwanha	Asst. U.T.	0772625273	[Signature]

**Consultation in Mubende, September 29, 2017**

**MUBENDE MUNICIPAL COUNCIL**

**ATTENDENCE LIST**

POGRAMMME:

**USIMID ENVIRONMENT AND SOCIAL- ASSESSMENT**

Date: 29/09/2017

S/N	Name	Department	Designation	Signature
1	Namulisi Maxentia	Procurement Unit	Proc Officer	<i>[Signature]</i>
2	KAMYA VI C.W.	Internal Affairs	Internal Affairs	<i>[Signature]</i>
3	Kiwemuke JK	Sen Planner	Sen Planner	<i>[Signature]</i>
4	Mary Achille Normaton	CRWODISA	Administrative Secretary	<i>[Signature]</i>
5	KAZIWE SAMUEL P	community	CDO	<i>[Signature]</i>
6	SSEMATIMBA M. JAMES	PRODUCTION	Sen Vet. Officer	<i>[Signature]</i>
7	Asekenze A. Erwa	Finance	Finance officer	<i>[Signature]</i>
8	Nanyonjo Florence	ASMI CENTER DIV	SATC	<i>[Signature]</i>
9	NXKIMU AKUMPUATH	UTDCH	Social worker	<i>[Signature]</i>
10	Kaabungu Azah	Education	MEU	<i>[Signature]</i>
11	Kakooza Fred	Finance	SFA	<i>[Signature]</i>
12	Munyajja Daniel	plannery	planner	<i>[Signature]</i>
13	Sebayiga John	Utilities	M/Engineer	<i>[Signature]</i>
14	Nankabirwa Me	Aboriginal res	ENV. officer	<i>[Signature]</i>
15	Kizza-Norah-Kwasa	plannery	p/planner	<i>[Signature]</i>
16	Evelyn kutab	NEMA	Senior Admin Support officer	<i>[Signature]</i>
17	Maria Nanteza	Min. of Lands	Env't officer	<i>[Signature]</i>
18	Aki Tsuda	World Bank	Senior Social Rev. Specialist	<i>[Signature]</i>
19	Dja Hutter	"	CONSULTANT	<i>[Signature]</i>
20	VAIDESWARAN S	World Bank	CONSULTANT	<i>[Signature]</i>
21	Margaret Kwana	USMID	ESMS	<i>[Signature]</i>
22	KAWOZA Ineph		MP Buwemb	<i>[Signature]</i>
	SSENZIGWA .I.	mayor	mayor	<i>[Signature]</i>
	NAMUGWANYA B.B	MOS/KASMA	MOS	<i>[Signature]</i>
	Awar Albina	Town clerk	Town clerk	<i>[Signature]</i> 07729
	Nakayabwira	CDSC	CDCH	<i>[Signature]</i>
	SSENTONGO Julius	HRM	HRO	<i>[Signature]</i> 07732
	Mujuni Donald	K.C.O.C	Volunteer	<i>[Signature]</i>

## Consultation in Kasese, October 2, 2017

The Integrated Fiduciary Assessment for Additional Financing Study  
Municipal Council Date: \_\_\_\_\_

List of People Consulted in \_\_\_\_\_

S/N	Names	Position	Department	Telephone	Email
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11	Bahini Apello	Municipal Eng.	Engineering	0772619980	bahiniapello@yahoo.com
12	A/C Kabayembe	Sen. Health Inspector	Public Health	0772836501	Kabayembekhai@gmail.com
13	Babuku Wilfred	Phy. Planner	Natural Resource	078521617	babuku.wilfred@gmail.com
14	Bvelyn Mugume	Env't officer	Natural Resource	076 38037	evelynmugume@gmail.com
15	Muhid Asamin	Asst. AHRIC	Production	075716548	muhid.asamin@gmail.com
16					
17					

The Integrated Fiduciary Assessment for Additional Financing Study  
Municipal Council Date: 2 Oct 2017

List of People Consulted in Kasese

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1	Mwesige Emmy Kaini	Educ. officer	Educ.	0772360729	Kainiemmy@yahoo.com
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4	Muhindo Asamin	Asst. AHRIC	Production	075716548	muhindo.asamin@gmail.com
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14	Babuku Bwambale	Deputy Mayor	-di-	0772929870	babuku.bwambale@gmail.com
15	Ron Huffer	World Bank	IFNU	1-202-541-0305	ron.huffer@worldbank.org
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17	VAIDEESWARAN S	ENV CONSULTANT	WORLD BANK	0773352355	vaideesh@worldbank.org

## Annex IV

### Proposed Ideas for Staffing and Capacity Building of Stakeholders

INSTITUTION	IDEAS FOR CAPACITY BUILDING
<b>MoLHUD &amp; PST</b>	<ul style="list-style-type: none"> <li>• Formalizing the position of at least one full-time environmental officer within the MoLHUD as presently in place in the ongoing USMID.</li> <li>• Enhancing environmental capacity within PST by having one full-time specialist dedicated to environmental safeguards and one on social development issues (one person serves both topics at present).</li> <li>• Building capacity with the specialists / officers in the PST and MoLHUD through (a) participating in training programs relevant to environment, social and urban development; (b) engaging in exchange programs with other urban local governments in developed countries and (c) obtaining and maintaining the registration as a Registered EIA practitioner.</li> </ul>
<b>NEMA</b>	<ul style="list-style-type: none"> <li>• Strengthening the NEMA system of urban environmental inspectors as relevant to the Municipalities by training and capacity building, defining roles and responsibility, and tracking inspection performance.</li> <li>• Developing an additional module to the NEMA training for local government officials that is specific to the role of MEOs on compliance and enforcement – including an annual refresher module.</li> <li>• Initiating and administering a system of joint monitoring for environmental compliance between NEMA and MoLHUD / PST on a quarterly to semi-annual basis.</li> </ul>
<b>The Municipality</b>	<ul style="list-style-type: none"> <li>• Developing and conducting a specially designed and focused environmental safeguards orientation – awareness, training and exchange visits – for the new Municipalities using the experiences gained from the ongoing USMID implementation. This should necessarily cover NEMA requirements, integrating environmental requirements in contract documents and on-the-ground good &amp; avoidable practices.</li> <li>• Conducting an implementation-oriented refreshing training for all the current USMID Municipalities that covers both NEMA requirements, and on-the-ground good &amp; avoidable practices.</li> <li>• Ensuring adequate capacity on environmental aspects within the Municipality through training and exposure visits on the new projects such as drainage, slaughterhouse facilities, liquid and solid waste storage &amp; collection and support services parks.</li> <li>• Developing a wetland resource inventory in each of the participating Municipalities in order to strengthen conservation, as these are critical to municipality’s drainage requirements.</li> <li>• Conducting studies pertaining to climate-resilience in selected municipalities prone to climate-induced events particularly flooding. These studies are intended to influence the planning and design of possible investments to be undertaken.</li> <li>• Conducting further capacity building, training on the use and calibration of environmental monitoring instruments that were and will be bought under USMID Capacity-Building Grant.</li> </ul>

	<ul style="list-style-type: none"> <li>• Planning and conducting exchange visits between Municipalities for the Environmental Officers and Community Development Officers to see good practices (to be done once a year).</li> <li>• Strengthening the system for the preparation and annual submission of the Municipal Environmental Officer's Environmental Audit report, a self-auditing output, to NEMA on an annual basis.</li> </ul>
<b>MDF</b>	<ul style="list-style-type: none"> <li>• Conducting basic awareness training to the MDF and their representatives to build their capability for environmental monitoring.</li> <li>• Strengthening the MDF on selected aspects that include (a) community participation and community solid waste management, particularly sorting of biodegradable and non-biodegradable such as the Entebbe initiative, and (b) environmental monitoring to be done in the municipality. Consider improvements under the AF, the operations of MDFs could be supported from the center and (for long time sustainability and ensuring accountability and good governance), linked together under a National MDF. Consider a secretariat and look for possibilities of resources from other areas (e.g. private sector).</li> </ul>
<b>Supervision Consultant</b>	<ul style="list-style-type: none"> <li>• Strengthening the Supervision Consultant's team in terms of environmental and social staffing. In particular, increasing their onsite time involvement and contractor oversight.</li> </ul>
<b>Contractor</b>	<ul style="list-style-type: none"> <li>• Instituting and administering a system of contractor orientation program on environmental and social safeguards, which is to be conducted after contract signing. Standard material to be developed and delivered by a team comprising Municipal Environmental Officer, Community Development Officer, Supervision Consultants, MoLHUD and PST.</li> <li>• Establishing and maintaining a practice of having a simple 1-page poster on "Dos and Don'ts" relevant to Environmental and Social risks Management to be displayed at all work sites under USMID.</li> </ul>
<b>Independent Assessor</b>	<ul style="list-style-type: none"> <li>• Strengthening the Performance Assessment Tool on environmental and social safeguards and providing clear formats and guides for the assessor. The areas for strengthening include a focus on (a) meeting NEMA requirements both main project and auxiliaries, (b) integration of environmental and social issues in bid / contract process, i.e. content, evaluation and conditions of award, (c) physical verification of on-the-ground performance as recorded periodically by Environmental Officer, Community Development Officer and the MDF representative and (d) maintenance investments / assets during the operation &amp; maintenance phase.</li> </ul>