Report No. 156938-UG

The Inspection Panel

Report and Recommendation
On a Request for Inspection

UGANDA

North Eastern Road-corridor Asset Management Project (NERAMP)
(P125590)

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A. Introduction

1. The Inspection Panel (the "Panel") received a Request for Inspection (the "Request") for the Bank-financed Uganda North Eastern Road-corridor Asset Management Project (the "Project" or "NERAMP") on October 1, 2020. The Request was submitted by 10 community members representing eight families (the "Requesters") from Uganda. The Requesters have asked the Panel to keep their identities confidential.

2. The Requesters allege that they are suffering harm due to the Project's non-compliance with the Bank's operational policies on Environmental Assessment (OP/BP 4.01) and Involuntary Resettlement (OP/BP 4.12).

3. The Request pertains to four issues. First, the Requesters claim that the Project planned to use Oruja Rock (the "Rock," located at Merok site), a large rock located in their community, as a stone quarry for the rehabilitation of the Tororo-Kamdini Road, which is supported by the Project. They allege that the valuation of Oruja Rock was not done properly, and the compensation thereof is insufficient. Secondly, they allege that their crops, trees and structures were destroyed as part of an involuntary resettlement process in the buffer zone surrounding the Rock. This process had been initiated without prior notice or adequate compensation for their losses, according to the Requesters. Thirdly, they also raise concerns about the non-disclosure of Project-related information. Finally, the Requesters raise concerns about intimidation and reprisals in relation to the above issues. They allege that some community members were coerced into signing "*unfair*" lease agreements for the use of the Rock and the land surrounding it that would have been used as the buffer zone. The Requesters claimed they were also pressed subsequently to withdraw their related grievances raised through the Project's Grievance Redress Committee (GRC).

4. The Panel registered the case on November 9, 2020, and Management submitted its response (the "Management Response") on December 11, 2020. Due to the COVID-19 pandemic and related travel restrictions, the Panel was not able to conduct a field visit during its eligibility assessment and adopted a virtual format to gather information for its recommendation as to whether an investigation is warranted.

5. In accordance with the Panel Resolution,[1] the purpose of this report is to make a recommendation to the Board of Executive Directors on whether an investigation of the matters alleged in the Request is warranted. The Requesters and the Request meet the technical eligibility criteria, as set forth in Panel's Resolution. As discussed in detail below, the Panel is recommending an investigation into the alleged issues of harm and related non-compliance with Bank policies, including with regard to the inadequate sequencing of Project-related activities.

[1] Inspection Panel Resolution, Resolution No. IDA 2020-0003, dated September 8, 2020.

B. The Project

6. The Uganda North Eastern Road-corridor Asset Management Project was approved by the Board on April 30, 2014. The total cost of the Project is US$255.00 million. The International Development Association is supporting the Project through a Credit of US$243.80 million equivalent. The Government of Uganda is providing the remaining financing, US$11.20 million equivalent. The Project is scheduled to close on October 31, 2024.

7. The Project's development objective is to reduce transport costs, enhance road safety and improve and preserve the road assets sustainably by applying cost-effective, performance-based asset management contracts along the Tororo-Kamdini Road corridor in Uganda.[2] The Project has two components.

8. Component 1 of the Project – Road Rehabilitation, Operations, and Maintenance – is financing the long-term Output and Performance-based Road Contract (OPRC) for the Tororo - Mbale - Soroti - Lira - Kamdini Road (340 kilometers) linking South Sudan, parts of the Democratic Republic of Congo, and northern and eastern Uganda to the port of Mombasa. The OPRC will include: (i) the design and rehabilitation of sections of the road corridor; (ii) routine and periodic maintenance of the whole corridor; and (iii) operations that will include management of traffic, road safety and axle load control measures. Component 1 will also finance consultancy services for the Project Management Unit that will be responsible for administering and supervising the OPRC.[3]

9. The Project's Component 2 – Institutional Support to Uganda National Roads Authority (UNRA) – aims at ensuring sustainability and technical assistance to UNRA, and focuses on designing, awarding and managing the OPRC. The following will be provided to deliver the benefits of the OPRC: (i) asset management support and road safety; (ii) support in contract supervision and management of the OPRC; and (iii) operating costs.[4]

10. The Project is being implemented by UNRA, which is responsible for the maintenance, development and management of the national road network under the supervision of the Ministry of Works and Transport, Government of Uganda. The project has been assigned Environmental Category B and has triggered the safeguard policies on Environmental Assessment (OP/BP 4.01), Natural Habitats (OP/BP 4.04), Forests (OP/BP 4.36), Physical Cultural Resources (OP/BP 4.11) and Involuntary Resettlement (OP/BP 4.12).

11. The Request relates to Component 1 of the Project. The Project was 13.5 percent disbursed at the time of receipt of the Request.

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[2] International Development Association Project Appraisal Document (PAD) on a Proposed Credit in the Amount of SDR 157.6 Million (US$243.8 Million equivalent) to the Republic of Uganda for the North Eastern Road-corridor Asset Management Project (NERAMP), dated April 4, 2014, Report No. PAD707, p. 6 para. 20. Available at: http://documents1.worldbank.org/curated/en/884581468111842058/pdf/PAD7070P125590010Box385177B00OUO090.pdf.

[3] PAD, p. 7 para. 23.

[4] PAD, pp. 7-8 para. 25.

C. Summary of the Request

12. The Request was submitted by 10 community members from the Project area in Uganda representing eight families. The Requesters have asked the Panel to keep their identities confidential. The Requesters raise concerns of harm due to non-compliance of the Project with the Bank's operational policies on Environmental Assessment (OP/BP 4.01) and Involuntary Resettlement (OP/BP 4.12). The Request is attached as Annex 1 to this report.

13. The Requesters live around the Oruja Rock, a large rock that the Project planned to use as a quarry to produce stones needed for the rehabilitation of the Tororo-Kamdini Road. The Requesters claim they belong to a clan that owns the Oruja Rock and the surrounding land and has been using these areas and resources since time immemorial for agriculture, artisanal mining, drying cassava, cultural practice, etc. They claim they have suffered loss of livelihoods from the destruction of their crops, properties and houses without prior notice. They claim they have been retaliated against for raising concerns about the Rock's valuation and compensation related to their losses. They add they were intimidated and coerced to sign unfair lease agreements regarding the stone-mining of the Rock.

14. **Identification and Negotiations of the Rock**. According to the Requesters, the Project planned to extract 700,000 tons of stones and aggregates from Oruja Rock. The Requesters state that in June 2018 the Project's contractor (the "Contractor"[5]) contacted them and informed them that it would assess the rock for its suitability for exploitation as a quarry to produce stones needed for the Project. The assessment was conducted in August 2018. The Requesters showed their initial willingness to allow exploitation of the Rock.

15. The Requesters state that in September 2018 another company, a subcontractor (the "Subcontractor"[6]) of the Contractor, informed them that the Government of Uganda was expropriating the Rock and surrounding land to create a 30-meter buffer zone. In exchange, community members would receive "*courtesy compensation for the rock and money for the land*." According to the Requesters, in October 2018 the Subcontractor offered "*some money to 8 families*" and requested them to sign 10-year lease agreements for the use of the Oruja Rock and its surrounding area. The Requesters state that, in their view, the Rock was "*grossly undervalued*." They asked the Subcontractor for the valuation report, which was not provided to them. Since the compensation seemed low to the Requesters, they initially refused to sign the lease agreement.

16. **Allegations of Coercion and Intimidation**. The Requesters allege that in December 2018 the Subcontractor started to threaten the eight families to coerce them into signing the 10-year lease agreements. The Requesters allege that the Subcontractor had appointed a chairman to represent the Project-Affected Persons (PAPs) who, although he was not a PAP himself had agreed to the terms the Subcontractor was offering regarding the Rock. They add the Subcontractor threatened that they would be "*kicked* […] *off their land*" and they would "*not receive anything*" if they did not sign the lease agreements. In January 2019, the eight families were allegedly coerced into signing the 10-year lease agreements in exchange for compensation, which the Requesters consider to be "*unfair*." Subsequently, and in the Request for Inspection, they asked for one of either a) a

[5] The Contractor is Mota-Engil Engeharia E Construcao Africa, SA (MEA).
[6] The Subcontractor is Ruhore Company Limited.

fair payment at full replacement cost for the damages suffered or b) the termination of all lease agreements with the Subcontractor so that they "*are able to use* [their] *land and Rock at* [their] *will*."

17. The Requesters state that after April 2019 they were contacted by various entities and were told to withdraw their "*grievances and support* [the Subcontractor] *as their work is important for Uganda*." They allege that their grievances were raised through the GRC, with the Contractor, the Subcontractor and the World Bank. They allege that a team from the Subcontractor visited their community in early May 2020 and threatened to "*kill*" them if they did not do so. The Requesters reported this incident to UNRA, and on May 15, 2020, an UNRA delegation met with them and informed them that the Rock's value could not be assessed without further studies.

18. During subsequent community meetings with UNRA, the Requesters claim that UNRA promised them that they would receive fair compensation before July 2019. The Requesters further allege that on May 21, 2020, in another meeting attended by UNRA, District Leadership including all security chiefs, the Contractor and the Subcontractor, the Resident District Commissioner asked them to forgive the Subcontractor for the threats made, to withdraw all their grievances and to refuse any additional compensation as identified by UNRA. The Requesters claim to have been threatened with "*severe consequences*" if they did not comply.

19. **Destruction of Crops and Structures in the Buffer Zone**. The Requesters allege that in April 2019, without any prior notice, bulldozers arrived and started to clear the land, including trees and crops, and destroyed their houses located within a buffer zone surrounding the Rock. The Requesters state that the clearing of their land is in violation of the World Bank's Policy on Involuntary Resettlement (OP/BP 4.12). The Requesters quote the requirements of OP/BP 4.12 in their Request "*that land is acquired in close consultation with the PAPs, compensations provided at full replacement cost and that affected livelihoods are restored*" and state this was not followed in their case. The Requesters filed their grievances in February 2019 with one of the Project's grievance management committees established by UNRA for the Project. The UNRA team registered 17 grievances related to the destruction of their trees, crops and houses through the grievance management committee. The UNRA team met with the Requesters in May 2019 to discuss this incident. The Requesters ask for compensation at full replacement cost for the damage they have suffered due to the destruction of their houses, crops and properties.

20. According to the Requesters, UNRA consulted with them and committed to a fair settlement and full replacement costs for all affected assets, including graves and other items, by July 2019. UNRA assured the Requesters that no further work would be conducted until an Environment and Social Impact Assessment (ESIA) and a Resettlement Action Plan (RAP) were prepared by the Contractor and cleared by UNRA in consultation with the Requesters. In a follow-up meeting in May 2020 an UNRA delegation met with the community, assessed the remaining assets and land and informed them that besides the Rock, the value of which they could not assess without further studies, the eight families are entitled to additional compensation.

21. **Lack of Assessment and Disclosure of Safeguard Documents**. The Requesters allege that the clearing of land without an ESIA is in violation of the Bank's Policy on Environmental Assessment (OP/BP 4.01). The Requesters claim they were not provided Project information in a

timely manner. They add they were unaware the Subcontractor had signed a Memorandum of Understanding and a sub-lease agreement for a period of 10 years with the Contractor. The Requesters claim that during a meeting with UNRA in May 2019 UNRA informed the community that no further work would be conducted until an ESIA is prepared and cleared by UNRA in consultation with the Requesters.

D. Summary of the Management Response

22. The Management Response is attached in full as Annex 2 to this report. The Response contains a description of the Request, a description and background of the Project, and Management's Response. The following annexes to the Management Response are included: A table presenting the Requesters' claims and Management's detailed response to each claim; UNRA's public notice against retaliation; a timeline of events related to the Merok site from April 9, 2019, to November 17, 2020; a table outlining the status of the Project's safeguard instruments; and a map showing the road sections covered by the Project.

23. The Response provides background on the contractual arrangement under the Project. UNRA contracted the Contractor on June 28, 2018, for the road construction works of the Project.[7] The Contractor, in turn, engaged the Subcontractor on October 16, 2018, to identify and acquire a quarry that would be sub-leased back to the Contractor.[8] The Contractor and Subcontractor had already identified the Merok site by this time.[9] After the Subcontractor and the Requesters signed the 10-year lease agreements on January 19, 2019, and lump-sum payments were made, on March 1, 2019, the Subcontractor sub-leased the site back to the Contractor.[10]

24. Management states that the Bank has no contractual relations with either the Contractor or the Subcontractor.[11] It adds the Borrower is in a direct legal contractual relationship with them. According to Management, the Borrower has obligations under the loan agreement to ensure that its contractors and subcontractors act in accordance with the loan agreement, including the Project's safeguard instruments.[12] Management further adds that its supervision responsibility includes the Borrower's enforcement of the contractual provisions governing the works and services contracts required for the Project.[13]

25. **Identification and Negotiations of the Rock**. Management acknowledges that the proposed quarry site was acquired without its knowledge or approval and in disregard of its policy requirements.[14] Management adds that it first learned about the quarry site during its April 2019 supervision mission.[15] It also adds that in October 2019 it learned about significant disagreements

[7] Management Response, p. 2, para. 8.
[8] Management Response, p. 2, para. 9.
[9] Management Response, p. 2, para. 9.
[10] Management Response, p. 3, paras. 10 and 11.
[11] Management Response, p. 3, para. 12.
[12] Management Response, p. 3, para. 12.
[13] Management Response, p. 3, para. 13.
[14] Management Response, p. 4, para. 16.
[15] Management Response, p. 4, para. 16 and p. 6, para. 24.

between the landowners and the Subcontractor, notably over whether the leases were signed voluntarily, the valuation and the areas the leases cover.[16]

26. Management states the site-specific Environmental and Social Management Plan (ESMP) review and clearance did not occur as UNRA failed to have the Contractor produce an acceptable document to be submitted for the Bank's review.[17] In April 2019, during a supervision mission, Management asked UNRA to ensure that contractors prepare the necessary safeguard documents and that these documents be submitted for clearance.[18] In November 2019, the Bank requested that UNRA stop works on the entire NERAMP road corridor until non-compliance issues (including those pertaining to other Project locations) had been addressed to the Bank's satisfaction.[19] On May 1, 2020, in light of the Contractor's "*continued non-compliance*,"[20] the Bank informed UNRA that the Merok site was not to be used in any form for the Project.[21] Thus, the Bank excluded the Merok site from the Project.[22] According to Management, since the Merok site is excluded, review and clearance of any related safeguard documents are no longer appropriate.[23]

27. **Allegations of Coercion and Intimidation**. Management states that it takes the allegation of intimidation raised in the Request very seriously, and the Bank does not tolerate or condone any form of intimidation or retaliation from any Project stakeholder as a matter of principle.[24] Management states that on May 8, 2020, a representative of the affected community called the Bank alleging that a representative of the Subcontractor had made death threats against the community members.[25] Management then requested that UNRA review the matter and put appropriate measures in place.[26]

28. According to Management, UNRA investigated the incident and on May 11, 2020, submitted an investigation report.[27] On May 21, 2020, an UNRA delegation, which included its agency's executive director, visited the community and requested the local authorities to protect the community from retaliation.[28] Management added that Uganda's Office of the Director of Public Prosecution (DPP) closed the case on May 19, 2020, for lack of evidence since the threats were reportedly made through a third party.[29]

29. Management states that on June 6, 2020, a representative of the affected community contacted the Bank claiming that they had been pressured during their May 21, 2020, meeting with the UNRA delegation to withdraw their complaints and forego additional compensation claims.[30]

[16] Management Response, p. 6, para. 25.
[17] Management Response, p. 6, para. 24.
[18] Management Response, p. 4, para. 16.
[19] Management Response, p. 4, para. 17.
[20] Management Response, p. vi, para. vi.
[21] Management Response, p. vi, para. vi and Annex 1, p. 15.
[22] Management Response, p. 7, para. 28.
[23] Management Response, p. 7, para. 31.
[24] Management Response, p. 9, para. 38.
[25] Management Response, p. 4, para. 17.
[26] Management Response, p. 9, para. 40.
[27] Management Response, p. 9, para. 41.
[28] Management Response, Annex 1, p. 20.
[29] Management Response, p. 10, para. 42.
[30] Management Response, Annex 1, p. 20 and Annex 3, p. 26.

Management then reiterated to UNRA its above-mentioned position on retaliation, and insisted that UNRA steps up its effort to address potential retaliation. On September 9, 2020, the Bank requested an update from UNRA and UNRA informed the Bank that it had secured a commitment from the relevant local government authorities that affected community members would be protected.[31] UNRA placed a public notice in the newspapers expressing its opposition to intimidation and retaliation. The public notice states that "*any form of retaliation against members of the community could jeopardise the future of the project and should be brought to the attention of the Uganda National Roads Authority (UNRA) and other relevant authorities*"[32] and that the "*Government will ensure that there is no victimization of any person(s) on account of any complaints raised against the Contractor for failure to comply with Contract requirements*."[33] According to Management, no further incidents had since been reported.[34]

30. Management states that it is not in a position to verify the representation made by either side on the allegations of coercion regarding the signing of the 10-year lease agreements, as the Bank was not a party or witness to the negotiations involving the leases.[35] Management suggested that the DPP or another competent body review the allegations of coercion.[36]

31. Management states that it has referred the allegation of coercion to the Bank's Integrity Vice Presidency (INT) for review regarding the alleged conduct by the Contractor and the Sub-contractor. Management clarified that INT "*is responsible for investigating and pursuing sanctions for alleged fraud and corruption in Bank-financed projects*."[37] Management adds that it has a confidential internal oversight mechanism to review the allegation of misconduct against the Bank staff. These mechanisms are designed to hold staff to the highest ethical standards.[38]

32. **Destruction of Crops and Structures in the Buffer Zone**. During the April 2019 supervision mission, the Bank team noted recent clearance of trees, crops and possibly structures in the Merok site buffer zone area.[39] The affected community members complained to the mission that they received insufficient compensation due to the clearance activities by the Contractor.[40] Management states that in February 2020 it received a letter from the representatives of the affected community raising concerns about the lack of progress on the negotiations and compensation for the Rock, its surrounding areas and the destroyed "*crops, houses, fruit trees, medical plants, etc*."[41]

33. According to Management, in April 2020 it raised with UNRA the matter of the outstanding compensation for damages, and UNRA assessed the damages were valued at UGX 38,027,000 (ca. USD10,305).[42] In May 2020, UNRA provided a report to Management with a handwritten letter

[31] Management Response, p. 10, para. 43.
[32] Management Response, Annex 2, p. 23.
[33] Management Response, p. 9, para. 43 and Annex 2, p. 23.
[34] Management Response, p. 9, para. 43.
[35] Management Response, p. 7, para. 30.
[36] Management Response, pp. 7-8, para. 31.
[37] Management Response, p. 11, para. 47.
[38] Management Response, p. 11, para. 47.
[39] Management Response, Annex 1, p. 13.
[40] Management Response, p. v, p. iv.
[41] Management Response, p. 8, para. 32.
[42] Management Response, p. 8, paras. 33 and 34.

signed by two "*Chairmen*" showing that the affected community members forfeited any compensation for the damages in exchange for the Subcontractor agreeing not to seek any repayment of the compensation paid for the Rock in the context of the 10-year lease agreements.[43] According to Management, it requested UNRA to instruct the Contractor to proceed with the compensation payment based on UNRA's assessment, and indicated that the Bank would validate whether compensation was sufficient through a Bank-commissioned Environmental and Social Audit (the "Audit").[44]

34. **Lack of Assessment and Disclosure of Safeguard Documents**. Management states that neither the Contractor nor the Subcontractor completed an ESIA or RAP despite several follow-up inquiries.[45] Management states that the Subcontractor was to obtain all clearances and permits required from local authorities.[46] Management adds that construction equipment was brought to the site that was then cleared and leveled around the Rock without an approved ESMP, although it is required by national law and, under the Bank safeguard policies applicable to this Project, the Project's Environmental and Social Management Framework (ESMF).[47] Management adds that it should have reviewed and cleared a site-specific ESIA and other required safeguard documents prior to any Project activities at the quarry.[48] After its April 2019 supervision mission, the Bank requested all activities at the site to stop immediately until the required safeguard instruments were submitted and approved in accordance with Bank requirements.[49] In October 2019, during a later supervision mission, Management found that the Contractor had mobilized and stored the equipment at the site in disregard of the order to stop all activities at the Merok site.[50] As a result, and because of the lack of progress in the preparation of an ESMP and non-compliance issues including those pertaining to other Project sites, the Bank requested UNRA to stop all works on the entire road corridor.[51]

35. **Conclusion and next steps**. Management states that some of the concerns of the PAPs regarding the integrity of the Oruja Rock, potential impact from the quarry operations and intimidation from the Contractor staff have been addressed, as the quarry will not be used for the Project and the Contractor's staff and equipment have been demobilized.[52] Management also states that it informed UNRA that all works under the Project will remain suspended with the exception of the emergency works along the road corridor until the following issues are resolved to the Bank's satisfaction:[53]

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[43] Management Response, p. 8, para. 35.
[44] Management Response, p. 9, para. 37.
[45] Management Response, Annex 1, p. 15. According to the Management Response, Annex 3, pp. 24 and 25, the Bank received from UNRA a draft ESIA for the Merok site for review on August 20, 2019. Management did not receive an updated ESIA after it sent the comments to UNRA on September 6, 2019. The Bank received from UNRA a RAP methodology report for the Merok site on March 6, 2020, and received an update from UNRA on April 13, 2020, stating that the RAP consultant was to re-engage with the affected community members after the COVID-19-related restrictions have been lifted.
[46] Management Response, p. 2, para. 9.
[47] Management Response, p. 3, para. 11.
[48] Management Response, p. 4, para. 16.
[49] Management Response, p. 4, para. 16.
[50] Management Response, p. 4, para. 17.
[51] Management Response, p. 4, para. 17.
[52] Management Response, p. 10, para. 45.
[53] Management Response, p. 11, para. 46.

(i) Compensation paid for the damaged properties caused by the Contractor's actions;
(ii) Completion of the Bank-commissioned Audit to validate the adequacy of the compensation amounts; and
(iii) Completion of the review of the coercion allegation at the time of the lease agreement by the DPP or another competent body, and notification to the Bank on the outcome.[54]

36. In conclusion, Management states that the Bank has made every effort to apply its policies and procedures applicable to the points raised by the Request. Management adds it believes the Requesters' rights or interests have not been nor will be directly and adversely affected by a failure of the Bank to implement its policies and procedures. Management concludes by stating that the Bank has reacted to the Borrower's non-compliance and pursued specific steps for the Borrower to address relevant issues in line with the loan agreement.[55]

E. Panel's Review and Observations

37. Due to the ongoing COVID-19 pandemic and the Bank's travel restrictions, the Panel team – composed of Panel Member Ramanie Kunanayagam, Senior Operations Officer Serge Selwan, Research Assistant Rupes Dalai and Junior Professional Officer Ayako Kubodera – did not travel to Uganda for an eligibility visit. Instead, the Panel conducted several virtual meetings with Bank staff, officials of Uganda's Ministry of Works and Transport and UNRA, the Chief Government Valuer (CGV) and the Requesters.

38. The Panel expresses its appreciation to all stakeholders for their readiness to meet virtually and share their views and provide detailed information and documentation relating to the concerns raised in the Request.

39. The Panel's review is based on information presented in the Request, the Management Response, documentary evidence and information gathered through conversations with all the stakeholders listed above. The following review covers the Panel's determination of the technical eligibility of the Request according to the criteria set forth in the Panel Resolution (subsection E.1), observations on other factors (subsection E.2), and the Panel's review (subsection E.3) supporting the Panel's recommendation.[56]

E.1 Determination of Technical Eligibility of the Request

40. The Panel is satisfied that the Request meets all six technical eligibility criteria of paragraph 29 of the Panel Resolution. The Panel notes that its confirmation of technical eligibility, which is a set of verifiable facts focusing to a large extent on the content of the Request as articulated by the Requesters, is not an assessment of the substance of the claims made in the Request.

- Criterion (a): "*The affected party consists of any two or more persons with common interests or concerns and who are in the borrower's territory*." The Request was submitted by 10 community members who claim to represent eight families living in and around the project area

[54] Management Response, p. 11, para. 46.
[55] Management Response, pp. 11-12, para 48.
[56] The Resolution, paras. 13-15 and 29.

in Uganda. The Panel spoke with the Requesters on multiple occasions since the receipt of the Request and considers this criterion met.

- Criterion (b): "*The Request does assert in substance that a serious violation by the Bank of its operational policies and procedures has or is likely to have a material adverse effect on the Requester*." The Requesters raise four sets of concerns:

  The first relates to the initial identification and negotiations of the Oruja Rock as quarry. The Requesters allege, in substance, that the selection of the Rock and subsequent negotiations over the Rock occurred under duress.

  Secondly, the Requesters allege experiencing continuous coercion, intimidation and threats of reprisals in the context of the Subcontractor acquiring the 10-year lease agreements, after they had complained about the Subcontractor and after meetings with UNRA when the latter committed that they would be compensated for their losses. They also allege that the Contractor, Subcontractor and others intimidated them into withdrawing their grievance complaints.

  The third relates to the involuntary resettlement process, which had been initiated prior to the preparation of any safeguard document. This process led to the destruction of community crops, trees and structures within a 30-meter buffer zone surrounding the Rock without notice, consultations, a RAP or adequate compensation. The Requesters' claims relate to the Bank Policy on Involuntary Resettlement, OP/BP 4.12.

  Finally, they contend that these negotiations were conducted in the absence of safeguard documents, meaningful consultations, the relevant valuation or any project document that would have enabled them to make an informed decision. The preparation of safeguard documents based on meaningful consultations with the community and the disclosure of project information are requirements of the Bank's Policy on Environmental Assessment, OP/BP 4.01.

- Criterion (c): "*The Request does assert that its subject matter has been brought to Management's attention and that, in the Requester's view, Management has failed to respond adequately demonstrating that it has followed or is taking steps to follow the Bank's policies and procedures*." The Requesters state that from April 2019 onwards the World Bank Kampala Office was copied on their complaints. They received a response from the World Bank on March 11, 2020. The Management Response acknowledges the issues raised in the Request. The Requesters informed the Panel of their dissatisfaction with the Management's position. The Panel is satisfied that this criterion is met.

- Criterion (d): "*The matter is not related to procurement*." The Request raises concerns over the social and environmental impacts of the Project. These concerns are not related to issues of procurement and thus this criterion is met.

- Criterion (e): "*The related loan has not been closed or substantially disbursed*." At the time of receipt of the Request the disbursement rate for the Project was 13.5 percent and the Project was active. The closing date was recently extended to October 31, 2024. Therefore, this criterion is met.

- Criterion (f): "*The Panel has not previously made a recommendation on the subject matter or, if it has, that the Request does assert that there is new evidence or circumstances not known at the time of the prior Request*." The Panel has not made previously a recommendation on the issues raised in this Request, and thus this criterion is met.

E.2 Panel Observations

41. The Panel notes that the four issues the Requesters raised are interlinked. These are, as described above: (i) the identification and negotiation process regarding the Oruja Rock; (ii) the issues of coercion, intimidation and reprisal during the negotiation process; (iii) the destruction of crops and assets in the 30-meter buffer zone surrounding the Rock; and (iv) the lack of availability of relevant safeguard documents and the lack of meaningful consultation prior to the commencement of works.

42. **Identification and Negotiations of the Rock**. The Panel notes that in June 2018 the Contractor approached the community and expressed its intentions to use the Merok site as a quarry for the purposes of the Project. According to the Requesters, in January 2019 community members were coerced into signing 10-year lease agreements with the Subcontractor. They considered this "*unfair*" as the agreements were not based on a proper valuation. At that time, the contractual arrangement between the Contractor and the Subcontractor was not made clear to the community.

43. The Panel notes that the Contractor entered into a Memorandum of Understanding (MoU) with the Subcontractor on October 16, 2018, whereby the Subcontractor would identify and acquire a quarry that it would then sub-lease to the Contractor. The MoU "*already identified for the proposed quarry the land situated at Omolokony Village, Merok Parish, Katine Sub County, Dakabela County, Soroti District. The site was selected due to the presence of a large rock ("Oruja rock") which had the potential to be mined for construction materials*."[57] In January 2019, the Subcontractor entered into 10-year lease agreements covering both the quarry and buffer zone with community members. On March 1, 2019, the Subcontractor sub-leased Merok quarry site to the Contractor.

44. The Panel notes the allegations that coercion and intimidation against community members were used in order to gain access to the Oruja Rock to utilize it as a quarry from which stones would be extracted to construct the Bank-supported roads. The Panel also notes that the Requesters allege that they asked for the disclosure of the relevant valuation of the Rock and other Project-related information, such as safeguard documents, to no avail.

45. As stated in the Management Response, the Bank became aware of the Rock, and the allegations of coercion and intimidation, in April 2019 during a supervision mission. Management then requested UNRA to stop the works at the quarry site and requested the preparation of the relevant safeguard documents in accordance with Bank policy and the Project's ESMF.

46. The Panel notes that the Project's ESMF requires the preparation of site-specific environmental assessments for a stone quarry. It states that a quarry, among other aspects, "*will be*

[57] Management Response, p. 2, para. 9.

considered in the preparation of the ESIAs and development of the Environmental and Social Management Plan (ESMP). The Contractor will use the ESMF to guide the process of preparation of the ESIAs and ESMP."[58] The ESMF includes a detailed set of terms of reference for the preparation of environmental impact assessments for stone quarries.[59] The Panel notes that, considering the nature of this operation being an OPRC, the Contractor is required to spearhead the preparation and implementation processes of the ESIAs, the ESMP and the RAPs.[60] According to the ESMF, UNRA, in consultation with the lead agency, is responsible for the review of these documents. The ESMF also requires that stakeholder consultations be conducted to establish the views of the public with regard to the potential impacts of the stone quarry.[61]

47. On August 20, 2019, UNRA shared with Management a draft ESIA. Management reviewed the draft, shared its views with UNRA on September 6, 2019, and asked for a revised draft. In November 2019, as no final safeguard document was submitted, the Bank requested UNRA "*to stop all works on the entire NERAMP road corridor until non-compliance issues (including those pertaining to other Project locations) had been addressed to the Bank's satisfaction*."[62] On May 1, 2020, the Bank notified UNRA that it objected to the use of the Merok site and requested that it be excluded from the Project.[63]

48. The Panel notes that, according to UNRA, the Subcontractor remains interested in exploiting the Rock in the context of other activities that are not Bank-supported. This is also confirmed in the Management Response.[64] The Panel understands the community views the Rock as the only valuable economic resource in their possession. The Panel understands that the community members would like the Bank to reverse its decision on excluding the Rock from the Project. The Panel also understands that the community is willing to engage in the exploitation of the Rock provided fair value is paid and the contracts are revisited. The Panel was informed that UNRA and community members are engaged in an informal process to find a solution to the 10-year leases.

49. The Panel notes that the period starting in June 2018, when the initial screening for the Rock had taken place, including April 2019, when the Bank requested safeguard documents for the Rock, and ending in May 2020, when the Rock was excluded from the Project, was a nearly two-year period of Project-related preparatory work in regard to the Merok site. Management acknowledges that "*the site for the quarry was procured for the purposes of the Project*."[65] The Panel notes that,

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[58] North Eastern Corridor Road Asset Management Project (NECRAMP) - Tororo-Mbale-Soroti-Lira-Kamdini Road, Environmental and Social Management Framework, December 2013, (the "ESMF"), Executive Summary, p. xv. Available at: http://documents1.worldbank.org/curated/en/158051468349793087/pdf/E44450ESMF0Fin0Box382146B00PUBLIC00.pdf.

[59] ESMF, Annex 6 - ToR for Stone Quarries - Terms of Reference for the Site-Specific Environmental Assessments for Stone Quarry Sites under the Output and Performance Based Contract for Tororo-Mbale-Soroti-Lira-Kamdini Road Corridor Project, p. 149.

[60] ESMF, Executive Summary, p. xiii.

[61] ESMF, Annex 6, p. 150.

[62] Management Response, p. 4, para. 17.

[63] Management Response, p. 5, para. 20.

[64] Management Response, p. 7, para. 28.

[65] Management Response, p. 10, para. 45.

therefore, this period, and the related activities and any resulting impact during it, is plausibly linked to the Project.

50. The Panel further observes that questions remain regarding the process of valuation of the Rock. From its meetings, the Panel learned that on February 28, 2019, the CGV received a draft methodology for the valuation of land, assets and crops located in a 30-meter buffer zone surrounding the Rock. The process of valuation is briefly described below. The Panel also learned that no valuation was made of the Rock and stone deposits. The Panel further learned that the Government of Uganda has not claimed ownership of the Rock and that, therefore, any agreement over its valuation is a matter negotiated between two private parties.

51. On February 24, 2021, Management provided the Panel with an update on the status of the lease agreements and how UNRA and the Contractor are attempting to address the issues raised in the Request. Management informed the Panel that the Contractor is losing money because of the stop-work order and has therefore indicated its willingness to consider how it may resolve this problem, including rescinding the agreements with the community members. Management confirmed that this is currently in a state of dialogue between UNRA and the Contractor.

52. The Panel observes that while UNRA and the Contactor are engaged in a dialogue to consider options to address the 10-year leases for the Rock, this dialogue does not seem to include the Requesters. Management informed the Panel that this dialogue is based on what is in the Request.

53. **Allegations of Coercion and Intimidation**. The Panel notes that the allegations related to coercion and intimidation are very serious. The alleged actions started with the involvement of the Subcontractor, resulted in the signing of the 10-year lease agreements for the Rock and the buffer zone in January 2019, and continued throughout most of 2020. The Requesters allege that in this period they were also threatened to withdraw their grievances and "*forgive*" the Subcontractor for any previous wrongdoing.

54. The Panel observes that Management has taken these allegations very seriously and informed the Government of Uganda and UNRA about its policy of lack of tolerance for any form of intimidation or retaliation from any Project stakeholder.[66] As a result of Management's position, UNRA took several actions including placing a public notice in the newspapers stating its opposition to any form of retaliation against community members.[67]

55. The Panel observes that Management acknowledges that despite the Project's withdrawal from the Merok site, the lease agreements between local landowners and the Subcontractor remain in effect. The Panel notes, however, that Management considers that the exclusion of the quarry from Project activities and the demobilization of the Contractor staff have alleviated some of the concerns of the community regarding the integrity of the Rock and intimidation from Contractor staff.[68] Management adds that UNRA is proactively working with the community and the Contractor to find a potential resolution that would be acceptable to the parties to the leases.[69] The

[66] Management Response, p. 9, para. 38.
[67] Management Response, Annex 2, p. 23.
[68] Management Response, p. 10, para. 45.
[69] Management Response, p. 10, para. 45.

Panel notes that at the time of writing of this report, the Requesters confirmed to the Panel that they have not experienced any recent acts of intimidation or reprisal.

56. The Panel appreciates the firm position and action Management and UNRA have taken in regard to the instances of intimidation and reprisals. The Panel notes that Management has suggested to the Government of Uganda to engage relevant government authorities, such as the DPP, to review the allegations of coercion and intimidation with regard to the signing of the lease agreements.[70]

57. **Destruction of Crops, Trees and Structures in the Buffer Zone**. The Panel notes that, as with the previous issues, there is a general acknowledgement from Management and UNRA about the alleged nature of the harm. On April 3, 2019, trees, crops and possibly structures were cleared from the community members' land by two bulldozers bearing the Contractor's logo.[71] This occurred in the absence of a site-specific ESIA or a RAP for the site, as required by the ESMF and Bank safeguard policies. It also occurred before CGV approved the methodology for the valuation of trees, crops and assets, and before the approval of the final independent valuation report.[72] The Panel further notes that on June 5, 2019, the CGV rescinded its approval of this valuation based on the community's discontent with the compensation process and procedural flaws in the valuation.

58. UNRA held several meetings with the community members and promised they would be properly compensated by July 2019 for the damage incurred. The Panel notes that in May 2020 UNRA shared with the Bank its assessment of the damage in the buffer zone that the Bank had requested from UNRA. This assessment is intended to establish the compensation due to the affected community members. The payment of compensation was expected by February 1, 2021. Additionally, the Bank has commissioned an Audit to validate the adequacy of compensation amounts paid to community members who suffered damage to their trees, crops or assets. While the results of the Audit were expected to be finalized by February 15, 2021, Management informed the Panel that due to the circumstances of the pandemic and the recent elections, the Audit results were delayed and would require more time to be finalized. The Panel appreciates that Management is conducting an Audit to validate the adequacy of compensation amounts to community members' damaged properties.

59. On February 24, 2021, Management provided the Panel with an update on the status of the Bank-commissioned Audit. Management stated that the compensation amounts as determined in the Audit will be the amounts paid to the community members. Management confirmed that the Audit results will be available within a month.

60. **Lack of Assessment and Disclosure of Safeguard Documents**. The Panel notes that Management and UNRA acknowledge the Requesters' claim that no safeguard documents relating to the Rock and the clearance of land in the buffer zone were prepared, consulted on or disclosed.

[70] Management Response, p. 11, para. 46.
[71] Management Response, Annex 1, p. 13.
[72] According to the CGV, the methodology for the valuation of trees, crops and assets was approved on April 12, 2019, and the final valuation report was approved on May 2, 2019. The destruction of crops, trees, and assets took place on April 3, 2019.

The Panel was informed that the CGV did not, nor was it required to, conduct a valuation of the sub-surface worth of the Rock.

E.3 Panel Review

61. The Panel notes that the Requesters raise serious allegations of harm and that Management acknowledges non-compliance with the regard to the preparation of site-specific ESIAs and RAPs. The Bank acknowledges that it should have cleared these documents prior to any Project-related activities taking place.[73]

62. The Panel recognizes that Management is taking steps to address some of the issues raised in the Request, such as undertaking an independent Audit to verify the adequacy of compensation for the destruction in the buffer zone. This Audit is yet to be completed. The Panel notes that the non-compliance related to the lack of safeguard documents is a complex matter and, as per the Management Response, is repeated along the road corridor in other Project locations.

63. The Panel observes while the community members are tied to 10-year lease agreements, allegedly against their will, the Subcontractor now owns these leases for the exploitation of the Rock for 10 years, and has, in turn, sub-leased the site to the Contractor. The Subcontractor has allegedly stated that it has other uses for the quarry outside of the Project. The Panel understands the community does not want to maintain a contractual relationship with the Subcontractor. However, they remain open to the commercial exploitation of the Rock provided they are fairly compensated.

64. The Panel observes that the 10-year leases, which were secured through alleged coercion during the time the Rock was being considered for the Project, result in the loss of a significant economic resource for the community. This alleged harm plausibly stems from the Project, as the leases were secured for the purpose and the benefit of Project activities. Even if unknown to the Bank at the time of its occurrence, this alleged harm which could be linked to a possible Bank action or omission, may be ongoing and likely to continue for a long period of time. The Panel notes the community's view that Management's exclusion of the Rock as a quarry does not provide a remedy, but rather exacerbates the alleged harm as the opportunity to exploit the Rock as a commercial resource has been taken away from the community.

65. The Panel notes Management's statement "*the Requesters' rights and interests have not been, nor will they be directly and adversely affected by a failure of the Bank to implement its policies and procedures*."[74] The Panel is of opinion that the allegation that the 10-year lease agreements resulting from coercion for activities that are related to the Project directly affect the Requesters' rights and interests.

66. The Panel notes Management's February 24, 2021, update on the dialogue between UNRA and the Contractor to try and resolve the issue of 10-year leases and the Contractor's openness to consider rescinding the leases. The Panel observes, as it was informed, this dialogue is ongoing between UNRA and the Contractor but that the leases were signed between the community

[73] Management Response, p. 4, para. 16.
[74] Management Response, pp. 11-12, para. 48.

members and the Subcontractor. The Panel further observes that the Requesters do not seem to be engaged in this recent current dialogue or meaningfully consulted on the resolution to the problem with the leases.

67. The Panel also notes that the Bank's lack of awareness of these events until several months after they occurred raises questions about the adequacy of the monitoring and supervision system in place. The Contractor informed the community of the selection of the Oruja Rock as a quarry for the Project in June 2018 and the Bank realized in April 2019 that the Rock was leased without meaningful consultations or any of the required safeguard documents. During this period of just under a year, the alleged harm experienced by the community continued unnoticed. The Panel notes Management considers its supervision responsibilities to include carrying out due diligence on the Borrower's oversight of the proper execution of those contractual arrangements.[75]

F. Panel Recommendation

68. The Panel concludes the Requesters and the Request for Inspection meet the technical eligibility criteria set forth in the Inspection Panel Resolution.[76] The Panel considers the alleged harm reflected in the Request to be plausibly linked to the Project, and that the Request raises important issues of alleged harm and policy non-compliance.

69. The Panel welcomes Management's commitments to audit the compensation payments to provide information as to whether the community is being fairly compensated for damage incurred. The Panel also welcomes Management's strong position with regard to the allegations of coercion, intimidation and reprisals. However, the Panel is not satisfied that Management's Response addresses all the concerns raised by the Requesters, including the 10-year lease agreements or the lack of meaningful engagement with the community. The Panel is also not satisfied with the lack of sufficient consideration to the reasons that led to these alleged harms materializing.

70. The Panel therefore recommends carrying out an investigation into the alleged issues of harm and related non-compliance with Bank policies, including on the inadequate sequencing of Project-related activities as they relate to the Bank policies on Environmental Assessment, OP/BP 4.01, Involuntary Resettlement, OP/BP 4.12, and Investment Project Finance, OP/BP 10.00.

71. In light of the foregoing, the Panel is recommending an investigation into the issues raised in the Request. If the Board of Executive Directors concurs with this recommendation, the Panel will inform the Requesters and Management accordingly.

[75] Management Response, p. 3, para. 13.
[76] The Resolution, paras. 13-15 and 29.

Annex 1
Request for Inspection

COMPLAINT (REQUEST FOR INSPECTION) FORM

To:

The Executive Secretary, The Inspection Panel, The World Bank, MSN: MC 10-1007
1818 H St., NW, Washington, DC 20433, USA. Fax: +1(202)-522-0916. Email: ipanel@worldbank.org

Section 1: Complaint

1. What harm do you believe the World Bank-financed project caused or is likely to cause to you or your community? Please describe in as much detail as possible.

We live around the [redacted] of Uganda. Our clan owns the rock, and we use it and the land around it since time immemorial for agriculture, artisanal mining, drying cassava, cultural practice etc. and many families live close to the rock.

In June 2018, Mota Engil Africa (MEA) contacted us through the district and sub-county leaders and requested our permission to assess whether the rock is suitable to be used as quarry to produce the stones needed for the rehabilitation of the Tororo Mbale Soroti Lira Kamdini Road. MEA has been contracted by the Uganda National Roads Authority to rehabilitate, extend and maintain this road under the North Eastern Road corridor Asset Management Project (NERAMP), which is funded by the World Bank.

Mota Engil conducted these surveys in August 2018 with our permission, and we heard that they plan to extract 700,000 tons of stones and aggregates from there.

In September 2018, a company called Ruhore showed up with some surveyors and informed us that the government is expropriating the rock and some land around the rock from the families that live there. They also stated that the rock and a 30 m buffer zone around it belongs to the government and that we are only entitled to some courtesy compensation for the rock and some money for the land.

In October 2018, Ruhore offered some money to 8 families and requested them to sign lease agreements for a ten-year lease. In our perception, the offered compensation was grossly undervalued. When we asked for the basis of the offered lease amount, they refused to show us the valuation report, which should show all the affected assets and the identified values. As this was not provided and the money seemed low, the 8 families as well as the clan refused to sign the lease agreements.

We then tried to contact MEA as they were the people with which we discussed first and who had promised us fair compensation, employment, roads, and a water project in exchange for the permission to use our rock. When we went to their office in Soroti, they refused to meet us and their guards told us that Ruhore is in charge of the quarry. To overcome this blockage, we requested a lawyer to discuss with MEA, on our behalf, fair lease agreements for the rock and for whatever land they want (see Letter 7 November 2018 Annex 1).

In response, MEA informed us that they have no business with us and that Ruhore is the company in charge of the quarry. In December 2018, Ruhore came back with some of the political leaders and informed us that they had appointed a "PAP chairman", who is not an affected person, and that this chairman has agreed to their terms and conditions. They threatened us that if we don't sign their agreements, we will not receive anything and will be kicked off our land without anything. Based on this and other intimidation, the 8 families signed lease-agreements and received in January 2019 some money. Ruhore and the politicians forced us to sign also an apology for our letter of 7 November 2019 and a general statement that we agree to all their proposals.

In February 2019, we shared our concerns with the nearest Grievance Management Committee (GMC) established along the road by UNRA in 2017, and they connected us with [redacted] from UNRA and his team. They met with us,

listened to our concerns, and recommended that we should set up our GMC and that we should ask Ruhore for the valuation reports to verify whether it includes all assets and whether the Chief Government Valuer had accepted this report. [redacted] and his team also informed us that UNRA would make sure that MEA addresses our concerns in the context of the Environmental and Social Impact Assessment (ESIA) and Resettlement Action Plan (RAP), which both need to be established by MEA and cleared by UNRA before the start of any quarry development. We then requested Ruhore to share with the valuation report, but they refused.

On 3 April 2019 and without any prior notice, bulldozers of MEA showed up on our land and started to clear the land, including trees and crops. They also bulldozed our houses after we had removed our cloth, furniture, etc. After we had informed [redacted] UNRA on 8 April 2019 came with a large delegation, inspected the damage, listened to our concerns and instructed MEA to stop all works, which they did. However, by that time, we already had lost our houses, trees, and crops and had received very little compensation in return. UNRA also organized several community meetings. In one session, UNRA's Executive Director promised that we would receive a fair settlement before the end of July 2019. [redacted] team also helped us to form two GMC (one for those already affected and one for all the communities around the rock and the access road that might be affected in the future) and trained its members. The GMC registered then 17 grievances related to the demolition done to date (Annex 2). UNRA promised to address these grievances and ensure that MEA pays compensation at full replacement costs for all affected assets, including graves, the rock, etc.. UNRA also promised that no further work would be conducted until the ESIA and RAP has been prepared by MEA and endorsed by UNRA in consultation with us.

Despite many meetings, not much happened for about a year. While the UNRA ED, [redacted] and his team were helping us and visited us from time to time, Ruhore, MEA, the local officials and some people from UNRA and the World Bank also contacted us from time to time and requested us to withdraw our grievances in the interest of the project and the country. Thanks to the guidance from [redacted] and his team we were however able to stop all attempts to fool us and/or sign any papers that could be used against us.

In early May 2020, the Ruhore team came back and went around and informed community members that they will kill us, if we do not withdraw the grievances and the district head of security instructed us to withdraw our complaints or face legal charges and arrests. We immediately called [redacted] who informed us that his contract with UNRA had ended on 3 May 2020, that he has left Uganda and therefore had limited power to protect us. He nevertheless mobilised a delegation by UNRA, who visited us on 15 May 2020, assessed our remaining assets and land and informed us that beside of the rock, whose value they could not assess without further studies, the 8 families are entitled to an additional compensation which they did not tell us. Based on this mission, we had hope that the issue would be solved.

We were then very surprised when on 21 May 2020, the UNRA ED and the District Leadership including all security chiefs, MEA and Ruhore requested us to appear to a meeting. The request was issued by the Resident District Commissioner (RDC, the head of security) and in the preparatory meeting he told us that we are expected to a) forgive Ruhore for their threats to our live, b) withdraw our grievances and c) refuse the additional compensation identified by UNRA on 15 May 2020. He and his staff were rather explicit that the government is tried with our resistance and that we will face severe consequences, if we don't comply. Based on this intimidation, the death threats from Ruhore, the growing hostile approach from UNRA and the departure of [redacted] we signed the withdrawal agreement attached at the back of this letter. They also informed us that MEA will get the stones elsewhere, but that Ruhore is free to use the rock and the land under the signed agreement.

We feel however that we were not treated fairly and therefore request your help to ensure that we receive a) compensation at full replacement costs for the damages that we experienced to date and b) that we might face in the future and/or a written agreement that all lease agreements with Ruhore are terminated and that we are able to use our land and rock again at our will.

1. What is the name of the World Bank project? (If known)

North Eastern Road Corridor Asset Management Project (NERAMP)

2. Where is the World Bank project located? (Please include country name)

Uganda. The project covers among others the road from Tororo-Mbale-Soroti-Lira-Kamdini.

3. Do you live in the project area?

Yes. We and the people we represent are land- and resource-owners of a proposed quarry.

4. Have you previously reported your concerns to World Bank management? If yes, please provide the details about those communications and explain why you are not satisfied with the Bank's action in response.

Yes. From April 2019 onwards we copied the World Bank Kampala Office on our complaints (Annex 3,4, 5 and 6). While the written response from the World Bank (Annex 7) is appreciated, we are concerned that the World Bank [redacted] has called us on several occasions to tell us that the World Bank has no interest in the issue, that we should not copy the World Bank on our communications with Ruhore and that we should withdraw our grievances and support Ruhore as their work is important for Uganda.

5. If known, please list the World Bank's operational procedures you believe have not been followed.

From the training we received, we understand that the World Bank's OP 4.12 (Involuntary Resettlement) requires that land is acquired in close consultation with the PAPs, compensation provided at full replacement costs and that affected livelihoods are restored. We further learned that the clearing of the land without an accepted ESIA was not in line with the requirements of OP 4.01 (Environmental Assessment).

6. Do you expect any form of retaliation or threats for filing this complaint to the Inspection Panel?

We don't know. As stated above the Ruhore team has already threatened to kill us and the RDC to lock us up, if we don't withdraw our grievances and/or continue our quest for fair compensation.

Section 2: Contact Information

7. Are you complainants or a representative of complainants?
   Complainants: ☒ Representing a complainant or community: ☒
8. Would you like your name and contact details to be kept confidential? *(The Inspection Panel will not disclose your identities to anyone without your prior consent.)* Yes ☒ No ☐
9. Complainants' Names (Minimum two names and signatures are required):

Complainant 1	Complainant 2
Name [redacted]	Name [redacted]
Address [redacted]	Address [redacted]
Phone [redacted]	Phone [redacted]
Email [redacted]	Email

10. We, the undersigned, request the Inspection Panel to investigate the issues described above.
    Signatures *[of the project affected persons[PAPS]*

[redacted] [redacted]

NOTES:

- Please attach supporting documents, if available.
- If you have any difficulty in completing the form, please contact the Inspection Panel at ipanel@worldbank.org or by phone: +1-202-458-5200.

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Mirembe & Co.
ADVOCATES

Plot 8 Upper Naguru Road
Naguru Hill, Kampala
+256 414 046 691
P.O. Box 8706, Kampala
info@mirembegroup.mca.com
www.mirembegroup.mca.com

The Managing Director
Mota-Engil Africa (Uganda)
Plot 4 Upper Kololo Terrace
P. O. Box 8453 Kampala, Uganda

RECEIVED
07 NOV 2018
MOTA - ENGIL AFRICA

7 Nov, 2018

Dear Sir/ Madam,

RE: INTENDED EXPLOITATION AND OR ACQUISITION OF ORUJA ROCK IN OMOLOKONY VILLAGE, SOROTI DISTRICT

The caption refers:

We have instructions from our clients - members of the Akariwok Ojirin clan, to address you as hereunder-

it has been brought to our attention that you have taken interest in the Oruja rock located in Omolokony village, which rock/land is customarily owned by our clients.

We have also been informed that you sent representatives to test, survey and value the land/rock - documentation to this effect is hereto attached; according to which documentation the land/rock was grossly undervalued.

It will suffice for you to note that legally, customary land belongs to its respective occupants as per relevant custom, and also, that land is not only the surface of the earth, but also all subjacent and superjacent things of a physical nature such as buildings, trees, stone, crops, marram.

To this effect, in the event that you still have interest in this land/rock, it is a requirement that you compensate its owners not only for the surface of the earth they occupy, but also for all things subjacent and superjacent - prior to any exploitation and or acquisition of the same.

Please be informed that should you still be interested in this land/rock, we have instructions to negotiate the terms thereof and any correspondence regarding the subject herein should be addressed to ourselves. The lead lawyer in conduct of this matter is the undersigned who can be reached on [redacted]

Yours Sincerely

[redacted]

Cc: Clients

GMC Nr.	Case Nr.	First Name	Second Name	Date Grievance received by GMC	Date Grievance received by UNRA	Anonymous?	Disclose Name?	Telefon	Address	what	By Whom	Frequency	Requested Recourse
102		[redacted]	[redacted]	25.5.2019	12.6.2019	No	Yes	[redacted]	Omolokony	Low payment for the Quarry	Ruhore co LTD	Once	Additional money to 150m
102	2	[redacted]	[redacted]	25.5.2019	12.6.2019	No	Yes	[redacted]	Omolokony	Promise for Jobs not fullfilled	Ruhore co LTD	Once	Consider clan members for jobs
102	3	[redacted]	[redacted]	25.5.2019	12.6.2019	No	Yes	[redacted]	Omolokony	2 houses ,6 orange trees, 3 Guava trees,4 avocado trees and one acre of Cassava not paid	Ruhore co LTD	Once	The assets should be paid
102	4	[redacted]	[redacted]	25.5.2019	12.6.2019	No	Yes	[redacted]	Omolokony	Low payment of houses,land crops,trees(10 oranges,latrine,graves) Unsurveyed land around the quarry not paid	Ruhore co LTD	Once	Top up money tobe given
102	5	[redacted]	[redacted]	25.5.2019	12.6.2019	No	Yes	[redacted]	Omolokony	Underpayment of land ,Assets surveyed not validated and signed,unsurveyed land around the rock not paid	Ruhore co LTD	Once	Negotiation should start afresh
102	6	[redacted]	[redacted]	25.5.2019	12.6.2019	No	Yes		Omolokony	Part of land not paid, Assets surveyed not validated and signed	Ruhore co LTD	Once	Negotiation should start afresh
102	7	[redacted]	[redacted]	25.5.2019	12.6.2019	No	Yes		Omolokony	Poor payment of land, fruit trees and crop gardens	Ruhore co LTD	Once	The fruit trees and gardens should be paid
102	8	[redacted]	[redacted]	25.5.2019	12.6.2019	No	Yes		Omolokony	Low payment for assets surveyed not validated and signed, half acre of cassava 5 mango trees,8 trees and one grave	Ruhore co LTD	Once	Top up money tobe given
102	9	[redacted]	[redacted]	25.5.2019	12.6.2019	No	Yes	[redacted]	Omolokony	Documented premises not paid for	Ruhore co LTD	Once	The house should be paid
102	10	[redacted]	[redacted]	25.5.2019	12.6.2019	No	Yes	[redacted]	Omolokony	Low payment on huts and fruit trees	Ruhore co LTD	Once	Top up money tobe given
102	11	[redacted]	[redacted]	25.5.2019	12.6.2019	No	Yes	[redacted]	Omolokony	Low payment for assets surveyed not validated and signed	Ruhore co LTD	Once	He needs fresh negotiation
102	12	[redacted]	[redacted]	25.5.2019	12.6.2019	No	Yes	[redacted]	Omolokony	Low payment for assets surveyed not validated and signed	Ruhore co LTD	Once	He needs fresh negotiation
102	13	[redacted]	[redacted]	25.5.2019	12.6.2019	No	Yes	[redacted]	Omolokony	Documented premises not paid for but was destroyed	Ruhore co LTD	Once	Pay money and disturbance allawance for the huts
102	14	[redacted]	[redacted]	25.5.2019	12.6.2019	No	Yes		Omolokony	Non compensation of 10 graves	Ruhore co LTD	Once	Compensation of the graves
102	15	[redacted]	[redacted]	25.5.2019	12.6.2019	No	Yes	[redacted]	Omolokony	Her land was surveyed and not compensated and also the graves	Ruhore co LTD	Once	She wants compensation for land and graves
102	16	[redacted]	[redacted]	25.5.2019	12.6.2019	No	Yes		Omolokony	Assets surveyed not validated not signed and not compesated	Ruhore co LTD	Once	She wants compensation for land and graves
102	17	[redacted]	[redacted]	25.5.2019	12.6.2019	No	Yes	[redacted]	Omolokony	Underpayment of land not surveyed and not validated and signed	Ruhore co LTD	Once	Top up money tobe given

The Managing Director
Mota-Engil Africa (Uganda) Ltd
Plot 2 Park Lane, Kololo
KAMPALA

15th April 2019

Dear Sir,

RE: DISCONTENT WITH THE COMPENSATION PROCESS FOR THE LAND AND ORUJA ROCK IN OMOLOKONY VILLAGE, MEROCK PARISH, KATINE SUBCOUNTY, SOROTI DISTRICT

We refer to the above subject matter.

As you are aware, we the project affected persons (PAPs) who are also members of the Akariwok Ojirin Clan expressed concerns on the negotiation process for compensation of our property including Oruja Rock (the Rock) was going through strangers we could not identify.

We expressed willingness to welcome the project in our village by negotiating directly with Mota-Engil Africa (Uganda) Ltd (Mota-Engil) as the contractor that expressed interest in the Rock for construction materials for Soroti-Lira-Kamudini road for fair, adequate and prompt compensation of our property/land and the Rock sitting on it through then our lawyer of [redacted] in two letters they wrote to you dated 27th November, 2018 and 7th November 2018 which you deliberately ignored by not responding to them. Copies of the two letters are attached to this letter for ease of reference.

We were instead presented with figures and documents to sign by some people who presented themselves as representatives or agents of Ruhore Company Limited whom we do not know to present the relationship between the contractor, Mota-Engil and Ruhore Company Limited. We attached here several documents we were presented with by [redacted] who presented himself as the Project Coordinator of Ruhore Company Limited. The documents do not represent our input, views, figures for compensation that we had hoped to negotiate. We were ordered around and intimidated by the Project Coordinator and not allowed to express our views and demands.

Through intimidation, coercion and threats, we were forced into signing documents we do not understand after being forced to withdraw legal representation instructions we then gave to our lawyer of [redacted] in Kampala to represent our interests in the matter. We attached instructions and withdraw of instructions letters to this letter for your information.

We the project affected persons (PAPs) of Omolokony village, Merok Parish, Katine Subcounty in Soroti District express our disappointment and dissatisfaction in how the matter of compensation for our land/property which form the buffer area was handled.

The negotiated for compensation of the Oruja Rock is not handled and concluded current.

We therefore register our concerns and give notice to the relevant authorities and concerned person(s) as follows-

1. That Oruja Rock in Omolokony Village, Merock Parish, Katine Subcounty in Soroti District is owned by Akariwok Ojirin Clan as customary tenure of ownership and must be adequately compensated for separately from the land forming the buffer area.

2. We maintain our position that save for the land that make up a buffer area, we are not willing to lease the Oruja Rock to any person or company.

3. That what we are willing to do is to allow exploitation of the Rock for compensation at the market value of per ton of the aggregate stone excavated from the Rock for construction of Soroti-Lira-Kamudini road. **(See the letter attached written to you by then our lawyer of [redacted] Kampala).**

4. That we are willing to strictly and directly through our lawyer(s) to negotiate with the contractor, Mota-Engil for the compensation of the Rock and our land forming the buffer area and not any broker company.

5. That we have instructed our lawyer(s) of [redacted] in Kampala to work with other professionals including geologist, valuer and land surveyor as they may deem fit together with the

leadership of the PAPs (as per the attached Minutes) to handle the negotiations and compensation for the Rock and land forming the buffer area on our behalf. Our lawyer shall write to you following our instructions.

6. That Ojura Rock shall not be exploited or excavated by any person or company without agreeing with the PAPs and the Clan on the fair, adequate and prompt compensation.

7. That we the PAPs occupying the land forming the buffer area must be fairly, adequately and promptly be compensation for the land and all on and under it including crops, fruits, trees, graves and other properties and items in accordance with good compensation standards, principles and practice.

8. That we were intimidated, coerced and fraudulently made to sign the lease agreements for the land giving access to the Rock.

9. That we do not know who Ruhore Company Ltd and its representatives or agents represent in the transaction we were fraudulently made to enter into.

10. That we have never leased Oruja Rock to any person or company.

11. That the Rock shall not be exploited by any person or company without fairly, adequately and promptly compensating for as may be agreed by the Clan Leadership through our lawyer.

12. That our land forming the buffer area must be revaluated and compensated fairly, adequately and promptly.

13. That our lawyer review afresh and draft our respective lease agreements before we sign them with Mota-Engil.

14. That our lawyer draft for us a Community Development Agreement to be signed between ourselves and Mota-Engil clearly stipulating development and social projects that the contractor is going to put in place as part of its corporate social responsibility for the community before the project starts.

15. That any process or operation relating to excavation of the Rock must stop with immediately effect until the negotiations and compensation for both the land and the Rock are properly done.

We therefore advice that Mato-Engil Africa (Uganda) Ltd should follow the proper and fair process of compensating us for our property including the Rock before carrying out excavation works on the Rock.

[redacted]

cc. The Executive Director, UNRA, Kampala
cc. The Country Head, World Bank Group, Kampala
cc. The Executive Director, NEMA, Kampala
cc. Kagga & Partners Ltd, Field Office Soroti
cc. [redacted]
cc. Elison Karuhanga, Director, Ruhore Company Limited
cc. Jonard Asiimwe, Project Coordinator, Ruhore Company Limited

VERIFICATION ACCOUNTS FOR THE TWO MOTOR CYCLES

OWNER: [redacted]

1. MOTOR CYCLE WITH LOT NO [redacted]

SERIAL	DESCRIPTION	DETAILS
1.	Name of owner	[redacted]
2.	Date of Verification	13/02/2014
3.	Make of vehicle	BAJAJ BOXER
4.	Engine Capacity c.c	100
5.	Engine number	[redacted]
6.	Chassis number	[redacted]
7.	Year of Manufacture	2011
8.	Country of Origin	INDIA
9.	Body description	MOTOR CYCLE
10.	Fuel type	PETROL
11.	Colour	RED
12.	Seating Capacity	01
13.	Kilometres/mileage covered	-
14.	Net weight	110KG
15.	Gross weight	110KG
16.	Number of tyres	02
17.	Size of tyres	3.00-17

2. MOTOR CYCLE WITH LOT NO. [redacted]

SERIAL	DESCRIPTION	DETAILS
1.	Name of owner	[redacted]
2.	Date of Verification	13/02/2014
3.	Make of vehicle	BAJAJ BOXER
4.	Engine Capacity c.c	100
5.	Engine number	[redacted]
6.	Chassis number	[redacted]
7.	Year of Manufacture	2008
8.	Country of Origin	INDIA
9.	Body description	MOTOR CYCLE
10.	Fuel type	PETROL
11.	Colour	BLUE
12.	Seating Capacity	01
13.	Kilometres/mileage covered	-
14.	Net weight	110KG
15.	Gross weight	110KG
16.	Number of tyres	02
17.	Size of tyres	3.00-17

REMARKS: used motor cycles but still in running conditions.
Verifying officer: [redacted]
MOYO CUSTOMS

Kampala Associated Advocates

KAA HOUSE
Plot 41 Nakasero Road
PO Box 9566
Kampala
Uganda
www.kaa.co.ug

T +256 (0)414 344123
+256 (0)312 244100
E info@kaa.co.ug

24 February 2020

GP Advocates
3.40pm
24 FEB 2020
RECEIVED
P. O. Box 6737, Kampala

GP Advocates
Plot 4 Pilkington Road
3rd Floor Colline House
P.O. BOX 6737,Kampala.

Attn: [redacted]

RE: COMPENSATION TO PERSONS AFFECTED BY THE CONSTRUCTION/TARMACKING OF SOROTI LIRA KAMIDINI ROAD, COMPENSATION FOR THE VALUE OF ORUJA ROCK.

Dear Sir,

We act for Mota-Engil Africa (our "Client") upon whose instruction we address you as follows:

Reference is made to your letter dated 22nd January 2020 and to your Client's letter dated 1st February 2020 addressed to the Country Director of the World Bank, Uganda. Our Client has read the contents of those letters and instructed us to respond as follows:

1. As your Clients are aware, there is a process underway aimed at resolving these issues, however, the contents of those letters and the information availed to you are at best inaccurate and we respond simply to set the record straight.

2. Our Client subleased this land from a third party that had engaged with and obtained leases from the Community.

3. Our Client was availed and informed of the process leading up to obtaining the leases from the affected community, which we shall elaborate below for your ease of reference:

    a. Your Clients negotiated for their rights as the Project Affected Persons (PAPS) and as the Clan;

    b. The land was surveyed, valued and the price to be paid was negotiated by the parties;

c. The Community was engaged, financial literacy classes were held and all the issued were discussed and resolved. **(Attached hereto are pictures evidencing this as "A");**

d. The discussions broke down because of the issue of ownership of the rock, wherein your Clients not only claimed ownership but also stated that the they should be paid **UGX 600 Billion** or in the alternative, every stone from the blasting should be paid for after weighing the amount of aggregate;

e. Our subcontractor then withdraw from the discussions and began discussing and negotiating a contract elsewhere;

f. Your Clients, in particular, [redacted] then approached the subcontractor to return and abandon the area that he had identified since a compromise could be reached;

g. They offered written support in the form of minutes from the community and the clan and negotiated on behalf of the clan, an amount to be paid to the clan.

h. Bank accounts were opened for all the PAPS in Centenary Rural Development Bank and financial literacy trainings were conducted;

i. The amount of money to be paid was agreed to by each family and the amount given was way more than the amount valued. The clan, through your clients, was paid separately;

j. The community entered into agreements with the subcontractor which were translated, discussed, signed, not only in the presence of the PAPS but also the [redacted]. The agreements therefore were fairly and properly entered into. **(A sample agreement is attached hereto as "B");**

k. Further, after your letter dated 22nd January 2020, a community meeting was held and it was attended by the Executive Director of Uganda National Roads Authority ("UNRA"), the sub-contractor, the community and the consultant;

l. At the meeting, the overriding grievance was that your Clients had expropriated the money meant for the Clan by under declaring it by more than 90%. It is therefore surprising to see

the same people making demands for more money from Our Client.

4. Please be informed that the agreements signed, executed, accepted and performed are binding on your Clients. Our Clients will exercise their rights under the law if these allegations that have greatly affected this project continue.

5. These rights include refunds with interest at a commercial rate of 25% per annum from the date of default till payment in full.

6. We trust that your Clients will allow the current process to continue without us having to resort to the enforcement of our Client's rights.

Yours faithfully,

[redacted]

Kampala Associated Advocates

Copy to: Client;
The Country Director, World Bank Uganda;
The Executive Director, UNRA;
The Executive Director, NEMA;
The Resident District Commissioner, Soroti;
The District Police Commander, Soroti;
The Supervisor of the Road Project, TNM with Kaaga & Partners, Soroti Field Office.

RECEIVED
20 FEB 2020
MOTA - ENGIL AFRICA

UGANDA NATIONAL ROADS AUTHORITY
RECEIVED
NAME: Halimana
20 FEB 2020
TIME: 12.47hrs
MAIN RECEPTION

OMOLOKONY VILLAGE
MEROK PARISH
KATINE SUB COUNTY
SOROTI DISTRICT

1ST 02 2020

WORLD BANK
19 FEB 2020
RECEIVED

NATIONAL ENVIRONMENT (NEMA)
20 FEB 2020
RECEIVED
MANAGEMENT AUTHORITY

The Country director

World Bank Uganda

Kampala

Dear Sir;

RE: COMPENSATION TO PERSONS AFFECTED BY THE CONSTRUCTION/TARMACKING OF SOROTI LIRA KAMIDINI ROAD. COMPENSATION FOR THE VALUE OF ORUJA ROCK.

We the project affected persons (PAPS) and the clan leaders of Akariwok Ojinn wish to inform your office that we had been left in dark for a long time in regard to the negotiation and compensation of the land surrounding the rock and also the compensation of Oruja rock. Since Mota Engil approached us in the month of May 2018 with the interest to acquire Oruja rock to use it as aggregate for tarmacking Soroti Lira Kamidin road. No positive steps have been taken in regards to conclusion of the negotiation and compensation of the land and the rock.

Since then the land surrounding the rock has been graded by the contractor destroying our crops, houses, fruit trees, medicinal plants etc.

Our lawyers have written to both UNRA and Mota Engil on several occasions with no good response regarding our claims.

The most recent letter from our lawyers to UNRA dated 22nd January 2020 on the matter is attached.

Yours [redacted]

CC. G.P [redacted]
CC. UNRA
CC. MOTA ENGIL
CC. CONSULTANT [redacted]
CC. NEMA

WORLD BANK GROUP

Plot 1, Lumumba Avenue
Rwenzori House
Kampala, Uganda

Tel: (256-41) 4230 094
Fax: (256-41) 4230 092

March 11, 2020

[redacted]
Omolokony Village
Merok Parish
Katine Sub-county
Soroti District

Dear Mr. Erecho and Mr. Olobo,

Re: Compensation to Persons Affected by the Construction/Tarmacking of Soroti Lira Kamdini Road – Compensation for the Value of Oruja Rock

We acknowledge receipt on February 19, 2020 of your letter dated February 1, 2020 regarding delay in conclusion of negotiations and payment of compensation for Oruja rock and the land surrounding it by the contractor M/s Mota Engil.

We are aware of the issue and regret the delay in the compensation process and any inconvenience caused to affected individuals and communities. We have since taken some steps to ensure that affected persons are adequately compensated. This includes requesting the Uganda National Roads Authority (UNRA) to suspend works on the project until this very issue is addressed.

We will continue to engage with UNRA on this matter and closely monitor progress in addressing your complaint.

Sincerely,

[redacted]

cc: Ms. Allen Kagina
Executive Director
Uganda National Roads Authority
Kampala

Dr. Tom Okurut
Executive Director
National Environment Management Authority
Kampala

Ms. Anne Kabagambe
Executive Director, Africa Group 1
World Bank Group
Washington D.C, USA

Annex 2
Management Response

MANAGEMENT RESPONSE TO REQUEST FOR INSPECTION PANEL REVIEW OF THE UGANDA: NORTH EASTERN ROAD-CORRIDOR ASSET MANAGEMENT PROJECT (P125590)

Management has reviewed the Request for Inspection of the Uganda: North Eastern Road-corridor Asset Management Project (P125590), received by the Inspection Panel on October 1, 2020 and registered on November 9, 2020 (RQ20/03). Management has prepared the following response.

DEC 11, 2020

CONTENTS

Annexes

Map

ABBREVIATIONS AND ACRONYMS

DPP	Director of Public Prosecutions
ED	Executive Director (UNRA)
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
GoU	Government of Uganda
GRC	Grievance Redress Committee
IDA	International Development Association
IPN	Inspection Panel
ISM	Implementation Support Mission
INT	Integrity Vice Presidency
MEA	Mota-Engil Africa
NERAMP	North Eastern Road-corridor Asset Management Project
OP	Operational Policy
OPRC	Output and Performance-based Road Contracts
PMMC	Project Management and Monitoring Consultant
RAP	Resettlement Action Plan
RPF	Resettlement Planning Framework
UNRA	Uganda National Roads Authority

Currency Unit
As of December 11, 2020

UGX – Ugandan Shilling

US$1 = UGX3,680.12
UGX1.00 = US$0.000271

EXECUTIVE SUMMARY

i. ***The Uganda North Eastern Road-corridor Asset Management Project (NERAMP) is a US$243.8 million equivalent investment project supported through an IDA credit.*** The Project Development Objective is to reduce transport costs, enhance road safety, and improve and preserve the road assets sustainably by applying cost-effective, performance-based asset management contracts, along the Tororo-Kamdini road corridor. The Project includes financing of improvement and maintenance of the North Eastern Road Corridor through Output and Performance-based Road Contracts. The Project road stretches from Tororo up to Kamdini, located in the eastern and northeastern part of Uganda, respectively.

ii. ***The Request for Inspection pertains to a proposed quarry site at Merok, which the Contractor had planned to use for mining construction materials for the Project.*** For that purpose, the Contractor engaged a Sub-contractor to lease the land and a large rock outcrop from individual landowners. The Sub-contractor subsequently sub-leased it back to the Contractor for the operation of a quarry. However, the site was acquired and prepared without the Borrower undertaking the required environmental and social due diligence and without the preparation of the required environmental and social safeguard instruments. Significant disagreements arose between the landowners and the Sub-contractor regarding the lease agreements, specifically whether (i) they included the "Oruja" rock or only the surrounding buffer zone, (ii) the stipulated lease payments were appropriately valued, and (iii) the leases were signed voluntarily.

iii. ***The Request for Inspection raises a number of allegations with regard to the planned quarry site acquisition.*** Specifically, the Requesters allege that (i) the leases for the proposed quarry were significantly undervalued and that landowners signed the leases under duress, (ii) compensation for their property that was damaged during site clearance works was inadequate, (iii) the Sub-contractor threatened community members that they should withdraw their complaints, and (iv) that a Bank staff member also asked them to withdraw their complaints. The Requesters now ask the Bank for assistance to obtain outstanding compensation for property damage and to help rescind the lease agreements because they were signed under duress.

iv. ***Management first became aware of the proposed Merok quarry site and several of the issues raised in the Request during an April 2019 Bank supervision mission.*** During that mission, affected community members complained that they had received insufficient compensation for their land, and insufficient compensation for damages to their crops, properties and houses caused by the Contractor when the proposed quarry site was cleared. Management promptly requested the Uganda National Roads Authority (UNRA) to investigate the compensation process to ensure compliance with Bank policy.

v. ***As a result of the April 2019 mission and communication from community members, as well as status updates received from UNRA, the Bank requested UNRA to have all activities at the proposed quarry site stopped immediately until the required safeguard instruments had been submitted and approved in accordance with Bank policy requirements.*** However, UNRA repeatedly failed to have the Contractor produce and

submit satisfactory instruments or to secure the necessary approvals. A Bank mission in October 2019 also found that the Contractor, in disregard of the stop-work order, had continued activities at the site. These failures, along with a number of problems unrelated to the Request at other Project locations, led the Bank in November 2019 to request that the Borrower issue a stop-work order to the Contractor for works on the entire road alignment.

vi. ***The Bank also became aware in October 2019 of the dispute between the Sub-contractor and some landowners over the terms of individual leases for the proposed quarry.*** As a result, Management raised concerns about the leases with UNRA on several occasions, and requested that UNRA ensure compliance with the Bank's environmental and social safeguards. In February 2020 the Bank received another communication from affected community members indicating that these concerns had not been addressed. In light of this development and the Contractor's continued non-compliance, the Bank issued in May 2020 an objection to the site's use under the Project. It further requested from UNRA that the Contractor demobilize from the site, which the Contractor completed by June 18, 2020. The Bank also requested UNRA to undertake assessments of any damages caused by the Contractor to facilitate the compensation of affected community members. The requested assessment was conducted and shared with the Bank in May 2020.

vii. ***In May 2020, Management also received reports alleging that Sub-contractor staff had issued threats against community members in response to their raising grievances through the Project grievance redress committee (GRC).*** The Bank asked UNRA to follow up on the matter. UNRA reviewed and referred the incident to law enforcement authorities, which also reviewed these allegations. UNRA has also posted public notices protecting the rights of communities to raise concerns.

viii. ***Management takes the allegations of intimidation raised in the Request very seriously.*** As a matter of principle, the Bank does not tolerate or condone any form of intimidation or retaliation against any Project stakeholder. This position, along with the fact that any form of retaliation may jeopardize the Project, has been communicated to the Government of Uganda (GoU) and UNRA at the highest levels. Management has also taken additional actions as set forth below in paragraphs xi, xii, and xiii.

ix. ***Management notes that there have been conflicting accounts from the landowners and the Sub-contractor regarding the fairness of the negotiation and terms of the lease agreements.*** Nevertheless, although the Merok site will not be part of the Project, the landowners' allegations are such that they should be reviewed in accordance with Ugandan legal procedures. These allegations, if true, could affect the validity of these lease agreements, which may remain in effect irrespective of the decision not to use the proposed quarry site for Project purposes. Independent of any legal review by Ugandan authorities, the procurement aspects of this matter will be reviewed in accordance with the Bank's procurement policy.

x. ***Due to COVID-19, the Bank's ability to supervise on the ground has been constrained because of travel and movement restrictions imposed by the GoU.*** Uganda introduced a countrywide lockdown in March 2020, with severely restricted movement for

vehicles, while the Bank suspended mission travel, including in-country. Nevertheless, the Bank team has continued to follow up virtually with the Borrower on various actions, and, in light of the deteriorating dialogue between the community, Contractor, and Sub-contractor, with exceptional permission from Bank Management, undertook two in-person missions to the Merok site in October and November 2020.

xi. ***Following the October and November 2020 missions, the Bank has informed UNRA that all works under the Project will remain suspended[1] until the following issues of concern are resolved to the Bank's satisfaction:***

a. ***Compensation for property damages caused by the Contractor's actions.*** UNRA had earlier requested the Contractor to ensure that the Project-affected people were appropriately compensated, and their livelihoods restored. To that effect, UNRA had produced an assessment of the property damages to community assets. The Bank has requested UNRA to work with the Contractor to pay out the compensation to affected parties and provide evidence thereof by February 1, 2021.

b. ***Bank-commissioned review of the compensation payments.*** Given the dispute around compensation amounts related to property damage, the Bank has commissioned an Environmental and Social Audit to validate the adequacy of compensation amounts for community members' damaged property (structures, crops and other assets), and suggest additional measures if found insufficient. The contract for the review is under implementation and the audit should be completed by February 15, 2021.

c. Legal review of the allegations of coercion and intimidation. The allegations made by the landowners that they were coerced to sign the lease agreements are such that they could lead the Ugandan judiciary and/or other appropriate domestic legal agencies to question the leases' validity. The Bank has suggested to the GoU that the Office of the Director of Public Prosecutions (or another competent body) review the coercion allegation raised by the landowners and that the GoU advise the Bank of the outcome of such review.

xii. ***Further, Management has referred the allegations of coercion to the Bank's Integrity Vice Presidency (INT) for review with regard to the alleged conduct of the Contractor and Sub-contractor.*** INT is responsible for investigating and pursuing sanctions for alleged fraud and corruption in Bank-financed projects.

xiii. ***The Bank also has confidential internal oversight mechanisms in place for reviewing allegations of misconduct against Bank staff.*** These mechanisms are designed to hold staff to the highest ethical standards.

xiv. ***In Management's view the Bank is pursuing the appropriate steps to require the Borrower's compliance with its obligations under the loan agreement. It has requested***

[1] Works have been suspended since November 2019, with the exception of *emergency works* along the road corridor.

the Borrower to take specific steps to address, in line with Bank Policy requirements, instances of non-compliance that have led or may lead to adverse impacts. In Management's view the proposed steps are appropriate to address the Requesters' concerns.

I. INTRODUCTION

1. On November 9, 2020, the Inspection Panel registered a Request for Inspection, IPN Request RQ20/03 (hereafter referred to as "the Request"), concerning the Uganda: North Eastern Road-corridor Asset Management Project (NERAMP, P125590), financed by the International Development Association ("IDA," or "the Bank").

2. ***Structure of the Text.*** This document contains the following sections: Section II presents the Request; Section III provides Project Background; and Section IV contains Management's Response. Annex 1 presents the Requesters' claims, together with Management's detailed responses, in table format. Additional annexes include a public notice on retaliation, a timeline of the events at the Merok quarry, and the status of safeguard documents for the Project.

II. THE REQUEST

3. The Request for Inspection was submitted by ten individuals who are land- and resource-owners of a proposed quarry related to the Project (the "Requesters"). The Requesters have asked for confidentiality. The Request includes six annexes with supporting correspondence, which were provided to Management by the Inspection Panel in redacted format.

III. PROJECT BACKGROUND

4. ***The Project.*** An IDA Credit to the Republic of Uganda (Borrower) to finance the Uganda North Eastern Road-corridor Asset Management Project (P125590) was approved by the Board of Executive Directors on April 30, 2014. The agency implementing the Project is the Uganda National Roads Authority (UNRA). The total cost of the Project is US$255 million. The Bank is financing US$243.8 million equivalent as investment project financing through an IDA credit and the Borrower is contributing US$11.2 million to the Project. The closing date of the credit is October 31, 2024.

5. ***Project Objectives.*** The Project Development Objective is to reduce transport costs, enhance road safety, and improve and preserve the road assets sustainably by applying cost-effective, performance-based asset management contracts, along the Tororo-Kamdini road corridor. The Project includes financing of improvement and maintenance of the North Eastern Road Corridor through Output and Performance-based Road Contracts (OPRC). The Project road comprises paved road that stretches from Tororo up to Kamdini, located in the eastern and northern part of Uganda, respectively. There are two road corridors from Kamdini: (a) to Democratic Republic of Congo through Goli and Vurra and onward to South Sudan through Oraba in northwestern Uganda; and (b) to South Sudan through Nimule in northern Uganda. Thus, the Project road is feeding traffic from the

Mombasa port to South Sudan, Democratic Republic of Congo and Uganda. The road traverses mainly a flat to rolling terrain through the districts of Tororo, Mbale, Bukedea, Kumi, Ngora, Soroti, Kaberamaido, Dokolo, Lira, Kole and Oyam.

6. ***Project Components.*** The Project has two components: Component 1 – Road Rehabilitation, Operations and Maintenance (US$241 million) and Component 2 – Institutional Support to UNRA (US$14 million).

- *Component 1 - Road Rehabilitation, Operations and Maintenance (US$241 million).* This component finances long term OPRC for rehabilitation and maintenance of the Tororo–Mbale–Soroti–Lira–Kamdini road (340 km). The works and services under the OPRC contract include: (a) the design and rehabilitation of sections of the road corridor; (b) routine and periodic maintenance of the whole corridor; and (c) operations which will include management of traffic, road safety and axle load control measures. This component also finances consultancy services for the Project Management Unit that is responsible for administering and supervising the OPRC.

- *Component 2 - Institutional Support to UNRA (US$14 million).* To ensure sustainability, technical assistance to UNRA focuses on designing, awarding, and managing OPRC. This component includes asset management support and road safety (US$7.5 million), support in contract supervision and management of OPRC (US$5.5 million), and Operating Costs (US$1 million).

Contractual arrangements under the Project

7. UNRA, the agency implementing the Project, is a government agency mandated to develop and maintain the national roads network, advise the government on general roads policy, contribute to the addressing of national transport concerns, and perform certain other functions. UNRA is charged with, among other things, the selection of contractors, the supervision of construction, the scheduling of maintenance, and the prioritization of national road works.

8. UNRA contracted on June 28, 2018 ***Mota-Engil Engenharia E Construcao Africa S.A.*** ("the Contractor") for the road construction works supported by the Project. The Contractor was selected through an international competitive bidding process. The agreed contract start date was August 13, 2018.

9. The Contractor on October 16, 2018, engaged a local company, ***Ruhore Company Ltd.*** ("the Sub-contractor"), through a Memorandum of Understanding (MoU) to identify and acquire a quarry that the Sub-contractor would then sub-lease to the Contractor. The Sub-contractor was to obtain all clearances and permits required from local authorities and pay compensation for the quarry as may be needed for rock mining and the installation and deployment of equipment and materials. The MoU already identified for the proposed quarry the land situated at *Omolokony Village, Merok Parish, Katine Sub County, Dakabela County, Soroti District*. The site was selected due to the presence of a large rock ("Oruja rock") which had the potential to be mined for construction materials.

10. In January 2019 the Sub-contractor entered into 10-year lease agreements (January 19, 2019 to January 19, 2029) with eight landowners from the community for a combined area of approximately 26.6 acres (ca. 10.7 hectares) that was identified to serve as a quarry and buffer zone. The lease payments for the 10 years were made to the landowners in one lump sum.

11. The Sub-contractor then sub-leased the quarry site to the Contractor on March 1, 2019. The Contractor proceeded to deploy its equipment on site and cleared and levelled the site around the rock. This was done without an approved Environmental and Social Management Plan (ESMP), despite it being required by national law and the Project's Environmental and Social Management Framework (ESMF) (as required under the Bank's safeguard policies applicable to this Project).

12. As is standard practice in any Bank loan agreement, it is the Borrower, rather than the Bank, that is in a direct legal contractual relationship with the Contractor and/or Sub-contractors. Therefore, the Bank has no contractual relations with either the Contractor or the Sub-contractor. However, the Borrower has obligations under the loan agreement to ensure that any contractor or Sub-contractor engaged for works or services under the Bank-financed Project acts in accordance with the loan agreement, including the Project's safeguard instruments.

13. Management's supervision responsibilities include carrying out due diligence on the Borrower's oversight of the proper execution of those contractual arrangements. This includes the Borrower's enforcement of the contractual provisions governing the works and services contracts that are required for the Project.

IV. MANAGEMENT'S RESPONSE

14. The Requesters' claims, accompanied by Management's detailed responses, are provided in Annex 1.

15. ***Management has been aware since April 2019 of issues related to the proposed Merok quarry site that are raised in the Request for Inspection. At the time, the Bank learned of significant non-compliant actions by the Project's Contractor, which the Bank then requested the Borrower to rectify. In response to continued insufficient actions by the Borrower and continued disregard by the Contractor of Project requirements, the Bank ultimately objected to the use of the proposed quarry site altogether, and requested that the Contractor vacate the site and compensate community members for resulting property damages. The Bank requested the Borrower to suspend the works on the entire road alignment[2] until the Project is brought into compliance with the loan agreement.***

Background

16. ***The Bank became aware through a Bank mission visit in April 2019 of the issues related to the Merok quarry acquisition and its intended use.*** The proposed greenfield quarry site at Merok was secured by a Sub-contractor on behalf of the Contractor (see paragraphs 7–12), without UNRA ensuring that the Contractor or Sub-contractor had undertaken the required environmental and social due diligence or prepared the associated management plans. The proposed quarry site was acquired without the Bank's knowledge or approval and in disregard of Bank policy requirements. Specifically, under Bank policy and in accordance with the Project's ESMF, a site-specific Environmental and Social Impact Assessment (ESIA), among other required safeguard documents, should have been prepared for the Bank's review and clearance, prior to any Project activities on that site. A satisfactory ESIA[3] was never received by the Bank and the Bank repeatedly raised with UNRA these issues of non-compliance with the loan agreement. ***Following the April 2019 mission, the Bank requested that all activities at the site stop immediately, until the required safeguard instruments had been submitted and approved in accordance with Bank policy requirements.[4]***

17. The next Bank mission in October 2019 found that the Contractor, in disregard of the order to stop all activities at the Merok site, had gone ahead with mobilization and storage of equipment at the site. In reaction to this and considering the lack of progress to produce the required ESMP, the Bank in November 2019 requested UNRA to stop all works on the entire NERAMP road corridor until non-compliance issues (including those pertaining to other Project locations) had been addressed to the Bank's satisfaction. Moreover, based on interactions with community members during that mission, the Bank

[2] Except for emergency works.
[3] The Bank did receive a draft ESIA of insufficient quality and provided comments on how the document needed to be improved to meet Bank standards.
[4] This request was formalized in writing in May 2019.

team expressed concern to UNRA in writing about possible intimidation of community members.

18. ***The Bank also became aware in October 2019 of the dispute between the Sub-contractor and some landowners over the terms of individual leases for the proposed quarry, and specifically the landowners' allegation that they were coerced into signing leases.*** Management raised concerns about the leases with UNRA on several occasions, and also requested UNRA to ensure compliance with the Bank's environmental and social safeguards. The Bank also strongly recommended that the land acquisition/compensation process for the proposed quarry site be fully investigated, as interactions with community members previously seemed to suggest that the process was carried out without due process and that some community members may have been negatively affected. In response, UNRA agreed that the process to lease land for the potential quarry at Merok needed to be improved and brought into compliance and told the Bank that the Contractor had committed to do so.

19. In February 2020 the Bank received another communication from affected community members indicating that the concerns regarding compensation for the use of their land had not been addressed, and that they had approached UNRA to negotiate the terms of such land use.

20. ***On May 1, 2020, the Bank formalized its objection to the use of the Merok quarry under the Project and requested UNRA to instruct the Contractor to withdraw from the site. This happened after UNRA's failure – despite several follow-up inquiries by the Bank – to obtain from the Contractor and Sub-contractor the required safeguard instruments.*** UNRA instructed the Contractor not to use the quarry for the Project and to demobilize from the site. The Contractor removed all equipment from the site and fully demobilized by June 18, 2020, and completed repairs on the road damaged by the removal of its equipment by November 2020.

21. ***In May 2020, the Bank also requested UNRA to ensure that the pending community grievances were addressed.*** This request had been previously[5] discussed and agreed with UNRA. UNRA undertook an assessment of damages caused by the Contractor to facilitate compensation of affected community members. UNRA, the Contractor and the affected community members met on May 15, 2020, and discussed the issue of a compensation package for property damages. It was reported by UNRA that the payments were not made because at a subsequent meeting a week later, the community members reportedly dropped their claims for damage compensation, though they later claimed that they did so only under duress. Irrespective of these reports, the Bank has requested UNRA to ensure that appropriate compensation is paid as per the damage assessment produced by UNRA, which will be validated through the Bank's review.

22. ***There have been delays in the Bank's ability to supervise and independently ascertain facts on the ground due to the restrictions imposed by the GoU on travel and movement of staff during the COVID-19 pandemic.*** Uganda introduced a countrywide

[5] In a meeting on April 28, 2020.

lockdown, enforced by the military, beginning March 18, 2020. The Bank also suspended mission travel, including in-country. Nevertheless, the Bank team continued to follow up virtually with the Borrower on various actions, as evidenced by the actions discussed above. The Bank team also undertook two missions in October and November 2020, which were cleared by the RVP on an exceptional basis.

23. ***The following allegations from the Request are discussed below in more detail, specifically that*** (i) the ***lease agreements*** for the proposed quarry are significantly undervalued and the landowners signed under duress, (ii) ***compensation for property damaged*** during site clearance works was inadequate, (iii) community members were ***threatened*** by the Sub-contractor to withdraw complaints, and (iv) that a Bank staff member asked them to withdraw complaints.

Lease agreements

24. ***The Bank first learned during the April 2019 mission that the Merok site had not been acquired directly by the Contractor, but was leased to the Contractor via a sub-lease from a Sub-contractor who had entered into lease agreements in January 2019 with various community members (see paragraphs 9–11). These lease agreements reportedly covered the area needed (approx. 26.6 acres) for the planned quarry at Merok, which consists of the Oruja rock and a 30-meter buffer area surrounding the rock.*** The Bank would have normally reviewed the suitability of the proposed quarry site as well as proposed mitigation and management plans, including the site's acquisition, as part of a site-specific ESMP review and clearance. This review, however, did not occur because UNRA failed to have the Contractor produce an acceptable ESIA and submit it to the Bank for its review. Despite this failure, the Contractor nevertheless began mobilization at the quarry. As explained above, the Bank immediately requested UNRA to stop all activities at the quarry.

25. ***In October 2019, Management learned of significant disagreements between the landowners and Sub-contractor regarding the lease agreements***, specifically whether (i) they included the Oruja rock or only the surrounding buffer zone, (ii) the stipulated lease payments were appropriately valued, and (iii) the leases were signed voluntarily. UNRA shared with the Bank a letter from community members, which stated that (i) the leases entered into between the Sub-contractor and the landowners had significantly undervalued the "Oruja" rock and surrounding land and (ii) the landowners had signed the leases under duress.[6]

26. In February 2020, the Bank received a letter from representatives of the Merok community which raised concerns about the lack of progress with regard to "negotiation and compensation" for the rock and the surrounding land. The letter also referred to destroyed *"crops, houses, fruit trees, medical plants, etc."* Attached to the letter was a copy of another letter, dated January 22, 2020, from the lawyer for a group of affected community members, addressed to UNRA. This attached letter (i) asked UNRA to

[6] While this letter from community members dated April 15, 2019 states that the Bank's Kampala Office was copied, the Bank first received a copy only when UNRA shared it with the Bank after the October 2019 mission. The Kampala Office has no record of having received this letter directly.

compensate for the above-cited damages, and (ii) sought to negotiate the terms under which the community would allow the *Oruja* rock and surrounding land to be used for the quarry.

27. ***Management has reviewed some of the correspondence between the landowners' lawyer and the Contractor's lawyer, which indicates that the fairness of the negotiation and terms of the leases are disputed.*** The lawyer of some community members approached the Contractor in November 2018 to offer negotiations for the Contractor's use of the potential quarry site. In April 2019, two community "Chairpersons" wrote again to the Contractor to complain about the manner in which the negotiations about the lease agreements with the Sub-contractor were held, that they were forced to sign through *"intimidation, coercion and threats,"* and that they were willing to renegotiate the lease considering *"market value."* The Contractor's lawyer in response clarified that the Contractor had leased the proposed quarry site from "a third party" (i.e., the Sub-contractor) who leased the land from community members. The lawyer further maintained that the landowners were not pressured into signing the leases, which in his view were fairly negotiated and validly executed.

28. After the Bank's decision in May 2020 to exclude the proposed quarry from the Project, UNRA explained that this meant that the Sub-contractor would likely demand a refund of the lease payments already made to the landowners. UNRA later advised the Bank that the Sub-contractor had agreed not to seek any repayment of the lease payments, but instead intended to hold onto the lease agreements and possibly use the site for activities unrelated to NERAMP.

29. ***In May 2020, UNRA informed the Bank of the results of its own review of the allegations that the lease agreements between the landowners and the Sub-contractor were undervalued.*** UNRA concluded that the Contractor should comply with UNRA's instructions and produce a valuation of the land in question, which would then be subject to review and approval by the Chief Government Valuer. The valuation, however, has not yet taken place.

30. ***Given the contested circumstances surrounding the leases, Management is not in a position to verify the representations made by either party since the Bank was not a party or witness to these negotiations.*** Furthermore, in absence of the required safeguard instruments that should have described the site and appropriate mitigation measures, the Bank did not have the opportunity to review the matter to ascertain that the acquisition of the quarry site was consistent with Bank policy requirements. Now that the Bank has objected to and excluded from the Project the proposed quarry site, such review and clearance by the Bank is no longer appropriate and could be tantamount to interfering in a matter that should be subject to Ugandan legal review.

31. ***Still, the landowners' allegations that they have been coerced by the Sub-contractor to sign the leases are such that they should be reviewed by the appropriate government branch(es).*** These allegations, if true, could affect the validity of these lease agreements, which may remain in effect irrespective of the decision not to use the proposed quarry site for Project purposes. The Sub-contractor has expressed its intention to hold onto the lease agreements, possibly to use them for purposes unrelated to the Project. The Bank

has suggested to the Government of Uganda (GoU) that the Office of the Director of Public Prosecutions (DPP), or another competent body, should review the coercion allegation raised by the landowners. The Bank has further requested that the GoU advise the Bank of the result of such review, including what proceedings, if any, are being undertaken by the GoU in response to the result.

Compensation for property damages

32. ***Management understands that some community members suffered property damages when the Contractor cleared the proposed quarry site and removed structures, trees and crops.*** In the February 2020 letter received from representatives of affected community members, these representatives raised concerns about the lack of progress with regard to "negotiation and compensation" for the rock and the surrounding land. The letter also referred to destroyed *"crops, houses, fruit trees, medical plants, etc."*

33. ***Management raised the matter of outstanding compensation for damages caused by the Contractor with UNRA in April 2020 and requested that UNRA assess them to facilitate compensation.*** On April 28, 2020, the Bank's Country Manager met with UNRA's Executive Director (ED) and agreed that UNRA would conduct a valuation for the losses of crops and structures in order to expedite the compensation of any outstanding claims.

34. On May 15, 2020, representatives from UNRA, the Contractor, the Sub-contractor, and the affected community met and discussed the issue of compensation for damages. Based on UNRA's assessment, the damaged crops, trees and structures were valued at UGX 38,027,000 (ca. US$10,305). However, no agreement was reached at this meeting.

35. On May 21, 2020, the UNRA ED visited the site with a delegation of eight people, including UNRA staff, District authorities and police, to help finalize the compensation issue in accordance with the assessment undertaken by UNRA. UNRA later provided the Bank with a report of this meeting, stating that in exchange for the Sub-contractor agreeing not to seek any repayment of the lease payments from the landowners, the landowners had agreed to not seek any compensation for the property damages from the Sub-contractor. To support this statement, a handwritten letter signed by the two "Chairmen" of the affected community members indicating their withdrawal of the grievance and agreement not to seek any further compensation was enclosed. Management understands that this compromise was based on a proposal by the Sub-contractor.

36. ***Management has made it clear to UNRA that the property damages remain to be compensated by the Contractor.*** The Contractor's compromise is opaque and, in Management's view, may not be appropriate, since it is not clear if (i) the community members who lost assets and crops are identical to the recipients of the lease payments, and (ii) the payments are sufficient to cover the property damages. In addition, as discussed above, community members have since alleged that this compromise was obtained under duress. Moreover, the compromise does not appear to include an agreement to rescind the leases, which raises the question of how community members will be compensated for access to the land if the Contractor decides to mine the Oruja rock in the future and the

lease payments only amounted to the costs of property damage. The compensation for damages to crops and assets therefore needs to be treated separately from the issue of the lease agreements, specifically since the lease agreements are not explicit on compensation for assets on the leased land.

37. ***Management has requested UNRA to instruct the Contractor to proceed with the compensation on the basis of UNRA's own damage assessment. The Bank will validate through an Environmental and Social Audit commissioned by the Bank, whether the compensation was sufficient, and if not, request additional measures.***

Alleged intimidation and retaliation

38. ***Management was also informed that the Sub-contractor staff reportedly made threats against community members. UNRA followed up on the matter and referred the incident to law enforcement authorities, which also reviewed the allegations.*** Management takes the allegations of intimidation raised in the Request very seriously. As a matter of principle, the Bank does not tolerate or condone any form of intimidation or retaliation from any Project stakeholder. This position, along with the fact that any form of retaliation may jeopardize the Project, has been communicated to the GoU and UNRA at the highest levels. Management has requested UNRA to ensure that all Project stakeholders understand and adhere to the Bank's principles.

39. ***On May 1, 2020, the Bank informed UNRA that the Merok site was not to be used in any form for NERAMP by the Contractor or its Sub-contractors.*** The Bank further noted that relevant government authorities should be duly alerted to the possible risk of retaliation against the local community members, and advised that any form of retaliation could jeopardize the future of the Project.

40. On May 8, 2020, the Bank team received a phone call from a representative of the affected community members, alleging that a Sub-contractor representative had made death threats[7] against community members unless they withdrew their complaints from the local Grievance Redress Committee (GRC) regarding the compensation issues. That same day, the Bank's Country Manager contacted the UNRA ED to express the Bank's alarm over these allegations and request UNRA to review the matter and put appropriate measures in place to protect community members. UNRA investigated the issues and on May 11, 2020, submitted a report to the Bank that outlined next steps, including measures to ensure the affected persons' safety.

41. On May 18, 2020, a meeting was held between the Bank and UNRA. The Bank team requested UNRA to immediately register the threats to affected community members with the local police and ensure the safety of the affected community members. UNRA agreed to take actions to ensure the safety of affected community members. The UNRA ED informed the Bank of her intention to travel to the site on May 21, 2020 to meet with the affected community members. When the UNRA delegation visited the site on May 21,

[7] According to UNRA's investigation, the Sub-contractor representative, speaking about the complaining landowners (though apparently not in their presence), stated that he would *"knock them with his car"* and that he would *"have them shot"*, if they were in western Uganda.

2020, the UNRA ED personally intervened with local authorities to request protection for the affected community members from any form of retaliation.

42. UNRA further informed the Bank that it had referred the incident to the DPP. On May 19, 2020 the DPP's office concluded that the file would be closed for lack of sufficient evidence because the threats reportedly were made to the complainants through third parties rather than directly to them. The DPP noted that to be prosecuted, the intimidation or annoyance would need to have been communicated directly to the complainant through threats.

43. In June 2020, a representative of the affected community members contacted the Bank team, claiming that during the meeting with UNRA on May 21, they had been pressured to sign a letter stating that they were withdrawing their complaints and foregoing additional compensation claims. The Bank took up the matter with UNRA to reiterate the Bank's position on retaliation and insist that UNRA step up efforts to address such potential retaliation. The Bank on September 9, 2020 requested an update from UNRA with regard to its efforts to address the matter. UNRA explained that it had secured a commitment from the relevant local Government authorities that affected community members would be protected. UNRA further informed the Bank that it had been monitoring the situation and that no further incident had been reported. Moreover, UNRA placed a Public Notice in the newspapers expressing its opposition to retaliation and intimidation (see Annex 2).

Allegations against a Bank staff member

44. ***Management takes seriously the allegation in the Request regarding communications by a Bank staff member with the complainants about withdrawing their grievances.*** The Bank has effective internal oversight mechanisms responsible for reviewing and addressing such allegations of misconduct against Bank staff. These mechanisms are designed to hold staff to the Bank's ethical standards and to bring accountability when those standards have not been met.

Conclusion and Next Steps

45. ***With the decision not to use the site as a quarry for the Project, and the demobilization of Contractor staff and equipment from the Merok site, some concerns of the community regarding the integrity of the "Oruja" rock, potential impacts from the quarry's operation, and intimidation from Contractor staff have been addressed.*** According to a November 11, 2020 report from UNRA, the Contractor has also repaired all damages on the access roads to the community that were caused by the transport of its equipment. Notwithstanding the above, since the site for the quarry was procured for the purposes of the Project, UNRA is proactively working with the community and the Contractor to find a potential resolution that would be acceptable to the parties to the leases.

46. ***However, several issues remain outstanding. The Bank has informed UNRA that all works under the Project remain suspended[8] until these issues are resolved to the Bank's satisfaction.*** This includes the following items:

- ***Compensation for property damages caused by the Contractor's actions.*** UNRA had earlier requested the Contractor to ensure that the Project-affected people were appropriately compensated, and their livelihoods restored. To that effect, UNRA had produced an assessment of the property damages to community assets. The Bank has requested UNRA to work with the Contractor to pay out the compensation to affected parties and provide evidence thereof by February 1, 2021.

- ***Bank-commissioned review of the compensation payments.*** Given the dispute around compensation amounts, the Bank has commissioned an Environmental and Social Audit to validate the adequacy of compensation amounts for community members' damaged property (structures, crops and other assets), and suggest additional measures if compensation is found insufficient. The contract for the review is under implementation and the audit should be completed by February 15, 2021.

- ***Legal review of the allegations of coercion and intimidation.*** Despite the Project's withdrawal from the Merok site, the lease agreements between local landowners and Sub-contractor remain in effect. The allegations made by the landowners that they were coerced to sign the lease agreements are grave. The Bank has suggested to the GoU that the DPP (or another competent body) review the coercion allegation raised by the landowners and advise the Bank of the outcome of such review.

47. In addition,

- ***Management has referred the allegation of coercion to the Bank's Integrity Vice Presidency (INT) for review with regard to the alleged conduct by the Contractor and the Sub-contractor.*** INT is responsible for investigating and pursuing sanctions for alleged fraud and corruption in Bank-financed projects.

- ***The Bank also has confidential internal oversight mechanisms in place for reviewing allegations of misconduct against Bank staff.*** These mechanisms are designed to hold staff to the highest ethical standards. They also have protections in place to ensure due process, confidentiality, and the fair treatment of staff.

48. ***Management believes that the Bank has made every effort to apply its policies and procedures and to pursue concretely its mission statement in the context of the Project. In Management's view, the Bank has followed the policies and procedures applicable to the matters raised by the Request. As a result, Management believes that***

[8] With the exception of *emergency works* along the road corridor

the Requesters' rights or interests have not been, nor will they be, directly and adversely affected by a failure of the Bank to implement its policies and procedures. As explained above, the Bank has reacted to Borrower non-compliance and pursued specific steps for the Borrower to address relevant issues in line with the loan agreement.

49. Management notes that depending on the course of the COVID-19 pandemic in the Project area, delays in implementing some of the above actions cannot be ruled out, and this could have an impact on the timelines presented above.

Annex 1. Claims and Responses

No.	Claim	Response
1.	We live around the REDACTED of Uganda. Our clan owns the rock, and we use it and the land around it since time immemorial for agriculture, artisanal mining, drying cassava, cultural practice etc. and many families live close to the rock. In June 2018, Mota Engil Africa (MEA) contacted us through the district and sub-county leaders and requested our permission to assess whether the rock is suitable to be used as quarry to produce the stones needed for the rehabilitation of the Tororo Mbale Soroti Lira Kamdini Road, MEA has. been contracted by the Uganda National Roads Authority to rehabilitate, extend and maintain this road under the North Eastern Road Corridor Asset Management Project (NERAMP), which is funded by the World Bank. Mota Engil conducted these surveys in August 2018 with our permission, and we heard that they plan to extract 700,000 tons of stones and aggregates from there. In September 2018, a company called Ruhore showed up with some surveyors and informed us that the government is expropriating the rock and some land around the rock from the families that live there. They also stated that the rock and a 30 m buffer zone around it belongs to the government and that we only entitled to some courtesy compensation for the rock and some money for the land. In October 2018, Ruhore offered some money to 8 families and requested them to sign lease agreements for a ten-year lease. ln our perception, the offered compensation was grossly undervalued. When we asked for the basis of the offered lease amount, they refused to show us the valuation	***The Bank first became aware of the Contractor's actions during the Implementation Support Mission (ISM) of April 3-17, 2019***. As part of the April 2019 ISM, the Bank team, along with UNRA and the Project Management and Monitoring Consultant (PMMC), visited the Contractor's proposed quarry site at Merok. They were accompanied by the Contractor's representatives. While at the site (April 9, 2019), the Bank team met with a group of affected community members who complained that: • their land had recently been acquired and cleared; • they were discontent with the acquisition and compensation processes, including the amount of compensation; and • the acquisition and compensation processes were being carried out by a third party – the Sub-contractor – and not directly by the Contractor. During the field visit, the Bank team noted the recent clearance of trees, crops, and possibly structures, and two bulldozers bearing the Contractor's logo near the rock. The team also noted that neither a site-specific ESIA nor a Resettlement Action Plan (RAP) had been prepared for the site as required by the Project's Environmental and Social Management Framework (ESMF) and Resettlement Planning Framework (RPF), nor had the required clearances and permits been obtained. The Bank team requested that UNRA prepare an incident notification report. In accordance with the reporting procedures in place for the Project, the preliminary report was provided to the Bank the next day (April 10, 2019) and outlined what was known at the time by UNRA. The report: 1) noted the supervising consultant became aware of the non-compliance on April 9, 2019; 2) noted the activities constituted non-compliance with the terms of the Contractor's contract; 3) noted that the Contractor had engaged a local company to take care of the following: (a) obtaining all the clearances required from local authorities prior to starting any extraction from the quarry; and (b) paying compensation for any settlement if needed to use the adjoining ground for installation of the stone crushers, deployment of equipment and storing of the material;

No.	Claim	Response
	report, which should show all the affected assets and the identified values. As this was not provided and the money seemed low, the 8 families as well as the clan refused to sign the lease agreements. We then tried to contact MEA as they were the people with which we discussed first and who had promised us fair compensation, employment, roads, and a water project in exchange for the permission to use our rock. When we went to their office in Soroti, they refused to meet us and their guards told us that Ruhore is in charge of the quarry. To overcome this blockage, we requested a lawyer to discuss with MEA, on our behalf, fair lease agreements for the rock and for whatever land they want (see Letter 7 November 2018 Annex 1). In response, MEA informed us that they have no business with us and that Ruhore is the company in charge of the quarry. In December 2018, Ruhore came back with some of the political leaders and informed us that they had appointed a "[Project-affected person] chairman", who is not an affected person, and that this chairman has agreed to their terms and conditions. They threatened us that if we don't sign their agreements, we will not receive anything and will be kicked off our land without anything. Based on this and other intimidation, the 8 families signed lease-agreements and received in January 2019 some money. Ruhore and the politicians forced us to sign also an apology for our letter of 7 November 201[8] and a general statement that we agree to all their proposals. ln February 2019, we shared our concerns with the nearest Grievance Management Committee (GMC)	4) noted that "after making the compensation to the local landowners, the contractor deployed its equipment, cleared, and levelled the potential quarry site in Merok/Katine while the approval of ESIA was still in process;" and 5) noted that: "Due to clearing and levelling the area prior to the documentation of a baseline survey for the ESIA, the Contractor may not be able to submit a quality ESIA. This has raised some environmental, social, health and safety issues." ***In response, during the April 2019 mission, the Bank requested UNRA to immediately stop all activities at the quarry site and ensure preparation of the required ESIA and RAP in order to assess and address any impacts on the affected community.*** The Bank reiterated this letter to the GoU on May 22, 2019, requesting: 1) that the Contractor stop all works on the quarry site until the site complied with the requirements of the Project ESMF and RPF, i.e., that a site-specific ESIA/ESMP and RAP be prepared, cleared and disclosed; and 2) that UNRA investigate the land acquisition process and provide the Bank with a report outlining the background to the complaint from the landowners and the remedial actions which would be taken to rectify the situation. 3) that UNRA review the overall appropriateness of the quarry site, given its proximity to homes and businesses, possible disruption to local rock mining activities, and the possible use of the rock for cultural ceremonies. After the ISM, the Bank team followed up with UNRA about the case; the ESIA for the site was submitted to the Bank on August 20, 2019 and returned to UNRA with Bank comments on September 6, 2019. During the next ISM, held October 14-25, 2019, the Bank team, along with UNRA, the PMMC, and the Contractor's representatives, again visited the proposed quarry site at Merok. Although the Oruja rock was intact, the team observed the following: 1) Contrary to the measures that had been agreed previously, the Contractor had mobilized large quarrying equipment to the site; 2) Security forces were present at the site to guard it; and 3) The community appeared reluctant to engage with the Bank team. ***The Bank also became aware in October 2019 of the dispute between the Sub-contractor and some landowners over the terms of individual leases for the proposed quarry, and***

No.	Claim	Response
	established along the road by UNRA in 2017, and they connected us with REDACTED from UNRA and his team. They met with us, listened to our concerns, and recommended that we should set up our GMC and that we should ask Ruhore for the valuation reports to verify whether it includes all assets and whether the Chief Government Valuer had accepted this report. REDACTED and his team also informed us that UNRA would make sure that MEA addresses our concerns in the context of the Environmental and Social Impact Assessment (ESIA) and Resettlement Action Plan (RAP), which both need to be established by MEA and cleared by UNRA before the start of any quarry development. We then requested Ruhore to share with the valuation report, but they refused.	***specifically the landowners' allegation that they were coerced into signing leases.*** Management has raised these concerns with UNRA on several occasions, together with the request that UNRA ensure compliance with the Bank's environmental and social safeguards. The Bank also strongly recommended that the land acquisition/compensation process for the proposed quarry site be fully investigated, as interactions with community members previously seemed to suggest that the process was carried out without due process and that some community members may have been negatively affected. In response, UNRA agreed that the process to lease land for the potential quarry at Merok needed to be improved and brought into compliance and noted that the Contractor had committed to do so. Seeing no progress on the required ESIA and RAP, the Bank on November 6, 2019 requested UNRA to stop works on the entire NERAMP road corridor until all non-compliance issues (including those on other Project locations, unrelated to the Merok site or the Request) had been addressed to the Bank's satisfaction. On December 2, 2019, UNRA, through the PMMC, issued a stop works order to the Contractor for the entire road corridor and all ancillary sites. Despite several follow-up inquiries to UNRA by the Bank, the Contractor and Sub-contractor never completed an ESIA or RAP. Consequently, on May 1, 2020, the Bank informed UNRA that the Merok site was not to be used in any form for NERAMP by the Contractor or its Sub-contractors and requested that the Contractor withdraw from the site. Accordingly, UNRA instructed the Contractor not to use the quarry for the Project and to demobilize from the site, while addressing the pending grievances. The Contractor removed all equipment from the site and fully demobilized by June 18, 2020 and completed repairs on the road damaged by the removal of its equipment by November 2020, when weather permitted such works. **Compensation process** The Bank first learned during the April 2019 mission that the Merok site had not been acquired directly by the Contractor, but was leased to the Contractor by a Sub-contractor who had entered into lease agreements in January 2019 with various community members (see paras. 9–11). These lease agreements reportedly covered the area needed (approx. 26.6 acres) for the planned quarry at Merok, which consists of the "Oruja rock" and a 30-meter buffer area surrounding the rock. The Bank would have normally reviewed the suitability of the proposed quarry site as well as proposed mitigation and management plans,

No.	Claim	Response
		including the site's acquisition, as part of a site-specific ESMP review and clearance. This review, however, did not occur because UNRA failed to obtain from the Contractor the ESMP and submit it to the Bank for its review. Despite this failure, the Contractor nevertheless began mobilization at the quarry. In October 2019, Management learned of significant disagreements between the landowners and Sub-contractor regarding the lease agreements, specifically whether (i) they included the "Oruja" rock or only the surrounding buffer zone, (ii) the stipulated lease payments were appropriately valued, and (iii) the leases were signed voluntarily. UNRA had shared with the Bank a letter from community members, which stated that (i) the leases entered into between the Sub-contractor and the landowners had significantly undervalued the "Oruja" rock and surrounding land and (ii) the landowners had signed the leases under pressure.[9] In February 2020, the Bank received a letter from representatives of the Merok community which raised concerns about the lack of progress with regard to "negotiation and compensation" for the rock and the surrounding land. The letter also referred to destroyed *"crops, houses, fruit trees, medical plants, etc."* The letter did not allege intimidation or provide further details regarding the dissatisfaction with the land acquisition process. Attached to the letter was a copy of a letter, dated January 22, 2020, from the lawyer for a group of affected community members, addressed to UNRA. This attached letter (i) asked UNRA to compensate for the above-cited damages, and (ii) sought to negotiate the terms under which the community would allow the "Oruja" rock and surrounding land to be used for the quarry. After the October 2019 mission, UNRA shared with the Bank team a letter from the affected community members, dated April 15, 2019. Although the letter indicates that a copy of it was sent to the "Country Head" of the Bank in Kampala, the Country Office never received a copy. The April 15, 2019 letter outlined in detail the concerns of the landowners regarding the land acquisition process. Specifically, the letter: 1) asserted a willingness to negotiate on the use of the rock through their lawyers, but only with the Contractor (not the Sub-

[9] While this letter from community members dated April 15, 2019 states that the Bank's Kampala Office was copied, the Bank first received a copy only when UNRA shared it with the Bank after the October 2019 mission. The Kampala Office has no record of having received this letter directly.

No.	Claim	Response
		contractor); 2) noted a lack of clarity around the relationship between the Contractor and the Sub-contractor; 3) alleged that the Sub-contractor had forced the landowners to sign documents and withdraw the instructions of their legal representation through "intimidation, coercion and treats;" 4) expressed dissatisfaction and disappointment in how the compensation process for their land and assets was handled; 5) asserted ownership of the rock and surrounding land and a lack of willingness to lease that rock to anyone; 6) outlined the conditions under which they would allow exploitation of the rock, including "…compensation at the market value per tonne of the aggregate stone excavated from the rock…".; and 7) outlined that they have authorized their lawyers to have the rock appropriately valued.
2.	On 3 April 2019 and without any prior notice, bulldozers of MEA showed up on our land and started to clear the land, including trees and crops. They also bulldozed our houses after we had removed our cloth, furniture, etc. After we had informed REDACTED, UNRA on 8 April 2019 came with a large delegation, inspected the damage, listened to our concerns and instructed MEA to stop all works, which they did. However, by that time, we already had lost our houses, trees, and crops and had receive very little compensation in return. UNRA also organized several community meetings. In one session, UNRA's Executive Director promised that we would receive a fair settlement before the end of July 2019. REDACTED team also helped us to form two GMC (one for those already affected and one for all the communities around the rock and the access road that might be affected in the future) and trained its members. The GMC registered then 17 grievances related to the demolition done to date (Annex 2). UNRA promised to address these grievances	***As noted in Item 1 above, during a site visit on April 9, 2019, the Bank became aware of the land clearance and the landowners' view that the compensation process was flawed and the compensation for lost assets inadequate.*** UNRA informed the Bank on April 10, 2019 that prior to the Contractor's mobilization and clearance of the site in April, the Sub-contractor had entered into 10-year lease agreements (January 19, 2019 to January 19, 2029) with eight landowners from the community for a combined area of approx. 26.6 acres that was identified to serve as a quarry and buffer zone and made the stipulated lease payments to them. Because a RAP had not been prepared, the Bank team stopped the works and pursued completion of the RAP report to establish the level of compensation still outstanding and any other issues. As noted above in Item 1, despite several follow-up inquiries by the Bank, the ESIA and RAP were never completed and the Bank objected to use of the quarry and requested demobilization of the Contractor. However, Management continued to follow up with UNRA regarding the compensation for any damages incurred by the Contractor. A meeting was held on April 28, 2020 between the Bank and UNRA, chaired by the Country Manager and including the UNRA ED. It was agreed that UNRA would conduct a valuation for the losses of crops and structures in order to expedite the compensation of any outstanding claims. On April 30, 2020, UNRA sent a team to the Merok site to initiate the re-evaluation of the affected assets.

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	and ensure that MEA pays compensation at full replacement costs for all affected assets, including graves, the rock, etc. UNRA also promised that no further work would be conducted until the ESIA and RAP has been prepared by MEA and endorsed by UNRA in consultation with us.	The Bank formally objected to the use of the site in a letter on May 1, 2020. After receiving that letter, UNRA issued a letter to the Contractor on May 4, 2020 to begin the process of closing the Merok quarry, while addressing the pending grievances from the landowners. (see also items 4 and 5)
3.	Despite many meetings, not much happened for about a year. While the UNRA ED, REDACTED and his team were helping us and visited us from time to time, Ruhore, MEA, the local officials and some people from UNRA and the World Bank also contacted us from time to time and requested us to withdraw our grievances in the interest of the project and the country. Thanks to the guidance from REDACTED and his team we were however able to stop all attempts to fool us and/or sign any papers that could be used against us.	See Items 1 and 2 for steps taken during this timeframe and in 2020 to address the grievances of the affected community. See Item 7 for steps taken to address alleged actions by World Bank staff.
4.	ln early May 2020, the Ruhore team came back and went around and informed community members that they will kill us, if we do not withdraw the grievances and the district head of security instructed us to withdraw our complaints or face legal charges and arrests. We immediately called REDACTED, who informed us that his contract with UNRA had ended on 3 May 2020, that he has left Uganda and therefore had limited power to protect us. He nevertheless mobilised a delegation by UNRA, who visited us on 15 May 2020, assessed our remaining assets and land and informed us that beside of the rock, whose value they could not assess without further studies, the eight families are entitled to an additional compensation which they did not tell us. Based on this mission, we had hope that the issue would be solved.	***First, Management takes the allegations of intimidation raised in the Request very seriously. As a matter of principle, the Bank does not tolerate or condone any form of intimidation or retaliation against any Project stakeholder. This position, along with the fact that any form of retaliation may jeopardize the Project, has been communicated to the GoU and UNRA at the highest levels.*** On May 8, 2020, the Bank team received a call from a representative of affected community members alleging that a Sub-contractor representative had made death threats against community members unless they withdrew their complaints from the local GRC regarding the compensation issues. That same day, the Bank's Country Manager contacted the UNRA ED to express the Bank's alarm over these allegations and request UNRA to review the matter and put appropriate measures in place to protect community members. UNRA investigated the allegation the following day and submitted a report to the Bank on May 11, 2020. The report confirmed that the incident had occurred and recommended measures to ensure the affected persons' safety. These measures included UNRA's investigations; having its compliance team work directly with the territorial police to

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		complete investigations into the allegations of death threats; and forwarding the case to the DPP for possible charges. The Bank team followed up on the implementation of these measures. On May 19, 2020, the Office of the DPP wrote to the Head, Investigations and Compliance, UNRA, advising that the file be closed and filed for lack of sufficient evidence because the threats reportedly were made to the complainants through third parties rather than directly to them. The DPP noted that to be prosecuted, the intimidation or annoyance would need to have been communicated directly to the complainant through threats. On May 15, 2020, UNRA, the Contractor, the Sub-contractor and the affected community met to discuss the compensation for damages. Based on UNRA's assessment, the damaged crops and structures were valued by UNRA at UGX38,027,000 (ca. US$10,305). However, no agreement was reached at this meeting. The meeting participants also discussed other community concerns, including the potential demand from the Sub-contractor for landowners to repay past payments under the 10-year leases, since the quarry was no longer going to be established and used. UNRA later advised the Bank that the Sub-contractor had agreed not to seek any repayment, but instead intended to hold onto the lease agreements and possibly use the site for activities unrelated to NERAMP. On May 18, 2020, a meeting was held between the Bank and UNRA. The Bank team requested UNRA to immediately register the threats to affected community members with the local police and ensure the safety of the affected community members. UNRA agreed to take actions to ensure the safety of affected community members. The UNRA ED informed the Bank of her intention to travel to the site on May 21, 2020 to meet with the affected community members. As noted hen the UNRA delegation visited the site on May 21, 2020, the UNRA ED personally intervened with local authorities to request protection for the affected community members from any form of retaliation. During the May 18 meeting UNRA also noted that it was evaluating the claims and that the Contractor was willing to compensate the claimants for the property damages.
5.	We were then very surprised when on 21 May 2020, the UNRA ED and the District Leadership including all security chiefs, MEA and Ruhore requested us to appear to a meeting. The request was issued by the Resident District Commissioner ([...]	UNRA informed the Bank of the meeting with the affected community members planned for May 21, 2020. The stated purpose of the visit was to complete payment to the affected people of the compensation established at the meeting on May 15, 2020 to enable the grievance to be resolved. This action had

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	the head of security) and in the preparatory meeting he told us that we are expected to a) forgive Ruhore for their threats to our live, b) withdraw our grievances and c) refuse the additional compensation identified by UNRA on 15 May 2020. He and his staff were rather explicit that the government is tried with our resistance and that we will face severe consequences, if we don't comply. Based on this intimidation, the death threats from Ruhore, the growing hostile approach from UNRA and the departure of REDACTED, we signed the withdrawal agreement attached at the back of this letter. They also informed us that MEA will get the stones elsewhere, but that Ruhore is free to use the rock and the land under the signed agreement.	been agreed between the Bank and UNRA at the meeting on April 28, 2020. On May 21, 2020, UNRA's ED visited the site with a delegation of eight people, including UNRA staff, District authorities and police, to help finalization the compensation issue, in accordance with the assessment undertaken by UNRA. UNRA later provided the Bank with a report of this meeting, stating that in exchange for the Sub-contractor agreeing not to seek any repayment of the lease payments from the landowners, the landowners had agreed to not seek any compensation for the property damages from the Sub-contractor. To support this statement, a handwritten letter signed by the two "Chairmen" of the affected community members indicating their withdrawal of the grievance and agreement not to seek any further compensation was enclosed. Management understands that this compromise was based on a proposal by the Sub-contractor. As noted above, when the UNRA delegation visited the site on May 21, 2020, the UNRA ED personally intervened with local authorities to request protection of the affected community members from any form of retaliation. In June 2020, a representative of the affected community members contacted the Bank team, claiming that they had been pressured to sign a letter (dated May 22, 2020) stating that they were withdrawing their complaints and foregoing additional compensation claims. The Bank took up the matter with UNRA to reiterate the Bank's position on retaliation and insist that UNRA step up efforts to address such potential retaliation. The Bank on September 9, 2020 requested an update from UNRA with regard to its efforts to address the matter. UNRA explained that it had secured a commitment from the relevant local Government authorities that affected community members would be protected. UNRA further informed the Bank that it had been monitoring the situation and that no further incident had been reported. Moreover, UNRA placed a Public Notice in the newspapers expressing its commitment to address the risks of retaliation and intimidation.
6.	We feel however that we were not treated fairly and therefore request your help to ensure that we receive a) compensation at full replacement costs for the damages that we experienced to date and b) that we might face in the future and/or a written agreement that all lease agreements with Ruhore are terminated and that we are able to use our land and rock again at our will	***Management has made it clear to UNRA that the property damages remain to be compensated by the Contractor.*** The Contractor's compromise is opaque and, in Management's view, may not be appropriate, since it is not clear if (i) the community members who lost assets and crops are identical to the recipients of the lease payments, and (ii) the payments are sufficient to cover the property damages. In addition, as discussed above, community members have since alleged that this compromise was obtained under duress. Moreover, the compromise does not appear to include an agreement to rescind the leases, which raises the question of how community members will be compensated

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		for access to the land if the Contractor decides to mine the Oruja rock in the future and the lease payments only amounted to the costs of property damage. The compensation for damages to crops and assets therefore needs to be treated separately from the issue of the lease agreements, specifically since the lease agreements are not explicit on compensation for assets on the leased land. ***Management has requested UNRA to instruct the Contractor to proceed with the compensation on the basis of UNRA's own damage assessment. The Bank will validate through an Environmental and Social Audit commissioned by the Bank, whether the compensation was sufficient, and if not, request additional measures.***
7.	**Prior Contact.** From April 2019 onwards we copied the World Bank Kampala Office on our complaints (Annex 3,4, 5 and 6). While the written response from the World Bank (Annex 7) is appreciated, we are concerned that the World Bank's Project Manager who signed the letter, has called us on several occasions to tell us that the World Bank has no interest in the issue, that we should not copy the World Bank on our communications with Ruhore and that we should withdraw our grievances and support Ruhore as their work is important for Uganda.	***Management takes seriously the allegation in the Request regarding communication by a Bank staff member with the complainants about withdrawing their grievances***. The Bank has effective internal oversight mechanisms responsible for reviewing and addressing such allegations of misconduct against Bank staff. These mechanisms are designed to hold staff to the Bank's ethical standards and to bring accountability when those standards have not been met. Strict measures are in place to ensure confidentiality, due process and the fair treatment of staff members accused of misconduct, including upholding rights accorded to staff members who are subject to internal investigation, under applicable Bank Directives and Procedures. Confidentiality protects all staff members involved in a misconduct review and it also preserves the integrity of the investigative process itself.
8.	**Policies.** From the training we received, we understand that the World Bank's OP 4.12 (Involuntary Resettlement) requires that land is acquired in close consultation with the [Project-affected people], compensation provided at full replacement costs and that affected livelihoods are restored. We further learned that the clearing of the land without an accepted ESJA was not in line with the requirements of OP 4.01 (Environmental Assessment).	The principal safeguard instruments associated with the rehabilitation of the Tororo-Soroti-Lira-Kamdini road section were prepared by UNRA, reviewed, cleared by the Bank and disclosed prior to the start of Project appraisal. The ESMF and the RPF were prepared, cleared and disclosed at the World Bank's InfoShop on February 7, 2014 and in-country on the same date. The ESMF and the RPF were selected as the relevant safeguards instruments because the contract arrangements (OPRC) required the final engineering design, the ESIA and the RAP for the linear road rehabilitation works and other site-specific ESIAs/or ESMPs for auxiliary facilities (such as quarries, borrow pits, and construction camps) to be prepared by the Contractor. The Project did not meet the Government's commitments as spelled out in the Project's ESMF and RPF as it failed to prepare the required safeguard documents. UNRA eventually submitted a draft ESIA report for the Merok quarry on August 20, 2019, which was reviewed by the Bank and found inadequate. The

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		Bank's comments were shared with UNRA on September 6, 2019. UNRA did not revert to the Bank with a revised ESIA addressing the Bank's comments, nor was a RAP submitted, despite requests from the Bank. Regarding the stopping of works and objection to use of the quarry as a result of the failure to carry out the requested measures, see Items 1 and 2 above. In a letter dated August 12, 2020 UNRA reported to the Bank that the Contractor had initiated demobilization on June 6, 2020 and completed the process on June 18, 2020. The report indicated that the two access roads previously used by the Contractor would be repaired as soon as the weather permitted it, and this was completed on November 11, 2020. With exceptional permission from Bank Management to travel during the COVID-19 pandemic, a Bank team conducted a field visit and inspected the site in October 2020. This site visit confirmed that the Contractor's staff and equipment had vacated the site and that there were no signs of any previous or current quarrying activity by the Contractor and the access roads had been repaired.
9.	**Retaliation.** As stated above the Ruhore team has already threatened to kill us and the [Resident District Commissioner] to lock us up, if we don't withdraw our grievances and/or continue our quest for fair compensation.	***Management takes the allegations of intimidation raised in the Request very seriously.*** As indicated in Item 4, the Bank is aware of these allegations and requested UNRA in a letter dated June 26, 2020 to alert all relevant government authorities of the possible risk of retaliation against the local community members, and to advise them that any form of retaliation could jeopardize the future of the Project. A statement was published in local newspapers by UNRA (see Annex 2).

Annex 2. UNRA Public Notice on Retaliation

Uganda National Roads Authority

PUBLIC NOTICE

ANTI-RETALIATION STATEMENT

NORTH EASTERN ROAD CORRIDOR ASSET MANAGEMENT PROJECT

CREDIT NO: 5434-UG

The North Eastern Road Corridor Asset Management Project (NERAMP) financed by the World Bank/Government of Uganda aims at introducing long-term asset management contracts through Output and Performance based Contracting (OPRC). The Pilot project is on a major trade corridor between the port of Mombasa, South Sudan and DRC. The project traverses the districts of Tororo, Mbale,Bukedea, Kumi, Ngora, Soroti, Kalaki, Kaberemaido, Dokolo, Lira, Kole and Oyam covering a total distance of 340 Kilometres.

The Government of Uganda is committed to implementing the project in line with the World Bank's Environment and Social Policies, National Environment and Social requirements and UNRA's Environment and Social Safeguards Policy.

This is to therefore to inform the public that in line with the Whistler Blowers Protection Act 2010, Government will ensure that there is no victimisation of any person (s) on account of any complaints raised against the Contractor for failure to comply with Contract requirements. Any form of retaliation against members of the community could jeopardise the future of the project and should be brought to the attention of Uganda National Roads Authority (UNRA) and other relevant authorities.

For more Information:- Please call our Toll Free Lines: 0800100811 and 0800100812

@UNRA_UG Uganda National Roads Authority www.unra.go.ug 0714 651 187

Annex 3. NERAMP Merok Quarry Timeline

(as of November 17, 2020)

Date	***Event/Action taken by the Bank***
April 9, 2019	As part of the Project's Implementation Support Mission (ISM) of April 3-17, 2019, the Bank team, along with UNRA, PMMC, and the Contractor's representatives, visited the Contractor's proposed quarry site at Merok. The Bank team noted recent clearance of trees, crops, possibly structures, and two bulldozers bearing the Contractor's logo around the rock. *The Bank immediately requested that the Contractor stop all works on the quarry site until compliance with all Project instruments is achieved. The Bank also formally informed the Government of Uganda (GoU) on **May 22, 2019**, of the above observations and developments, including the request that (i) the Contractor stop all works on the quarry site until compliance with all Project instruments (ESMF and RPF), i.e., preparation, clearance and disclosure of a RAP and an ESIA; and (ii) UNRA investigate the land acquisition process and provide the Bank with a report outlining the background to the complaint and the remedial actions which would be taken to rectify the situation.*
April 10 2019	The Bank requested that UNRA prepare an incident notification. In accordance with the reporting procedures in place for the Project, the report was provided to the Bank the next day (April 10) and outlined what was known at the time by UNRA.
April 12, 2019	Based on the report above, the team filed an incident report, rating the incident as 'serious' and noting that the Bank had provided advice to the contractual parties to halt activities, as per the contract, and focus on the completion of the site-specific ESIA and ESMP.
August 20, 2019	UNRA sent a draft ESIA for the planned Merok Quarry site to the Bank for review. *The E&S team reviewed the ESIA and provided comments to UNRA on **September 6, 2019**. The Bank team never received an updated version addressing Bank's comments.*
October 16, 2019	As part of the ISM (Oct 14-25, 2019), the Bank team, along with UNRA, PMMC, and the Contractor's representatives, visited Mota-Engil's proposed quarry site at Merok. Although the rock was intact, the mission noted that (i) contrary to agreed measures from the previous ISM, Mota-Engil had mobilized large quarrying equipment to the site, (ii) there was a proliferation of security forces (private and police) at the site to guard it; and (ii) the community appeared reluctant to talk to the Bank team about the land acquisition.
October 25, 2019	The Bank received from UNRA an electronic copy of a letter from the affected community members' lawyer dated April 15, 2019 and addressed to the Mota-Engil Country Representative copied to, among others, the ED UNRA and the Bank's Country Manager. The Country Office has no record of this letter.
November 6, 2019	The Bank requested UNRA to issue a stop works order on the entire Project.
December 2, 2019	UNRA issued the stop works order to Mota-Engil through the PMMC.
February 19, 2020	Uganda Bank Country Office received a formal complaint from a representative of affected community members addressed to the Country Manager. *Complaint forwarded to the Bank's Grievance Redress Service for registration on February 24, 2020 and acknowledgement letter sent to affected community members on March 11, 2020.*

Date	***Event/Action taken by the Bank***
March 6, 2020	UNRA submitted a RAP methodology report for the Merok Quarry to the Bank.
April 13, 2020	Bank requested an update on the status of the RAP preparation from UNRA. It was informed that a RAP Consultant had been hired by the Contractor but that he had challenges in accessing community members due to some misunderstanding on roles and responsibilities during the process. The consultant was to reengage the affected community members after the COVID-19 related restrictions had been lifted.
April 28, 2020	A meeting was held between the Bank and UNRA, chaired by the Country Manager and including UNRA ED. With regards to the Merok Quarry, it was agreed that with the view of closing out the complaint, an UNRA team would reach out to the affected community members and the Contractor to initiate a valuation process for the damages.
April 30, 2020	UNRA sent a team to the site to initiate the planned re-evaluation of the compensation amounts.
May 1, 2020	The Bank communicated to UNRA its objection to use the Merok quarry site for the Project.
May 4, 2020	UNRA issued a letter to the Contractor to begin the process of closing the Merok quarry, while addressing the pending grievances from the community.
May 8, 2020	The Bank team received a call from a representative of the affected community members alleging that a Sub-contractor representative had made death threats against community members unless they withdrew their complaints from the GRC. *On the same day the Country Manager contacted the UNRA ED to flag the issue, raise the Bank's concerns, and request appropriate action.*
May 9, 2020	A team from UNRA's investigation division was dispatched to investigate the case. Preliminary findings confirmed that the threats were indeed made and UNRA submitted a report to the Bank recommending several steps to ensure the affected community members' safety.
May 14, 2020	UNRA and Mota-Engil held a meeting and decided to travel to the quarry site and verify the issues the community had and attempt to resolve them and establish the plan of demobilization from the quarry.
May 15, 2020	UNRA, PMMC and Mota-Engil's team led by its Managing Director visited the site and met the affected community members. UNRA held a meeting with the affected community members and the value of the damaged crops/developments was discussed. UNRA's valuation determined the payment to be UGX38,027,000 (approximately US$10,305).
May 18, 2020[h]	A meeting was held between the Bank and UNRA chaired by the Country Manager. The UNRA team led by the ED explained that they were evaluating the payments due to the affected community members for loss of their crops and structures and that Mota-Engil was willing to compensate the affected community members for these losses. The Bank team requested UNRA to immediately register the issue of threatening of affected community members with the local police and ensure safety of the affected community members. UNRA agreed to take actions to ensure safety of affected community members. UNRA ED informed the Bank of a planned visit to the site on May 21, 2020 to meet with the affected community members.
May 21, 2020	The UNRA ED traveled to the site with a delegation to help finalize the compensation issue in accordance with the assessment undertaken by UNRA.

Date	***Event/Action taken by the Bank***
May 26, 2020	UNRA provided a report of the meeting with a handwritten letter signed by the affected community members indicating their withdrawal of the grievance but with no indication that they had been compensated. In the same letter, UNRA indicated that from its perspective, the grievance had been addressed and the case was closed.
June 6, 2020	A representative of the affected community members contacted the Bank team by phone, claiming they had signed (on May 21) the letter withdrawing the complaint under duress.
June 26, 2020	The Bank requested UNRA to alert all relevant government authorities of the possible risk of retaliation against the local community members, and to advise them that any form of retaliation could jeopardize the future of the Project. UNRA also published in local newspapers a statement to that effect and provided evidence of that to the Bank.
August 12, 2020	UNRA reported to the Bank that Mota-Engil had initiated demobilization on June 6, 2020 and completed the process on June 18, 2020. The report indicated that the two access roads previously used by the Contractor would be repaired as soon as the weather permitted it.
October 25, 2020	The Bank team conducted a field visit to Merok. During the visit, the team observed that one access road was partially repaired, while the second was completed with some spots that needed further interventions to address drainage issues.
November 11, 2020	UNRA reported to the Bank that all road repairs had been completed by the Contractor.

Annex 4. Status of NERAMP Safeguard Instruments

Lot	Site	Instrument	Status
Lot 1	Tororo-Mbale-Soroti Section	ESMF	Approved by the Bank; disclosed on **February 2, 2014**
		RPF	Approved by the Bank; disclosed on **February 7, 2014**
		ESIA/RAP	**Pending**
	Atatur Asphalt Plant	ESIA	Prepared retroactively and approved by Bank on **April 7 2020**
	Mbale Campsite	Project Brief	Prepared retroactively; Bank recommendation that the site be used only for Project offices, and not for the construction camp; recommendation provided on **May 5, 2020**
	Gravel Borrow Pit Km 73+300	Project Brief	Comments provided to UNRA on **October 27, 2020** Updated version pending
Lot 2	Soroti-Lira-Kamdini Section	ESMF	Approved by the Bank; disclosed on **February 2, 2014**
		RPF	Approved by the Bank; disclosed on **February 7, 2014**
		ESIA/RAP	**Pending**
	Bororo Campsite	Project Brief	Prepared retroactively and approved by Bank **April 16, 2020**
	Borrow Pit Km 132+160	Project Brief	Cleared and approved by Bank **October 14, 2020**
	Merok Quarry	ESIA	Draft prepared retroactively and submitted to the Bank **August 20, 2019**; comments provided but updated version never submitted to the Bank
		RAP	RAP methodology submitted to Bank **March 6, 2020** but RAP never submitted
	Boroboro Asphalt Plant	ESIA	Prepared retroactively and approved by Bank **April 16, 2020**
	Emergency Works	ESMP	Conditionally cleared by the Bank on **October 26, 2020;** information requested by the Bank still pending

Map 1. IBRD No. 45408