

November 9, 2020  
**IPN REQUEST 20/03**

## **Request for Inspection**

### **Uganda: North Eastern Road-corridor Asset Management Project (P125590)**

## **NOTICE OF REGISTRATION**

### **Summary**

1. On October 1, 2020, the Inspection Panel (the “Panel”) received a Request for Inspection (the “Request”) from 10 individuals (the “Requesters”)<sup>1</sup> related to the Bank-financed Uganda: North Eastern Road-corridor Asset Management Project (NERAMP) (the “Project”). The Requesters have asked the Panel to keep their identities confidential.
2. The Requesters raise two sets of concerns. The first relates to the valuation of Oruja Rock, which the Project at some point was acquiring to be used as a quarry to extract stones for the road works. The second relates to the involuntary resettlement process, which had been initiated leading to some of the community’s crops, trees and houses being removed without prior notice or adequate compensation for the losses.
3. The Requesters claim that the Project planned to use the Oruja Rock, 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. The Requesters claim that they are part of a clan that owns the rock and has used it, and the surrounding land, “*since time immemorial for agriculture, artisanal mining, drying cassava, cultural practice, etc.*” The Requesters raise concerns related to insufficient compensation for their land, loss of livelihood, destruction of their crops, properties and houses and non-disclosure of Project information. The Requesters attribute the harm to actions undertaken by a contractor to the Project. They allege they are suffering harm due to non-compliance with the Bank’s Operational Policy on Involuntary Resettlement (OP/BP 4.12). In addition, they allege that the clearing of land without an Environment and Social Impact Assessment (ESIA) is in violation of the Bank’s Policy on Environmental Assessment (OP/BP 4.01).
4. The Requesters also raise concerns about intimidation and reprisals. They allege that eight families of their community were coerced into signing unfair lease agreements with the contractor

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<sup>1</sup> The Notice of Receipt inadvertently refers to the number of Requesters as nine.

for use of the Oruja Rock and were pressed to withdraw all grievances related to the rock as well as to land and livelihood issues.

5. The Panel acknowledged receipt of the Request on its website on October 16, 2020,<sup>2</sup> and informed the Requesters. The Panel met with the Bank Management, on October 29, 2020, to better understand the issues raised. After an initial due diligence, the Panel confirmed that the Request meets the Panel's admissibility criteria. I am herein notifying you that I have, on November 9, 2020, registered this Request.

## **The Project**

6. The Uganda North Eastern Road-corridor Asset Management Project (P125590) was approved by the Board of Executive Directors on April 30, 2014. The Republic of Uganda is the Borrower for the Project. 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 for the Project is October 31, 2024. It is a Category B Project and triggered the following safeguard policies: 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). The Project was 13.5 percent disbursed at the time of receipt of the Request.

7. 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."*<sup>3</sup>

8. According to the Project Appraisal Document, the Project road comprises a paved road that stretches from Tororo up to Kamdini located in the eastern and northeastern parts of Uganda, respectively. There are two road corridors from Kamdini: (i) one to the Democratic Republic of Congo (DRC) through Goli and Vurra and onward to South Sudan through Oraba in northwestern Uganda; and (ii) another to South Sudan through Nimule in northern Uganda. Thus, the Project road is feeding traffic from the Mombasa port to South Sudan, DRC 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.

9. 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). The Request relates to Component 1 of the Project which includes the financing of the

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<sup>2</sup> See, <https://www.inspectionpanel.org/panel-cases/north-eastern-road-corridor-asset-management-project-neramp-p125590>.

<sup>3</sup> 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 (the "PAD"), p. 6 para. 20.

Available at:

<http://documents1.worldbank.org/curated/en/884581468111842058/pdf/PAD7070P125590010Box385177B00OUO090.pdf>.

long term Output and Performance-based Road Contracts (OPRC) for the Tororo-Kamdini Road (340 kilometers) linking South Sudan, parts of the DRC, and northern and eastern Uganda to the port of Mombasa. The OPRC contract 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.<sup>4</sup> Component 1 will also finance consultancy services for the Project Management Unit that will be responsible for administering and supervising the OPRC contracts.

## The Request

10. The Requesters allege that they have been unfairly treated by the Project, which offered them insufficient compensation for their properties. They claim loss of livelihood by destruction of their crops, properties and houses without prior notice. The Requesters claim that they were not provided Project information in a timely manner. They allege intimidation and reprisals during their engagement with the Project authorities. The Requesters allege that eight families of their community were coerced into signing unfair lease agreements with the contractor under threat and were later forced to withdraw all grievances related to Oruja Rock, as well as to land and livelihood issues.

11. **Involuntary Resettlement and Compensation Issues.** The Requesters allege they are suffering harm due to the Project's non-compliance with the Bank's Operational Policy on Involuntary Resettlement (OP/BP 4.12). According to the Requesters, the Project planned to extract 700,000 tons of stones and aggregates from Oruja Rock. The Requesters state that in September 2018, a Project contractor informed them that the Government of Uganda was expropriating the rock and the land around it to create a 30-meter buffer zone. In exchange, they would receive "*some courtesy compensation for the rock and money for the land.*" The Requesters showed their initial willingness to allow exploitation of the rock for the Project. However, they allege they were not presented with a valuation of the rock and that the offered compensation "*grossly*" undervalued it.

12. The Requesters allege that in April 2019, without any prior notice, bulldozers showed up on their land and started to clear the land, including trees and crops, and demolished their houses. According to the Requesters, following this UNRA consulted with them and committed to a fair settlement and full replacement costs for all affected assets, including graves, the rock and other items by July 2019. The UNRA team registered 17 grievances related to the demolitions. UNRA informed the community that no further work would be conducted until an ESIA and a Resettlement Action Plan are 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.

13. **Environmental Assessment Issues.** 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).

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<sup>4</sup> PAD, p. 7 para. 23.

14. **Intimidation and Reprisal Concerns.** The Requesters claim they were threatened into signing 10-year lease agreements with the contractor to access the rock or face being “*kicked out of [their] land without anything.*” Following these threats “*and other forms of intimidation,*” in January 2019 the eight families signed what they believe are “*unfair*” 10-year lease agreements and were later forced to withdraw their grievances lodged with the UNRA team. The Requesters claim that in late May 2020, they were asked to withdraw all grievances and refuse the additional compensation. The Requesters claim to have been threatened with severe consequences if they did not comply.

15. The Requesters ask for compensation at full replacement cost for the damage they have experienced and the termination of all lease agreements, so that they are able to use their land and the rock at their will.

### **Initial Due Diligence**

16. After receipt of the Request, the Panel conducted its initial due diligence and verified that the Request meets the admissibility criteria for registration. The Request is not frivolous, absurd or anonymous. The Request is submitted by 10 community members from the Project area in Uganda. The Request includes information about several interactions with Bank Management and the Bank’s response, demonstrating that the Requesters’ concerns had been brought to the Bank’s attention prior to the submission of the Request. The Panel verified that the subject matter of the Request does not concern issues of procurement and, at the time of receipt of the Request, the Project was 13.5 percent disbursed. The Panel has no previous recommendation on the issues raised in this Request.

17. As part of its review and due diligence, the Panel spoke with the Requesters on October 13 and 20, 2020, and sought clarifications about the concerns raised in the Request. The Panel informed the Requesters about the Panel’s mandate and its processes. In addition, on October 28, 2020, the Panel met with Bank Management. Management updated the Panel about the Project’s status and acknowledged its awareness of the concerns raised in the Request. Management informed the Panel that the rock will no longer be used as a quarry for the Project and the contractor has been asked to cease all work in the area of the rock. Management stated that it is conducting an independent audit of the environmental and social issues raised in the Request that is expected to be completed in January 2021.

### **Registration of the Request**

18. As provided in paragraph 18 of the IDA Resolution (“the Resolution”) that established the Panel, “*the Chairperson of the Panel shall inform the Executive Directors and the President of the Bank promptly upon receiving a request for inspection.*”<sup>5</sup> With this notice, I am notifying you that I have, on November 9, 2020, registered the above-mentioned Request.

19. The Panel’s registration implies no judgment whatsoever concerning the merits of a Request for Inspection. As provided in paragraph 19 of the Resolution, Bank Management must

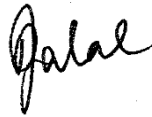
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<sup>5</sup> Resolution Establishing the Panel (September 8, 2020), Resolution No. IDA 2020-0003.

provide the Panel within 21 business days (by December 11, 2020) a response to the issues raised in the Request for Inspection. The subject matter that Management must deal with in the response to the Request is set out in paragraphs 20 and 21 of the Resolution.

20. After receiving the Management Response, the Panel will, as outlined in paragraph 22 of the Resolution, “*determine whether the Request meets the eligibility criteria*” set out in paragraphs 13 to 15 of the Resolution and “*make a recommendation to the Executive Directors as to whether the matter should be investigated.*”<sup>6</sup> This Request has been assigned IPN Request Number 20/03.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jalal', with a stylized flourish at the end.

Imrana Jalal  
Chair

Attachments

Mr. David Malpass, President  
International Development Association

The Executive Directors and Alternates  
International Development Association

Requesters (Confidential)

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<sup>6</sup> Resolution Establishing the Panel (September 8, 2020), Resolution No. IDA 2020-0003.