

## NEWS RELEASE

### World Bank Board Approves Action Plan Following Inspection Panel Investigation of the Uganda North Eastern Road-Corridor Asset Management Project (NERAMP)

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**WASHINGTON, September 30, 2022** – The World Bank’s Board of Executive Directors considered on **September 30, 2022**, a Management Report and Recommendation and approved a Management Action Plan, which respond to an independent Inspection Panel investigation of the Project. The Panel’s investigation followed a Request for Inspection filed on October 1, 2020, by ten community members representing eight families from the Project area in Uganda.

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, which stretches from *Tororo* up to *Kamdini*, located in the eastern and northeastern part of Uganda, respectively.

The Project’s implementing agency, the Uganda National Roads Authority (UNRA), hired a contractor who cleared and leveled the land around a potential quarry site, adversely affecting 16 community members and their properties. The contractor did not follow the applicable processes and policies, which would have required it to assess the site, consult the affected communities and fully compensate them first. The contractor also did not apply the environmental and social framework documents provided by the Project. In response to these breaches and the implementing agency’s failure to swiftly escalate the matter, the Bank had suspended the Project works for almost two years, subject to the implementation of satisfactory remedial measures by the contractor.

The Panel’s investigation focused on the harm alleged by the community members and systemic issues – such as contract management, effective monitoring systems, and inherent weakness associated with generic environmental and social framework documents.

Management has agreed with the Borrower and consulted with the affected community on an Action Plan, which the Board approved. The Action Plan details how the Bank will work together with UNRA to address the Panel’s findings. The Government of Uganda has confirmed its commitment to implement the Action Plan as part of continued Project implementation. The World Bank will support and supervise the implementation of the Action Plan.

*“The World Bank takes accountability very seriously,” said **World Bank Group, President David Malpass**. “We greatly appreciate the work of the Inspection Panel and learn lessons from each investigation.”*

*“The Panel hopes that its findings on systemic issues will contribute to institutional learning. Although the number of affected persons in this case is not large, from the PAPs’ perspective the harm caused by the Project had a fundamental impact on their quality of life,” said **Inspection Panel Chair Ramanie Kunanayagam**.*

The Board recognized the importance of the Project to Uganda and stressed the need to learn from the implementation challenges that have led to the Panel investigation. Executive Directors specifically welcomed the action taken by Bank Management and the Borrower to address issues of concern before the Board meeting.

*“We have put together a comprehensive response and an action plan showing our commitment*

*towards the people of Uganda, including the community affected by this Project. We will continue to work closely with the Government, to strengthen capacity on-the-ground to address urgent transport needs, in an environmentally and socially sustainable way,” said **Victoria Kwakwa, World Bank Vice President for Africa Eastern and Southern Region.** “This builds on our ongoing support for Uganda’s development, in which the transport sector plays an important role.”*

Management will report to the Board on the progress in implementing the Action Plan within six months.

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For a full copy of the Inspection Panel Report and Management Report and Recommendation, please visit: <https://www.inspectionpanel.org>

For more information on the World Bank’s work in Uganda, visit <https://www.worldbank.org/en/country/uganda>

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