

Great Lakes Trade Facilitation (GLTF) Project for Uganda

Environmental and Social Management Framework for Border Post/Market Projects

The Ministry of Trade Industry and Cooperatives (MTIC) in collaboration with other Government agencies intends to implement a Great Lakes Trade Facilitation (GLTF) project focusing on improving regional infrastructure and in particular remove both at and behind the border constraints to regional trade. The project will support efforts for reducing nontariff barriers to intraregional trade, by improving regional environments for business and by supporting regional measures to improve governance. In addition the project is designed to address underlying sources of conflict as well as poverty and under-development at the Ugandan border with Democratic Republic of Congo (DRC), as well as contributing to the attainment of key regional commitments on Peace and Security. Cross-border trade will be used as a tool for stimulating and facilitating agricultural trade and increasing resilience and social cohesion

Project Description

The Project Development Objective (PDO) of GLTFP is to facilitate cross-border trade by increasing the capacity for commerce and reducing the costs faced by traders, especially small-scale and women traders, at targeted locations in the borderlands.

The GLTFP consists of 4 Components: (1) Improving core trade infrastructure and facilities in the border areas, (2) Implementation of Policy and Procedural Reforms and Capacity Building to Facilitate Cross Border Trade in Goods and Services (3) Performance Based Management in Cross Border Administration and (4) Implementation support, Communication, Monitoring and Evaluation. Of the total of US\$ 79 million of the World Bank, the allocation to the Government of Uganda will be US\$ 10 million. The counterpart funding from the Government of Uganda is US \$3 million.

The Government of Uganda will implement the project with funding from World Bank and

targeting three border crossing points to the Democratic Republic of Congo-namely, Bunagana, Mpondwe and Goli. Interventions under the project will include improving core infrastructure and facilities at the border posts, undertaking procedural reforms to facilitating cross border trade, promoting performance based border management in cross border trade administration and ensuring effective communication, monitoring and evaluation. Of these, the major allocation will be in Mpondwe, whereas investments / sub-projects in Goli and Bunagana will be minor.

The Border post/ market infrastructure is the largest component of the Project and is planned to cost about 70% of the total budget. The component seeks to improve existing customs offices, border crossing roads and road junctions, drainage systems including sanitation facilities and green spaces through landscaping. Improvements to core infrastructure and facilities will be implemented under two subcomponents, one on improving border infrastructure and facilities and the second on establishing Border Markets. In the first phase the border market aspects will be limited to analytics undertaking feasibility and impact studies, assessing product value chains and establishing mechanisms for enhancing the system, development of Master Plans and implementation of the enterprise development and value addition component of the program. Construction of the physical border markets will be covered in the second phase.

The project shall be managed through a Steering Committee comprised of representatives from various Ministries, Internal Affairs, MTIC, MFPED, MAAIF and MOWT. The Ministry of Trade, Industry and Cooperatives (MTIC) will be responsible for the overall coordination of the project and will chair the Steering Committee. The policy mandates and composition of the Steering Committee is illustrated in the table 2.

A technical Working Group (TWC) will provide oversight, guidance and advisory functions to the Project implementation Units. The TWC will develop TORS, review reports and provide guidelines and way forward on the outputs and reports developed under the GLTF Project. The composition of the TWC is indicated in table 3.

Project Management Units, the main one in the MTIC and the other in the MOWT ministry of works and transport shall be responsible for executing and managing day-to-day operations of the activities under their respective components.

Project environmental category

In accordance with the Bank's safeguard policies and procedures, including OP/BP/GP 4.01 Environmental Assessment, the project category is B. As during appraisal it is not possible to identify which sub-project or grant will be financed, it is necessary to prepare an Environmental & Social Management Framework (ESMF), which would specify all rules and procedures for the sub-projects EA.

About Environmental and Social Management Framework (ESMF)

The Environmental and Social Management Framework (ESMF) is intended for the border posts/ market component of the GLTF project. It describes the proposed GLTF components, identifies likely social and environmental impacts and proposes management measures to control socio-environmental effects during project implementation. More to this, the ESMF provides management measures as guidelines for carrying out environmental screening and assessments including initial examinations, Environmental Impact Assessment (EIA), and preparation of the Environmental Management Plan (EMP) to mitigate project induced negative environmental impact and to enhance positive environmental and social impacts.

Potential socio-environmental impacts likely to arise from project implementation have been predicted and mitigation actions proposed. The ESMF provides information on the expected encumbrances on the sites to be developed, procedures to be followed in acquiring land for the site, institutions that will be responsible for mitigating social and environmental impacts including their capacity gaps, mechanism for addressing grievances emanating from implementation of the project and mechanism for managing and monitoring acquisition of the land and relocations that may take place.

The ESMF indicates also the relevant policies and laws governing land acquisition, compensations where it is required in the process of developing the site and the institutions to coordinate the process. In preparing the document, relevant environment and social safeguard practices and compliance of the World Bank were reviewed.

The ESMF specifies no Category A investments / sub-projects will be supported under the project. Under institutional arrangements, the project will also support training and capacity building of investments / sub-project beneficiaries and their consultants / contractors. Lastly, the ESMF specifies the rules and procedures for the EA documents' disclosure, grievance management and public consultation.

Potential Socio-Environmental Impacts of the Border Post/Market infrastructure Component of the GLTF Project

Potential impacts (beneficial and negative) of proposed GLTF project are broadly discussed in section 7 and show that actual impacts and their significance may be site-specific and dependent on type of infrastructure under development.

A summary of positive social impacts of GLTF projects are provided in table below.

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Pr	o	ject component
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Benefit/ impact

1 a

Improvement of border post infrastructure at Bunagana, Mpondwe and Goli

Enhanced cross border trade traffic flow and security, movement towards coordinated one stop border

1 b

Establishment of Border Markets

Enhanced exports due to increased border market infrastructure, increased incomes and employment

2.

Policy Reforms to Facilitate Cross Border Trade

Improved border crossing regulatory framework, movement towards coordinated one stop border post

3

Capacity Building to Facilitate Cross Border Trade

Enhanced institutional capacity, approved approach to cross border trade management, and enhanced

Table below outlines a summary of negative environmental impacts proposed GLTF border infrastructure development from construction to post- construction phase.

1. 1.

Impact on wetlands due to improper management of cut to spoil resulting into loss of wetland cover:

1. 2.

Impact on human health resulting from contaminations du

1. **3.**

Impacts related to sourcing of materials including the stain

1. **4.**

Impact on local watercourses and hydrology including **s**

1. **5.**

Noise and vibrations during construction that may affect sit

1. **6.**

Impact on local air quality during road use

1. **7.**

Resultant climate change impacts in form of increased extreme heat, induced luxuriant vegetation gro

1.

Impact on cultural heritage sites in and around the site

1. 9.

Visual blight and contamination due to improper decommissioning

10.

Gender and disability related impacts including compromised privacy of women on foot bridges,

too high foot bridges for women and the elderly.

11.

Economic impacts in form of

12.

Aesthetic impacts in form of temporally impairment of visual amenity of the sites where projects are und

Implementation arrangements for the project and ESMF

The lead agency responsible for the implementation is the Ministry of Trade, Industry & Cooperatives (MTIC). For the investments / sub-projects to be implemented under Component 1.1, the Ministry of Works & Transport (MoWT) will be responsible in entirety. For the initiatives on all other components, they shall be implemented by MTIC, the lead institution, supported by the following agencies - Immigration, Uganda Revenue Authority, Agriculture and Uganda Bureau of Statistics will be involved. For the ESMF implementation, the PMU within the MTIC will be responsible for the day-to-day management. The PMU will include a Safeguards-In-charge, who will coordinate all the safeguards functions, across the entire project. In the MoWT, a project team will be responsible for the day-to-day management. An engineer will be assigned as the safeguards-in-charge to coordinate both the MTIC and with the contractors and consultants associated with the investments / sub-projects. Direct environmental and social impacts are only envisaged in Component 1, and hence safeguards capacity has been planned. For the remaining components, there are no direct environmental and social impacts and no specific capacity additions are required. Representatives of Ministries, consultants and contractors will be trained on this ESMF, World Bank Policies, NEMA requirements, ESIA and ESMP.

Budget Estimates for the GLTF Project

GLTF Project is estimated to cost US \$ 13 million, and will be implemented over a period of 5 years from 2015 to 2020. The project will also provide funds for institutional development by building the capacity for lead agencies to enable effectively implement, manage and monitor the project.

A specific budget estimate for compensations and implementation of other environmental mitigations that will be involved has not been made because the size and area scope of operation on some sites are not yet known.

Public Consultation and Disclosure

Preparation of the ESMF followed undertaking field visits and consultations with key stakeholders both public and private sectors players including, border agencies, Local Government Authorities, cross border traders, local communities and the main implementing agencies such as NEMA, MOWT, UNRA, MFPED and MTIC, among others. Consultations provided understanding and enabled identification of environmental concerns. These consultations include both field-level consultations and with the agencies at the national level.

During the EIA review, the public will be given additional opportunity for ensuring that their views and concerns have been adequately addressed in the EIA. Any earlier omissions or oversight about the project effects will be raised at this stage. The ESMF together with the RPF will be disclosed for a minimum period of 60 days (until 13 June) to allow for the public to raise any other concerns before the project approval process can proceed.

[Read More: GLTF-Environmental and Social Management Framework for Border Post/Market Projects](#)

1.0 Resettlement Policy Framework

As part of funding arrangements for the GLTF component activities, several of the World Bank's safeguards policies are triggered including Environmental Assessment (OP 4.01), Pest

Management (OP 4.09), Cultural Resources (OP 4.11), and Involuntary Resettlement (OP 4.12). Under the OP 4.01 and OP 4.12, safeguard provisions are required in the form of an Environmental and Social Management Framework and a Resettlement Policy Framework. The RPF has been developed because by nature interventions under component one of the project may lead to a degree of land take or restriction of access to sources of livelihood and resources.

ence, the RPF will be used to screen all interventions for their potential land acquisition impacts and streamline all the necessary procedures to follow in mitigating and minimizing involuntary resettlement associated with the proposed investments. During implementation of project activities, when required, appropriate resettlement action plans (RAPs) will be developed to address specific impacts, proposed mitigation measures, and compensation issues.

Public consultations on the RPF

Consultations were held with stakeholders in February 2015 providing an overall description of the Project, the purpose of the ESMF and RPF, potential outcomes of the frameworks and to obtain feedback on ways to improve implementation of the frameworks. The key stakeholders institutions consulted include the Ministry of Trade Industry and Cooperatives, Ministry of Finance Planning and Economic Development, Ministry of Works and Transport, Ministry of Lands Housing and Urban Development, Uganda Revenue Authority, Uganda National Roads Authority, Ministry of Internal Affairs-Directorate of Citizenship and Immigration Control , Police/Security , District Local Governments, Ministry of Agriculture Animal Industry and Fisheries, National Environment Management Authority, Uganda National Chamber of Commerce and Industry, Uganda National Cross Border Traders Association and other related agencies, local authorities and communities within the project area. More broadly, the stakeholders include the cross border traders who are the direct beneficiaries of the project.

In order to ensure that key interests of the public at various levels of governance are addressed and incorporated into the design and implementation of the ESMF safeguard tools, stakeholder consultations were carried out as part of the ESMF process. Consultations for proposed investments under the GLTF were undertaken by Ministry of Trade Industry and Cooperatives.

The Ministry through the District Commercial Officers of the respective districts, consulted cross border traders and the border communities who indicated no objection to the proposed project. The communities appreciated the project indicating that it will, in the short run, provide opportunities for jobs. For cross border traders, they welcomed the project indicating that it will improve their business by reducing costs and time they spend at the border.

Potential Land Acquisition and Affected Persons

Physical interventions will be undertaken under component one of the project and they include improvements of border post core infrastructure and development of the border market. Construction of border infrastructure and facilities includes upgrading customs related offices and residences for the staff, establishing Warehouses & storage facilities for customs purposes, upgrading the parking space, drainage improvements, provision of basic facilities such as safe water and electricity. In the first phase of the project, the sub component on border markets will focus on undertaking feasibility and impact studies, assessing product value chains and establishing mechanisms for enhancing the system, development of Master Plans and implementation of the enterprise development and value addition component of the program. Construction of the physical border markets will be covered in the second phase

Based on the consultations held, development of the sites will not result in major resettlement since the land is owned by either the central Government or Local Government. However Mpondwe and Goli have sections of the land that is in the hands of the private sector which may be affected by the developments under the project. In addition, there are a number of people including shop and market vendors who may be affected by the project even when they are operating businesses on Government land. In the event that issues of land acquisition or displacement arise, the RPF includes provisions to address these and to compensate affected persons accordingly.

Legislative framework

The Constitution of the Republic of Uganda (1995) and the Land Act Cap 227 (1998) require that compensation be paid if a development project will damage structures or other property, or acquire private land. The same requirement is provided by the World Bank's OP 4.12 which stipulates that displaced persons be compensated at full replacement cost and assisted during the relocation. Pertinent laws relating to land administration, ownership and expropriation in Uganda include:

- Constitution of the Republic of Uganda, 1995
- Land Act, Cap 227, 1998
- Land regulations 2004
- Land [Amendment] Act, 2010
- Acquisition Act, 1965

In addition, under Section 27 of the Land Act, provisions are in place to protect the rights of women, children and vulnerable individuals regarding customary land.

Land Asset Classification, Valuation and Compensation

Valuation and compensation for permanent structures and land are undertaken in accordance with market values ascertained by the chief government valuer. In the case of crops and non-permanent structures the rates are set at district level. The rates, which are enacted by District Land Boards, are established and updated at District level.

Under the 1998 Land Act, the District Land Tribunal shall, in assessing compensation referred to in paragraph (b) of subsection (1) of section 77 take into account the following:-

- a) In the case of a customary owner, the value of land shall be the Market Value of the unimproved land;
- b) The value of the buildings, which shall be taken at market value in urban areas and depreciated replacement cost in rural areas;
- c) The value of standing crops on the land, excluding annual crops which could be harvested during the period of notice given to the owner, tenant or licensee.

In addition to compensation assessed under this section, there shall be paid as a Disturbance

Allowance of fifteen per cent or if less than six months' notice to give vacant possession is given, and thirty percent of any sum assessed under subsection (1) of this section.

Preparation and implementation of RAPs

The steps to be undertaken for each individual RAP include a screening process, a socio-economic census and land asset inventory of the area and identification of Project Affected Parties. This will be followed by the development of a RAP, RAP review and approval, implementation of the RAP and monitoring of RAP implementation and success. These steps will be spearheaded by a resettlement and compensation committee comprising of officials selected from the Ministry of Trade Industry and Cooperatives, UNRA, MOLHUD, and the District Local Government.

The Resettlement and compensation committee will work closely with the district compensation and implementation committee. Throughout this process, consultation and public disclosure will take place with PAPs, ensuring that the affected persons are informed.

Following approval of the project RAP, the process of implementation must take place. This will involve:

- consultation (a continuation of the process entered into during the site selection, screening and RAP development process);
 - notification to affected parties;
 - documentation of assets;
 - valuation and agreement on compensation; and
 - preparation of contracts, compensation payments and provision of assistance in resettlement.
- Monitoring of RAP implementation

Grievance redress mechanisms

The Grievance Redress Mechanism (GRM)/Resettlement and Compensation Committee will be simple and will be administered as close as possible to the project affected people, and in close

consultation with existing systems and structures at the community, sub-county and District levels by the Compensation Committee to facilitate access by PAPs. Uganda Courts of Law will be a last resort.

RAP consultation and disclosure

If any grievances arise during implementation of GLTF project they should be addressed through a systematic and documentable grievance mechanism implemented by the Grievance Committee and involving local leaders, District Local Government Administration and Government agencies involved in the project.

Key objectives of the grievance process are supposed to be:

- a) Provide affected people with avenues for making a complaint or resolving any dispute that may arise during project implementation;
- b) Ensure that appropriate and acceptable corrective actions are identified and implemented to address complaints;
- c) Verify that complainants are satisfied with outcomes of corrective actions;
- d) Avoid the need to resort to judicial (legal court) proceedings, unless all non-judicial avenues fail.

Grievance management will aim to provide a two-way channel for the project to receive and respond to grievances from project affected persons (PAPs), stakeholders or other interested parties. Grievances will be managed by a seven-member committee of composition indicated in table 10 above

Grievances will be resolved through a process that follows a stepwise approach. An aggrieved person will lodge a complaint to the officials of the district local Government. At the district level a redress shall be determined after the case has been discussed by all relevant parties and a solution determined. A Grievance Committee shall handle cases that are not addressed at the district level and parties not satisfied by the decision of the Committee will reserve their right to pursue the case in the courts of law.

Monitoring and evaluation

The arrangements for monitoring the resettlement and compensation activities will fit the overall monitoring programme of the GLTF, which will fall under the overall responsibility of the different executing agencies at the various levels. Periodic evaluations will be made in order to determine whether the PAPs have been paid in full and before implementation of the project activities; and whether the PAPs enjoy the same or higher standard of living than before. A number of objectively verifiable indicators shall be used to monitor the impacts of the compensation and resettlement activities. These indicators will be targeted at quantitatively measuring the physical and socio-economic status of the PAPs, to determine and guide improvement in their social wellbeing. Therefore, monitoring indicators to be used for the RAP will have to be developed to respond to specific site conditions. In addition, an independent audit will take place at the completion of the RAP.

Estimated budget

There are no budget estimates yet because the scope and number of people to be affected in case there are any land acquisitions or even displacement are not known at the moment. However, financial provision will be made as a contingency for cases where land acquisition may occur and RAPs have to be prepared and implemented. For the GLTF, the government's contribution to the Project will be used to fund the RAP(s) if required.

Read More: [Great Lakes Trade Facilitation \(GLTF\) project Resettlement Policy Framework](#)