GOVERNMENT OF UGANDA

LOCAL GOVERNMENT DEVELOPMENT PROGRAM

LGDP II

RESETTLEMENT POLICY FRAMEWORK

FINAL

James Orehmie Monday

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A. INTRODUCTION

1. Uganda is a country endowed with rich and enviable bio-diversity. A landlocked country of approximately 24m people, Uganda has a substantial and wide variety of natural resources, including fertile soils, regular rainfall, significantly many rivers (e.g. Victoria Nile and Albert Nile) and lakes (e.g. Lake Victoria, Lake Albert, Lake Kyoga), diverse flora and fauna, and sizable mineral deposits (copper, cobalt, gold) all on about 236,040 km² in total area. Significantly, 15% of this area is water.

2. Since the late 1980’s, Uganda has rebounded from the abyss of civil war, economic malaise and a scorching aids crisis, to become a model of relative peace, stability, successful HIV infection control and even considerable and remarkable prosperity.

3. This inheritance poses major socio-economic and environmental challenges for the people and Government of Uganda (GOU) in their on-going development efforts, as they seek to manage these resources and successes using sustainable approaches and methods.

4. Pursuant to this goal of sustainable development, the GOU is unquestionably committed to a strategy that would stimulate significant economic growth, enable employment creation and achieve considerable poverty reduction, in partnership with the private sector, through the decentralization of the planning, delivery and management of basic public services, inter alia.

5. The GOU’s commitment to decentralization is entrenched in various legislative documents, most significantly, the Constitution 1995, and the Local Government Act 1997 and in Uganda’s Poverty Reduction Strategy Paper (PRSP). Among noteworthy achievements to this commitment is the realization of the complete successful decentralization of the recurrent budget and the near completion of the same with the development budget.

6. In 1999 the government assisted by the World Bank undertook the Local Government Development Program (I) in furtherance of the decentralization of the development budget based on the following key principles:

   a) as a pilot to test the mechanism for the devolution of development grants and capacity building grants to Local Government’s (LG’s)

   b) central government agencies playing a regulatory, facilitation, mentoring and monitoring role.

   c) decisions related to investments in infrastructure services, that are the responsibility of the LG’s, being made by the local councils and benefiting communities.

   d) delivery of these services to be provided by the private sector where this can be done much more effectively and efficiently than by the LG’s.
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e) selection, planning, implementation and management of infrastructure investments based on an inclusive and participatory decision making and a demand, and performance driven process.

f) Disbursement of funds for local service investment to be handled by district, sub-county, municipal and division councils, the corporate bodies in the local government system.

7. Based on the Mid Term Review (MTR) of the LGDP I conducted in February 2002, the GOU officially requested that the Bank begin the preparation of the LGDP II in order to consolidate the achievements under the LGDP I.

PROJECT DESCRIPTION

8. The overall development objective of the proposed LGDP II is to improve Local Government institution performance for sustainable, decentralized service delivery and is structured to achieve its objectives within five major investments components of the project, which are,

a) **Component 1: Support for the Decentralization Process**, will consist of activities to support the improvement of the Local Governments (LG’s) to plan and implement projects which will be funded by the Local Government Development Grant (Component 2), support of annual workshop through which progress towards decentralization in Uganda will be assessed, and establishment of an analytical and design basis for the development of a decentralization budget support instrument. It would also provide support to the national assessment system, operationalization of the planning guidelines and information systems.

b) **Component 2: Local Development Grants**. This component comprises a non-sectoral conditional grant (termed the Local Development Grant, LDG), distributed on a formula basis between all local authorities in Uganda for investment in local infrastructure in accordance with local needs as these are determined through local planning and budget processes. Although all local authorities will be eligible to receive LDG funding, actual access to the grant will be determined by capacity, accountability, and performance conditionality which are designed to provide incentives for improvements in sustainable service delivery at the local level. All tiers of local governments are eligible for accessing these resources, however, access to these funds will be limited to only those LGs which have met a set of minimum institutional, financial and operational requirements. The level of funding transferred to the LG’s will increase gradually during the life of the program along with a gradual swapping of sector grants and bilateral district support programs into LGDP modality.

c) **Component 3: Capacity Building**. This component will enhance the capacity of LG’s to fulfill their mandates and to develop and test a system for sustained capacity building and training of LGs to meet the capacity building needs of individuals as well as organizations. An assessment of
the capacity building and training activities within LGDP I, has revealed a need for increased quality as well as a need for a more coordinated effort. Thus, though much capacity building takes place at LG level (funded by a number of sources and agencies), it is to a large extent uncoordinated, often with overlapping responsibilities. This component is structured into three sub-components

(i) National LG capacity building strategy – provides an institutional framework for co-ordination and quality control (including setting of standards, selection of providers, etc.) for the utilization of the CB-grant by LG’s on a demand-driven basis. This will also include support to MoLG for a comprehensive review of the numerous existing training materials developed by NGO’s and various programs in order to establish a preliminary approved list of training materials and providers. This initiative will be conducted in close cooperation with the ongoing donor plans to support this area.

(ii) Strengthening of the HRD function in LGs -- provides assistance to LG’s, especially management and the HRD-department, for the development of capacity needs assessment and capacity-building plans as part of the HRD function. This initiative will be conducted in close cooperation with ongoing donor plans for support in this area.

(iii) The Capacity Building Grant (CBF) -- provides, on the basis of an allocation formula and indicative planning figures for LLG’s, the following:

(a) career and skills development for staff of LGs and LLGs, provided that certified institutes or other agencies deliver the MoLG-vetted curricular,

(b) Skills development on the basis of MoLG (for staff) and ULAA (for councilors) vetted curricula and/or training modules delivered in the district by certified providers against a pre-set cost for (b1) district staff, (b2) sub-county staff, (b3) councilors, (b4)LG statutory bodies, (b5) private service providers (approved firms, NGOs, and CBOs); and

(c) Skills development for sub-county staff and LC III councilors by district trainers on the basis of pre-set training modules (mentoring guides prepared under LGDP I).

d) Component 4: Local Government Revenue Enhancement a review of the development of the local government revenues has confirmed the findings from the MTR that this is an area of serious concern for all local governments. The specific activities to be funded under this component will finalized when the consultants complete their assignments.
e) **Support to Project Implementation**, this component will contain support to project management, monitoring and evaluation as well as some key central support activities such as the national assessment system, operating of planning guidelines, LG MIS and review and control of transfers system under LGDPII.

9. Specifically, under component 2, communities will request financing for their sub-projects through grant funds made to their Local Governments. It is envisaged that some of these sub-projects will involve the construction of water supply and sanitation facilities, storm drainage facilities (e.g. culverts, earth drains), school buildings, health centers, road infrastructure networks, solid waste management, agricultural extension activities (fish ponds, cattle crashes etc.), agribusiness small industries, extension of rural electricity networks to communities, etc. Sites for these initiatives will avoid or at least minimize as far as possible the impacts on people, land, and property, including people’s access to natural and other economic resources.

10. Notwithstanding, based on experiences under LGDP I and the nature of the sub-projects envisaged under LGDP II, it is inevitable that only a very small number of subproject activities will lead to either land acquisition and/or denial of, restriction to or loss of access to economic assets and resources and therefore, ultimately to the land acquisition and compensation --and, possibly, resettlement-- of people. When this occurs, relevant provisions in the laws of Uganda, such as the Land Act 1998, and the World Bank Operational Policy, OP 4.12 on Involuntary Resettlement will be triggered.

11. The GOU is not required to prepare a Resettlement and Compensation Plan at this stage since the sub-projects and areas affected have not yet been identified. However, the GOU is required to prepare a Resettlement Policy Framework (RPF), to be disclosed as a separate and stand-alone document from the Environment Assessment, by the Government of Uganda and the World Bank. The disclosure will be both in Uganda where it can be accessed by the public and at the Infoshop of the World Bank and the date for disclosure must precede the date for appraisal of the project.

12. The RPF establishes the resettlement and compensation principles, organizational arrangements and design criteria to be applied to meet the needs of the people who may be affected by the project. The RPF is prepared to the standards of the Government’s own policy on resettlement and compensation and the policy of the World Bank, OP 4.12.

13. When specific planning information becomes available and the land areas are identified, sub-project resettlement/compensation plans will be subsequently prepared consistent with this policy framework and will be submitted to the Bank for approval before any land acquisition, resettlement, or any other impact on livelihood occurs.

14. This RPF will cover the following sections:

A. Introduction and Project Description.

B. Principles and objectives governing resettlement and compensation preparation and Implementation.
C. A description of the process for preparing and approving Resettlement and compensation Plans.

D. Land acquisition and likely categories of impact

E. Eligibility criteria for defining various categories of project affected persons.

F. A legal framework reviewing the fit between the laws of Uganda and regulations and Bank policy requirements and measures proposed to bridge any gaps between them.

G. Methods of valuing affected assets.

H. Organizational procedures for the delivery of entitlements, including, for projects involving private sector intermediaries, the responsibilities of the financial intermediary, the government, and the private developer.

I. A description of the implementation process, linking resettlement and compensation implementation to civil works.

J. A description of grievance redress mechanisms

K. A description of the arrangements for funding resettlement and compensation, including the preparation and review of costs estimates, the flow of funds, and contingency arrangements.

L. A description of mechanisms for consultations with, and participation of, displaced persons in planning, implementation, and monitoring.

M. Arrangements for monitoring by the implementation agency and, if required, by independent monitors.
B. PRINCIPLES AND OBJECTIVES GOVERNING RESETTLEMENT AND COMPENSATION PREPARATION AND IMPLEMENTATION

The impacts due to involuntary resettlement from development projects, if left unmitigated, often give rise to severe economic, social and environmental risks resulting in production systems being dismantled, people facing impoverishment when their productive skills may be less applicable and the competition of resources greater; community institutions and social networks being weakened; kin/clan groups being dispersed; and cultural identity, traditional authority, and the potential for mutual help are diminished or lost. The resettlement policy, in most cases, is not triggered because people are being affected by physical displacement. It is triggered because the project activity causes land acquisition, whereby a physical piece of land is needed and people may be affected because they are cultivating on that land, they may have buildings on that land, they may use the land for water and grazing of animals or they may otherwise access the land economically, spiritually or any other way which may not be possible during and after the project is implemented. Therefore, people are in most cases compensated for their loss (of land, property or access) either in kind or in cash of which the former is preferred.

Therefore, the objectives of this policy are the following:

(i) Involuntary resettlement and land acquisition will be avoided where feasible, or minimized, exploring all viable alternatives.

(ii) Where involuntary resettlement and land acquisition is unavoidable, resettlement and compensation activities will be conceived and executed as sustainable development programs, providing sufficient investment resources to give the persons displaced by the project the opportunity to share project benefits. Displaced and compensated persons will be meaningfully consulted and will have opportunities to participate in planning and implementing resettlement and compensation programs.

(iii) Displaced and compensated persons will be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or levels prevailing prior to the beginning of the project implementation, whichever is higher.

Affected people, according to the Bank policy, refers to people who are directly affected socially and economically by Bank-assisted investment projectsthat entail:

(a) the involuntary taking of land and other assets resulting in:
   a) relocation or loss of shelter
   b) loss of assets or access to assets
   c) loss of income sources or means of livelihood, whether or not the affected persons must move to another location;
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(b) the involuntary restriction or access to legally designated parks and protected areas results in adverse impacts on the livelihood of the displaced persons

The resettlement policy applies to all components under the project, whether or not they are directly funded in whole or in part by the Bank.

The policy applies to all displaced persons regardless of the total number affected, the severity of the impact and whether or not they have legal title to the land. Particular attention will be paid to the needs of vulnerable groups among those displaced; especially those below the poverty line; the landless, the elderly, women and children, indigenous groups and the ethnic minorities or other displaced persons who may not be protected through Uganda land compensation legislation.

In particular for LGDP II, the policy also requires that the implementation of individual resettlement and compensation plans are a prerequisite for the implementation of sub project activities causing resettlement, such as land acquisition, to ensure that displacement or restriction to access does not occur before necessary measures for resettlement and compensation are in place. It is further required that these measures include provision of compensation and of other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, the taking of land and related assets or the denial of access to assets may take place only after compensation has been paid and where applicable, resettlement sites, new homes, related infrastructure, public services and moving allowances have been provided to displaced persons. Furthermore, where relocation or loss of shelter occurs, the policy further requires that measures to assist the displaced persons are implemented in accordance with the resettlement and compensation plan of action.

In this project, for instance, the implementation of a waste management plan at the level of the municipality or sub-county will require the acquisition of landfill sites in these jurisdictions. Internationally accepted minimum standards for the selection of landfill sites establishes certain conditions that will determine the location of such sites to protect local communities and to aid the bio-degradable process that is desired. For instance, some of these environmental and social protection conditions include; selecting sufficiently large sites that have a potential ten-year life capacity, to establish buffer zones around the perimeter of these sites to push back residential development and for relocation outside these zones of public health services such as electricity lines, water and sewer lines, and the relocation of farming activities, irrigation, livestock etc. Or the implementation of a cattle immunization facility (cattle crashes) or fish farming ponds must be set back considerable distances from wetlands or natural water springs and lakes. These are clearly public health issues. The possibility also exists for a sub-project involving the construction/re-aligning of a feeder road if properly designed would have a wide road reserve setting back settlements and also involuntarily leaving nearby communities no viable option but to relocate due to increased and unacceptably high risk of flooding following torrential rains, as the roads are generally elevated above the floor levels of adjacent settlements.

Because land acquisition has to be done in a way that satisfies the required design standards for any of these facilities, people and livelihoods would be impacted, and resettlement cannot be avoided in all cases.
Furthermore, it is particularly important to neutralize to the extent possible any socio-economic pressures in the communities that are likely to be exacerbated by involuntary resettlement, by facilitating the participation of those impacted in the project activities. Therefore, impacted communities must be consulted and are part of the planning process (Section L).

Offering impacted people the opportunity for employment during the construction or of providing services such as supplying water or construction materials (e.g., gravel) etc, will provide an additional income-generating opportunity to a significant number of persons who may be affected in these targeted areas.

Therefore, this opportunity for local employment is being taken advantage of in this resettlement policy framework (RPF), by including it for discussion in the consultative process with the affected communities. This RPF prefers to encourage potential contractors and project management committees (PMC's) through the provision of incentives in their contracts to show preference for employing project affected persons (PAP's) and not through legal provision. One way of promoting this would be for the project to train displaced persons to acquire the skills needed by these contractors/project management committees.

Furthermore, it is worthy to note that rush migration to newly designated project sites may occur by those wishing to take advantage of the rules of eligibility stated in Section B of this RPF. Were this to happen it would bring to bear additional pressures on the whole planning process and compensation budgets. This has major considerations when establishing a cut-off date.

Also, it is within the realm of possibility, based on experiences in other African countries, to expect rebel abductions, incursions and other military/security operations into these areas by rebel groups, such as the LRA, for possible financial and geo-political strategic reasons, thus significantly raising the risk for disruption of implementation of sub-projects in those areas. This is a considerable risk for areas in Gulu, Arua, Adjumani and other districts around the Victoria Nile delta in Northern Uganda.

Finally, the RPF seeks to ensure that affected communities are meaningfully consulted, have participated in the planning process and, are adequately compensated to the extent that their pre-displacement incomes have been restored and that the process is a fair and transparent one.

C. DESCRIPTION OF THE PROCESS FOR PREPARING AND APPROVING RESETTLEMENT AND COMPENSATION PLANS

As stated earlier, the World Bank policy on Involuntary Resettlement OP4 12 is triggered because the LGDP II project will finance productive investments that may require the involuntary taking of land and other assets. Since the location of these areas were not known at the time of the preparation of the project, the preparation and disclosure of this RPF by the GOU is a conditionality for appraisal of this project. However, during
implementation of this project, in a process defined here below, the identification of these areas will be made. When that happens, land will be acquired and people will be affected. At that stage, OP4.12 calls for the preparation of individual Resettlement and Compensation Plans that must be consistent with this RPF.

To address the impacts under this policy, resettlement and compensation plans must include measures to ensure that displaced persons are,

(a) informed about their options and rights pertaining to resettlement and compensation.

(b) consulted on, offered choices among, and provided with technically and economically feasible resettlement and compensation alternatives.

(c) provided prompt and effective compensation at full replacement cost for losses of assets and access, attributable to the project.

The first stage in the process of preparing the individual resettlement and compensation plans is the screening process to identify the land/areas that are causing resettlement. The resettlement and compensation plans will contain the analysis of alternative sites undertaken during the screening process.

The GOU has been very successful in carrying out the decentralization policy as all the local government institutions and structures are in place. The screening process will therefore take advantage of this by assigning new responsibilities required in this RPF to the relevant local government planning bodies at the closest level to the affected communities. These planning bodies exist and are functional in Uganda.

**The Screening Process**

This process would lead to the creation of a list identifying a number of Community Projects, Sub-county/Division/Town Council Projects, and District Projects which may potentially involve resettlement issues. In pursuance thereof, the respective Technical Planning Committees for the sub-county/division/town council projects and/or the District Technical Planning Committee (TPC) will be responsible for the screening of projects using and based on the revised and updated environmental and social checklist to identify projects with resettlement issues. The checklist would be used to screen each project that comes to these technical planning committees based on the overall guidelines set out in this RPF.

**Members of the Technical Planning Committees**

Sub-county chief /Town Clerk would be chairperson
All Heads of Department or sectors within the area of jurisdiction of the local government Environmental and Social Resource Person

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1 This is a new responsibility in the LGDP II but not a new position. It simply identifies a person in the existing technical committee with overall responsibility for the new resettlement issues in the updated screening checklist. In most cases under LGDP I, even though there was a checklist of some sort, it was very rarely used. To ensure that it is used in LGDP II this resource person will be trained to acquire the
The list of sub projects that have potential resettlement issues will then be subjected to a comprehensive sensitization and consultation process (see section L of this RPF for details) with the potentially impacted communities and the outcome of this process would be documented for each site. The list and the outcome of the consultative process for each site/sub-project on the list would then be sent to the respective local government council in the jurisdiction mandated to confirm, approve, disapprove, refer for further consultation and/or take a final decision on each proposed site/sub-project. Carrying out the screening process in this way is designed to give it the integrity and transparency it needs to allow all stakeholders to have confidence in the process.

The Beginning of the Consultative Process

Once sub-projects have been approved using this consultative process, the chosen locations will be the subject of a study and the preparation of a document as follows:

- a) a socio-economic study (this study will include determination of impacts)
- b) preparation of individual resettlement and compensation plans

The purpose of the socio-economic study is to collect base line data within the chosen sites thereby enabling the social assessment of potentially affected populations/communities. The socio-economic study would focus on the identification of stakeholders (demographic data), the participation process, identification of affected people (including owners and users of land) and baseline information on livelihoods and income, in addition to landholding.

On completion of the socio-economic study, a resettlement and compensation plan (RAP) will be prepared for each sub-project that triggers OP 4.12.

The requirements of the RAP are;

(a) Baseline census and socio-economic survey information
(b) Specific compensation rates and standards
(c) Policy entitlements related to any additional impacts identified through the census or survey
(d) A description of the resettlement sites and programs for improvement or restoration of livelihoods and standards of living
(e) Implementation schedule for resettlement and compensation activities
(f) Detailed costs estimates
(g) Consultations with affected people

The RAP is to be prepared by the Project Management Committees (PMC’s; again an existing structure in the decentralized system in Uganda).

This process of identifying sites, consulting people and carrying out socio-economic studies may be an iterative one. If the Technical Planning Committee, in close necessary skills and given the mandate/responsibility to ensure issues in this RPF are addressed. This resource person could be the environment officer in LGs that have one or it could be the planner, or engineer or health person etc.
consultation with their respective local government council determines that the mitigation measures (i.e. compensation levels) are too costly in terms of compensation amounts and the overall number of people impacted, the TPCs can propose and investigate alternative sites. However, irrespective of whether the process of identifying potential sites is pursued iteratively or whether a number of sites are examined simultaneously, the selection process must be as described above.

The final list of sites approved by the local government councils, the process of selection of the sites, and the RAP are all subject to final review and approval by the World Bank in order to ensure compliance with Bank safeguards. In line with Uganda's decentralization policy, the approval by the World Bank will be for compliance, ensuring that before any sub-project is approved, individual resettlement and compensation plans are prepared and consistent with this RPF. At its sole discretion the World Bank may delegate through the Government to the Local Governments this responsibility to ensure compliance with the provisions in this RPF after it is satisfied that effective monitoring of this process is in place. This would be looked at during appraisal and a mechanism worked out that respects Uganda's decentralization achievements and satisfies the World Bank's responsibility to ensure compliance with its safeguards policies.

In addition, GOU has implemented a National Assessment process that involves a semi-annual review of local government performance. These periodic reviews will cover the parameters and verifiable indicators to be used in measuring resettlement and compensation plan performance (see Section M, Monitoring, for further detail.)

Capacity will be built at the levels of Local Government Councils, Technical Planning Committees, Project Management Committees and communities through training and technical assistance to ensure that all stakeholders involved discharge their different responsibilities effectively.

D. LAND ACQUISITION AND LIKELY CATEGORIES OF IMPACT

At this stage it is not possible to estimate the likely number of people who may be affected since the locations of the sub-projects are not yet known.

However, the likely displaced persons can be categorized into three groups, namely:

(i) **Affected Individual** – An individual who suffers loss of assets or investments, land and property and/or access to natural and/or economic resources as a result of the sub-project activities and to whom compensation is due. For example, an affected individual is a person who farms a land, or who has built a structure on land that has been demarcated as a suitable site and is therefore now needed by the sub-project.

(ii) **Affected Household** – A household is affected if one or more of its members is affected by sub-project activities, either by loss of property, land, loss of access, or otherwise affected in any way by project activities. This provides for:
   (a) any members in the households, men, women, children, dependent relatives and friends, tenants.
(b) vulnerable individuals who may be too old or ill to farm along with the others
(c) opposite sex-relatives who cannot reside together because of cultural rules, but who depend on one another for their daily existence.
(d) opposite-sex relatives who may not eat together but provide housekeeping, or reproductive services critical to the family’s maintenance, and
(e) other vulnerable people who cannot participate for physical or cultural reasons in production, consumption, or co-residence.

In the local cultures, members of production, consumption, and co-resident groups form overlapping, often incongruent sets of people who may exchange domestic or farming services on a regular basis even though living separately.

Compensation will not be limited to people who live together in a co-resident group, since this might leave out people whose labor contributions are critical to the functioning of the “household”. For example, among polygamous groups, each wife has her own home.

(iii) **Vulnerable Households** – One of the objectives in the decentralization policy of Uganda targets empowering women by removing restrictive practices on women’s participation in decision-making processes that affect them. Additionally because of the sporadic activities of the rebel group, the LRA, there may be some internally displaced people, from northern Uganda. Therefore, particular attention will be paid to impacts on vulnerable members of these communities such as women, children and internally displaced people;

a) **Internally displaced Persons** – these are people who had to flee their homes as a result of rebel atrocities committed against their communities and are now virtually refugees in their own country and have not returned. They may be dependent on the NGO community and others for support. Particular efforts are to be made not to negatively impact these people where possible, but when unavoidable, efforts will be concentrated on post-compensatory measures such as opportunities to participate in project activities.

b) **Internally Displaced Orphaned Children** – Despite the Laws of Uganda and those of the International Labor Organization (ILO) and other organizations, children, especially orphaned children or children separated from their parents, remain particularly vulnerable to forced employment and associated health and safety hazards. They participate in income generating activities such as fetching of water, artisanal mining, etc. If they are impacted by this project in a way that means they have to be physically relocated, their compensation cannot be in cash. Instead, efforts will be geared towards enrolling them in a UNICEF-funded program or registration with other children’s charities that are operating in Uganda.
today, for rehabilitation. Their compensation could take
the form of paying for their rehabilitation and training to
acquire useful vocational skills.

c) **Women** – may depend on husbands, sons, brothers or
others for support. In many cases too, women are the
main breadwinners in their households, yet in some
communities in Uganda, women cannot own land. Also,
as mothers and wives, they need access to health
service facilities. Women are central to the stability of
the household. They will not be resettled in a way that
separates them from their households as the very
survival of their households depend on them.

Furthermore, the decentralization policy of Uganda
recognizes the plight of women and seeks to encourage
employment and the involvement of women in decision-
making. Their compensation must take into account all
these factors.

d) **Elderly** – elderly people farm or engage in other
productive activities as long as they are physically able
to. Their economic viability does not depend on how
much land they farm or how much they produce
because, by producing even small amounts of food to
"exchange" with others, they can subsist on cooked food
and generous return gifts of cereal from people such as
their kith and kin and neighbors. Losing land will not
necessarily affect their economic viability. They will have
cash or in-kind replacements to exchange. For future
production they need access to only a small parcel of
land. What would damage their economic viability is
resettlement that separates them from the person or
household on whom they depend for their support. The
definition of household by including dependents avoids
this.

e) **Voluntary Land Contributors** – Under LGDP I there
were instances when individual members gave land

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2 Land contributions can be voluntary only when alternatives are possible, i.e., a school, or clinic, or road
that could be sited in any of a number of places. By contrast, infrastructure that requires specific,
unalterable conditions (i.e., a fish pond in a depression, a small reservoir for water supply) cannot be re-
sited, therefore, the land acquisition is considered involuntary.

Voluntary land contributions are expected to meet the following criteria, which will be attached as a
completed format to the sub-project proposal:

1. The infrastructure is not site-specific
2. The impacts are minor, that is, involve no more than 10 percent of the area of any holding and
do not require any physical relocation.
3. The land required to meet technical project criteria is identified by the affected community, not
by line agencies or project authorities (Nonetheless technical authorities can help ensure that
the land is appropriate for project purposes, and that the project will not produce health or
environmental safety hazards).
4. The land in question must be free of squatters, encroachers or other claims or encumbrances
5. Verification (e.g., notarized or witnessed statements) of the voluntary nature of land donations
must be obtained from each person donating land.
Particular attention will be paid to ascertain that these contributions were indeed voluntary and free from all pressures from society and free from fear of prosecution, marginalization or stigmatization. All persons or groups affected by this must be monitored even where contributions are voluntary to ascertain whether they have not been or likely to be affected such that they are left poorer or livelihoods affected without course for compensation. Sometimes land is given "voluntarily" because people do not want to be seen as or accused of, holding back community development.

These household types are not mutually exclusive, so that the elderly may be internally displaced persons, and women be affected individuals.

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6 If any loss of income or physical displacement is envisaged, verification of voluntary acceptance of community-devised mitigatory measures must be obtained from those to be adversely affected.

7 If community services are to be provided under the project, land title is vested in the community, or appropriate guarantees of public access to services must be given by the private titleholder.

8 Grievance mechanisms are available.
E. ELIGIBILITY CRITERIA FOR DEFINING VARIOUS CATEGORIES OF PROJECT AFFECTED PERSONS

Firstly, the Bank's OP 4.12 suggests the following three criterion for eligibility,

a) Those who have formal rights to land (including customary land, traditional and religious rights, recognized under the Laws of Uganda)

b) Those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets provided that such claims are recognized under the Laws of Uganda or become recognized through a process identified in the resettlement and compensation plan.

c) Those who have no recognizable legal right or claim to the land they are occupying.

Those covered under a) and b) above are to be provided compensation for land they lose, and other assistance in accordance with the policy. Persons covered under c) above are to be provided with resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out of this policy, if they occupy the project area prior to a cut-off date established by the respective local government Technical Planning Committee and acceptable to the Bank. Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. All persons included in a), b) or c) above are to be provided with compensation for loss of assets other than land.

Therefore, it is clear that all affected persons irrespective of their status or whether they have formal titles, legal rights or not, squatters or otherwise encroaching illegally on land, are eligible for some kind of assistance if they occupied the land before the entitlement cut-off date. Persons who encroach the area after the site specific socio-economic study (census and valuation) are not eligible for compensation or any form of resettlement assistance.

In addition to these conditions of eligibility, the second consideration is the severity of impact which determines what the resettlement measures will be. For example, for a school or health clinic sub-project, the impact would be that a whole piece of land is required whereas for a drainage sub-project requiring longitudinal drains only a very small portion of the land may be impacted. The entitlement matrix presented here below is so designed to assist in the process of determining severity of impacts.
Eligibility Matrix Based on Severity of Impact

<table>
<thead>
<tr>
<th>Activity</th>
<th>Nature of Impact</th>
<th>Resettlement Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water supply.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water tank</td>
<td>Small plot (20mx20m)</td>
<td>Replace land or pay compensation</td>
</tr>
<tr>
<td>Well</td>
<td>Small plot</td>
<td>Replace land or pay compensation</td>
</tr>
<tr>
<td>Water mains</td>
<td>Linear</td>
<td>Replace land or pay compensation</td>
</tr>
<tr>
<td>Public standpipe</td>
<td>Small plot on public footpath/right of way</td>
<td>Pay compensation if not in public right of way</td>
</tr>
<tr>
<td><strong>Sanitation facilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community latrines</td>
<td>Small plot (10mx10m)</td>
<td>Replace land or pay compensation</td>
</tr>
<tr>
<td>Storm drains (e.g., culverts, earth drains)</td>
<td>Limited linear impact, along existing roads</td>
<td>Pay compensation, if not in public right of way</td>
</tr>
<tr>
<td><strong>Primary education facilities</strong></td>
<td>Plot for building and school grounds</td>
<td>Replace land or pay compensation; Compensate for other assets taken or lost</td>
</tr>
<tr>
<td><strong>Primary health care facilities</strong></td>
<td>Plot for health clinic</td>
<td>Replace land or pay compensation; Compensate for other assets taken or lost</td>
</tr>
<tr>
<td><strong>Road infrastructure (mostly feeder roads)</strong></td>
<td>Limited linear taking in agricultural areas</td>
<td>Replace land or pay compensation; Compensate for other assets taken, such as standing crops. Compensate also for loss of access</td>
</tr>
<tr>
<td>Solid waste management</td>
<td>Plot for waste disposal</td>
<td>Replace land or pay compensation, Compensate for other assets taken or lost</td>
</tr>
<tr>
<td>Agricultural extension (fish ponds, cattle crashes)</td>
<td>Area for productive activity</td>
<td>Replace land or pay compensation, Compensate for other assets taken or lost</td>
</tr>
<tr>
<td>Rural electrification</td>
<td>Distribution lines in public right-of-way</td>
<td>None</td>
</tr>
<tr>
<td><strong>Other (e.g., marketplace, taxi park etc.)</strong></td>
<td>Area required</td>
<td>Replace land or pay compensation, Compensate for other assets taken or lost</td>
</tr>
</tbody>
</table>

Eligibility for Community Compensation

Communities (districts, towns, parishes, villages etc.) permanently losing land and/or access to assets under customary rights will be eligible for compensation.

Method to Determine the Cut – Off Dates

When the respective local council approves the sub-project, the TPC and the PMC, will meet to discuss and agree on a programme of implementation They will also choose tentative cut-off dates The dates would then be communicated to the community through their PMC.

The entitlement cut-off date refers to the time when the assessment of persons and their property in the sub-project area is carried out, i.e. the time when the sub-project area has been identified and when the site specific socio-economic study is taking place. Thereafter, no new cases of affected people will be considered. The establishment of a cut-off date is required to prevent opportunistic invasions/rush migration into the chosen land areas thereby posing a major risk to the sub-project. Therefore, establishment of a cut-off date is of critical importance. The PMC's will pay a crucial role in identifying users.
of land since most of them would have acquired their customary rights to use the land from their local customary heads.

F. A LEGAL FRAMEWORK REVIEWING THE FIT BETWEEN THE LAWS AND REGULATIONS OF UGANDA AND BANK POLICY REQUIREMENTS AND MEASURES PROPOSED TO BRIDGE ANY GAPS BETWEEN THEM

The Local Government system in Uganda is based on the policy of decentralization which is enshrined in the 1995 Constitution and further detailed in the 1997 Local Governments Act.

The Local Government Act 1997

The local Government Act provides for the system of local governments. Administratively, Uganda is divided into five levels of Local Governments whereby each level has statutory functions with respect to participatory development planning.

The five levels are as follows

<table>
<thead>
<tr>
<th>Local Government Unit</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Councils and Kampala City Council</td>
<td>5</td>
</tr>
<tr>
<td>County Councils and Municipal Councils</td>
<td>4</td>
</tr>
<tr>
<td>Sub County Councils</td>
<td>3</td>
</tr>
<tr>
<td>Town Councils, Municipal Divisions</td>
<td></td>
</tr>
<tr>
<td>Parish Councils</td>
<td>2</td>
</tr>
<tr>
<td>Village Councils</td>
<td>1</td>
</tr>
</tbody>
</table>

There are 56 districts, and each district is subdivided into counties, which in turn are divided into sub-counties/towns followed by parishes and villages. There are 13 Municipal Councils which are subdivided into Municipal Divisions, followed by parishes and villages. There is one city council, Kampala City Council, which is sub-divided into 4 city divisions.

The District Councils, City Councils, Municipal Councils, Sub-county Councils, Municipal Division Councils and Town Councils are Local Governments. The County Councils, Parish Councils and Village Councils are administrative units.

Local Governments are corporate bodies and are charged with the responsibility of providing services, which are stipulated in Part II of the Second Schedule of the Local
Governments Act 1997 with the following powers, functions and responsibilities devolved to them:

a) The powers to prepare, approve and implement their own development plans based on locally determined priorities
b) The powers to prepare, approve and implement their own budgets
c) The powers to raise and utilize their own resources according to their own priorities after making legally mandated transfers.
d) The powers to make ordinances and by laws as long as they do not contradict the Constitution and other national laws.
e) The powers to hire, manage and fire their own staff.
f) The powers to manage their own payrolls and separate personnel system.

The two existing technical committees with responsibilities identified in this RPF are the Technical Planning Committee's (TPC's) and the Project Management Committee's (PMC's). The TPC's and the PMC's exist for each project at each level and their respective compositions and roles are:

**For TPC's**
- Composition – the administrative head of the Local Government and all Heads of Departments or sectors within the area of jurisdiction of the Local Government and the Environmental and Social resource person.
- Roles and Responsibilities – Coordinate and integrate all Sectoral Development Plans and plans of lower local governments; Appraise and screen individual investment sub-projects before presentation for approval to councils.

**For PMC's**
- Composition – Parish and Village executive members, community representatives from Project Catchment Area, Representatives of project affected persons and one third of members must be women
- Roles and Responsibilities – include providing project site security, mobilizing community contribution for project implementation, organizing meetings for project implementation and organizing community operation, management and maintenance of sub-projects.

**Land Tenure and Ownership**

**The Uganda Constitution of 1995**

Land tenure in Uganda is governed by statute such as the 1995 Constitution, the Land Act 1998 and the Land Acquisition Act 1965. Article 237. (1) of the constitution vests all land in Uganda in the citizens of Uganda. However, under Article 237 (1) a, the government or local government may acquire land in the public interest. Such acquisition is subject to the provisions of Article 26 of the same constitution, which gives every person in Uganda a right to own property. The constitution also prescribes that land in Uganda shall be owned in accordance with following land tenure systems;
It provides procedures to follow during the acquisition of land for public interest and provides for prompt payment of fair and adequate compensation prior to taking possession of land. The constitution is however silent on resettlement and compensation.

Key features of the recognized forms of land tenure are:

**Customary Tenure**
- Is governed by rules generally accepted as binding and authoritative by the class of persons to which it applies. That is customary tenure is not governed by written law.
- Land is owned in perpetuity.
- Customary occupants are occupants of former public land and occupy the land by virtue of their customary rights; they have propriety interest in the land and are entitled to certificates of customary ownership.
- Certificates of customary ownership may be obtained, through application to the Parish Land Committee and eventual issuance by the District Land Board.

**Freehold Tenure**
- Derives its legality from the constitution and its incidents from the written law.
- Involves the holding of land in perpetuity or a term fixed by a condition.
- Enables the holder to exercise, subject to the law, full powers of ownership.

**Mailo Tenure**
- Has roots in the allotment of land pursuant to the 1900 Uganda Agreement.
- Derives its legality from the constitution and its incidents from written law.
- Involves the holding of land in perpetuity.
- Permits the separation of ownership of land from the ownership of developments on land made by a lawful or bona fide occupant.
- Enables the holder to exercise all powers of ownership, subject to the rights of those persons occupying the land at the time of the creation of the mailo title and their successors.

**Leasehold Tenure**
- Is created either by contract or by operation of the law.
- Is a form under which the landlord of lessor grants the tenant or lessee exclusive possession of the land, usually for a period defined and in return for a rent.
- The tenant has security of tenure and a proprietary interest in the land.
The Land Act (1998)

The 1998 Land Act addresses land holding, management control and dispute processing. The Act creates a series of land administration institutions, namely, Uganda Land Commission (ULC), District Land Boards (DLB), Parish Land Committees (PLC) and District Land Tribunals (DLT). Section 78 of the Act gives valuation principles for compensation, i.e. compensation rates to be yearly approved by DLBs. The basis for compensation is depreciated replacement costs for rural properties and market values for urban properties.

Article 75 of the Land Act 1998 and Article 243 of the 1995 Constitution creates District Land Tribunals with jurisdiction to determine disputes relating to the grant, lease, repossession, transfer or acquisition of land by individuals, the ULC or other authority with responsibility relating to land; and the determination of any disputes relating to the amount of compensation to be paid for land acquired. Article 77 (e) of the Land Act 1998 gives power to the DLTs to determine any other dispute relating to land under this act. Article 88 (1) of the act stipulates that an appeal shall lie from the decision of a DLT to the High Court.

Article 89 of the Land Act 1998 also recognizes the right of traditional authorities to determine disputes over customary tenure or acting as a mediator between persons who are in dispute over any matters arising out of customary tenure.

The Acquisition Act (1965)

This act makes provision for the procedures and method of compulsory acquisition of land for public purposes whether for temporary or permanent use. The Minister responsible for land may authorize any person to enter upon the land and survey the land to determine its suitability for a public purpose. The Government of Uganda is supposed to pay compensation to any person who suffers damage as a result of any action. Any dispute as to compensation payable is to be referred to the Attorney General or court for decision.

The Land Acquisition Act does not go beyond compensation. It is not required under the Act to provide alternative land for the affected people by the project. Once they are promptly and adequately compensated, then the obligations stop there. The GOU, through the Ministry of Lands, Water and Environment, will pay the compensation to the affected persons.

This act also sets out the legal process for payment of compensation.

There is no requirement or provision in the law that people need to be moved or that alternative land be made available. Each affected person entitled to be compensated, on receipt of his/her compensation is expected to move and has no further claim.

Comparison between Land Law in Uganda and Bank OP4.12

Whereas the law relating to land administration in Uganda is wide and varied, entitlements for payment of compensation are essentially based on the right of
ownership. The Bank OP 4.12 is fundamentally different from this, and states that affected persons are entitled to some form of compensation whether or not they have legal title if they occupy the land by a specified cut-off date. The higher of the two standards will be followed in this policy framework, since that procedure also satisfies the requirements of the lesser standard.

**Comparison of Uganda Law and World Bank OP4.12 Regarding Compensation**

<table>
<thead>
<tr>
<th>Category of PAPS/ Type of Lost Assets</th>
<th>Uganda Law</th>
<th>World Bank OP4.12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land Owners</strong></td>
<td>Cash compensation based upon market value of unimproved land and disturbance allowance (15%)</td>
<td>Recommends land-for-land compensation. Other compensation is at replacement cost</td>
</tr>
<tr>
<td><strong>Land Tenants</strong></td>
<td>Entitled to compensation based upon the amount of rights they hold upon land</td>
<td>Are entitled to some form of compensation whatever the legal recognition of their occupancy</td>
</tr>
<tr>
<td><strong>Land Users</strong></td>
<td>Not entitled to compensation for land, entitled to compensation for crops</td>
<td>Entitled to compensation for crops, may be entitled to replacement land and income must be restored to pre-project levels at least</td>
</tr>
<tr>
<td><strong>Owners of &quot;Non permanent&quot; Buildings</strong></td>
<td>Cash compensation based upon rates per m² established at District level and disturbance allowance (15%)</td>
<td>Entitled to in-kind compensation or cash compensation at full replacement cost including labor and relocation expenses, prior to displacement</td>
</tr>
<tr>
<td><strong>Owners of &quot;Permanent&quot; buildings</strong></td>
<td>Valuation and disturbance allowance (15%) Valuation is based on depreciated market value</td>
<td>Entitled to in-kind compensation or cash compensation at full replacement cost including labor and relocation expenses, prior to displacement</td>
</tr>
<tr>
<td><strong>Perennial Crops</strong></td>
<td>Cash compensation based upon rates per m²/bush/tree/plant established at District level and disturbance allowance (15%) Rates are calculated as the one year net agricultural income</td>
<td>As per section G of this RPF once approved by the Bank and disclosed in Uganda and at the Bank infoshop</td>
</tr>
</tbody>
</table>

**G. METHODS OF VALUING AFFECTED ASSETS**

Valuation methods for affected land and assets would depend on the type of asset. The four land asset types identified under Uganda law in this policy framework are:

(i) Assets held under Customary law provisions
(ii) Assets held under Freehold law provisions
(iii) Assets held under Mailo law provisions
(iv) Assets held under Leasehold provisions

The PMC’s (the corporate body causing resettlement impact) will compensate for assets and investments, including labor, crops, buildings, and other improvements, according to the provisions of the resettlement and compensation plan. Compensation rates will be market rates as of the date and time that the replacement is to be provided. Under customary law land belongs to chiefdoms, towns and villages. However, because the
Bank policy on resettlement and compensation, OP4.12, makes no distinction between statutory and customary rights, not only assets and investments will be compensated for, but also land. Thus, a customary landowner or land user on state-owned land, will be compensated for land, assets, investments, loss of access etc. at market rates at the time of the loss. If payment is delayed by more than six months, an inflation premium, equal to 1% plus the official rate of inflation (using consumer price index, CPI), will be added to the agreed upon sum.

Compensation Payments and Related Considerations.

Individual and household compensation will be made in cash, in kind, and/or through assistance. The type of compensation will be an individual choice although every effort will be made to instill the importance and preference of accepting in kind compensation if the loss amounts to more that 20 percent of the total loss of subsistence assets.

<table>
<thead>
<tr>
<th>FORMS OF COMPENSATION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Payments</td>
<td>Compensation will be calculated in Uganda Shillings. Rates will be adjusted for inflation.</td>
</tr>
<tr>
<td>In-kind Compensation</td>
<td>Compensation may include items such as land, houses, other buildings, building materials, seedlings, agricultural inputs and financial credits for equipment.</td>
</tr>
<tr>
<td>Assistance</td>
<td>Assistance may include moving allowance, transportation and labor</td>
</tr>
</tbody>
</table>

Making compensation payments raises some issues regarding inflation, security and timing that must be considered. One purpose of providing in-kind compensation is to reduce inflationary pressures on the costs of goods and services. Local inflation may still occur, thus market prices will be monitored within the time period that compensation is being made to allow for adjustments in compensation values. The question of security, especially for people who will be receiving cash compensation payments needs to be addressed by the local government. Local banks and micro-finance institutions will work closely with government at this level to encourage the use of their facilities which will positively impact the growth of the local economies. The time and place for in-kind compensation payments will be decided upon by each recipient in consultation with the local government.

Compensation for Land

Compensation for land is aimed at providing a farmer whose land is acquired and used for project purposes with compensation for the labor expended to develop that land. For this reason, and for transparency, "land" is defined as an area:

- In cultivation
- Being prepared for cultivation, or
- Cultivated during the last agricultural season

This definition recognizes that the biggest investment a farmer makes in producing a crop is his or her labor. A farmer works on his/her land most of the months of the year. The major input for producing a crop is not seed or fertilizer, but the significant labor put into the land each year by the farmer. As a result, compensation relating to land will cover the market price of labor invested times the amount of time spent preparing a plot.
equivalent to that taken. (The market price of the crop lost is considered separately, below)

- The labor cost for preparing replacement land is calculated on what it would cost a farmer to clear and create replacement land. This value is found by adding together the average costs of clearing, plowing, sowing, weeding twice, and harvesting the crop. Labor costs will be paid in Uganda Shilling, at the prevailing market rates.

The following table presents an example of a compensation schedule for a one-hectare plot of land. The Uganda Shilling values are based on arbitrary labor rates, which will need to be validated at the time payments are made.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Month Paid</th>
<th>Rate Cost/day x no. of days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear</td>
<td>March</td>
<td>To be determined</td>
</tr>
<tr>
<td>Plough</td>
<td>May</td>
<td>To be determined</td>
</tr>
<tr>
<td>Sow</td>
<td>May</td>
<td>To be determined</td>
</tr>
<tr>
<td>Weed</td>
<td>May</td>
<td>To be determined</td>
</tr>
<tr>
<td>Harvest</td>
<td>November</td>
<td>To be determined</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>To be determined</td>
</tr>
</tbody>
</table>

All agricultural labor activities are included for two reasons. First, because of the need for transparency, all land labor will be compensated for at the same rate. Second, it is difficult to forecast when during the growing season a farmer might need to give up his/her land. Thus, the land compensation covers all investments that a farmer will make. In certain cases, assistance may be provided to land users in addition to compensation payments, for example, if the farmer is notified that his/her land is needed after the agriculturally critical date of March, when s/he will no longer have enough time to prepare another land without help. Assistance will be provided in the form of labor intensive village hire, or perhaps mechanized clearing, so that replacement land will be ready by the sowing dates. The farmer will still continue to receive his/her cash compensation so that s/he can pay for sowing, weeding and harvesting.

**Land measurement**

For the purposes of measuring land, the unit of measurement would be that which is used by and understood by the affected farmers. Therefore, if a traditional unit of measurement exists, that unit will be used. If a traditional unit of measurement does not exist, then it is recommended that land will be measured in meters or any other internationally accepted unit of measurement. However, in such an event, the unit that is being used must be explained to the affected farmers and must somehow be related to easily recognizable land features that the farmers are familiar with, such as using location of trees, stumps, etc. as immovable pegs. The most important concern of this exercise is to ensure that the affected farmer is able to verify, using his/her own standards/units of measurement, the size of land that is being lost. Ensuring that this occurs maintains transparency in the system and will thus avoid subsequent accusations of wrong measurements or miscalculation of areas.
Calculation of Crops Compensation Rate

The prices for cash crops will be determined as the average value over the previous year, corrected for inflation. The prices for subsistence crops will be determined as the highest value over the previous year, corrected for inflation. The following example, which is based on 2002 data, derives a total value for crops on a one-hectare parcel of land.

<table>
<thead>
<tr>
<th>Item Compensated</th>
<th>Basis of Value</th>
<th>UGANDA SHILLING/ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of Crops</td>
<td>Average of the highest 2002 official and market survey prices per ha of staple food crops (maize, banana etc.), plus cash crops (e.g. coffee, tea, sugar, cotton).</td>
<td>To be determined</td>
</tr>
<tr>
<td>Total</td>
<td>Replacement value of crops</td>
<td>To be determined</td>
</tr>
</tbody>
</table>

Crop values will be determined based on:

- A combination of staple foods and cash crops. Specifically, the 80/20 ratio of land that a farmer typically has in food crops and cash crops is used to determine the chances s/he would lose food crop rather than a cash crop income.
- The value of stable crops to be taken as the highest market price reached during the year, in recognition of these factors:
  - Although most farmers grow staple crops mainly for home consumption, they always have the option of selling these crops to take advantage of the market.
  - Farmers most often purchase cereals when they have run out, during the "hungry season" when prices are high. Compensating at a lower value might put the individual or household at risk.
  - Averaging the highest price of stable foods yields a high per hectare value that reimburses for the vegetables and other foods that are commonly inter-cropped with staples, but are almost impossible to measure for compensation.
Compensation for Buildings and Structures.

Compensation will be paid by replacing structures such as huts, houses, farm outbuildings, latrines and fences. Any homes lost will be rebuilt on acquired replacement land, however cash compensation would be available as a preferred option for structures (i.e. extra buildings) lost that are not the main house or house in which someone is living. The going market prices for construction materials will be determined. Alternatively, compensation will be paid in-kind for the replacement cost without depreciation of the structure. The project will survey these prices for administrative purposes on an ongoing basis.

Compensation will be made for structures that are.

- Abandoned because of relocation or resettlement of an individual or household, or
- Directly damaged by construction activities.

Replacement values will be based on:

- Drawings of individual’s household and all its related structures and support services,
- Average replacement costs of different types of household buildings and structures based on collection of information on the numbers and types of materials used to construct different types of structures (e.g. bricks, rafters, bundles of straw, doors etc.) For vulnerable groups identified in earlier section of this RPF replacement values will be based on actual replacement cost.
- Prices of these items collected in different local markets,
- Costs for transportation and delivery of these items to acquired/replacement land or building site,
- Estimates of construction of new buildings including labor required.
Compensation for Sacred Sites

Sacred sites include but are not restricted only to altars, initiation centers, ritual sites, tombs, and cemeteries. They include other such sites, places or features that are accepted by local laws (including customary laws), practice, tradition and culture as sacred. To avoid any possible conflicts between individuals and/or communities, the use of sacred sites for any sub-project activity is not permitted under this project.

Compensation for vegetable gardens and beehives

These are planted with vegetables and ingredients for daily use. Until a replacement garden starts to bear, the family displaced as a result of the project land will need to purchase these items in the market. The replacement costs, therefore, will be calculated based on the average amount that an average town dweller spends on buying these items for one year per adult from the local market.

Beehives are placed in various locations in the bush by some individuals that specialize in honey gathering. If such hives would be disturbed by the project activities, or access to hives is denied, beekeepers can move them, and the bees will adapt to the new locations. Beekeepers would be compensated by the value of one season’s production costs of honey for each hive that is moved and any reasonable costs associated with moving the hive.

Compensation for Horticultural, Floricultural and Fruit Trees
This example features Mango and Banana (the main staple food in Uganda) trees as an example of the range of produce that fall within relatively long and short term production, respectively, in the project targeted area. These produce are a source of:

- Cash produce that contribute to the export economy
- Subsistence food for families
- Petty market income in some areas, and
- Shade (in the case of mango trees).

For example, banana trees have a shorter productive lifespan than mango trees, but come into production more quickly. Therefore, compensation for banana trees will be compensated at the full market rates for bananas harvested in that year and for another year. The second year payment is for the replacement cost of planting a new tree, looking after it and harvesting it, which could all be done in one year. Therefore, the farmer will have restored his pre-project position by the end of the second year. This is an example for trees/plants that have a short life.

Given their significance to the local subsistence and export economy, which this project intends to positively impact, mango trees will be compensated on a combined replacement/market value. Mango trees used for commercial purposes will be compensated at market value based on historical production records. If households choose to resettle, they will be compensated for the labor invested in the trees they leave behind, because they will continue to own the trees left behind under customary rights. It is not uncommon for individuals to own trees in other villages in which they formally lived and, in some cases, to continue to harvest fruit from those trees for subsistence purposes and/or sale to traders. If a household chooses to transfer ownership of the trees, transfer costs will be paid in addition to labor costs. The compensation rate will be based on information obtained from the socio-economic study. From this study, a compensation schedule for mango trees can be developed incorporating the following goals:

- Replace subsistence mango production yields as quickly as possible
- Provide subsistence farmers with trees to extend the number of months of the year during which mangoes are produced and can be harvested as a supplemental source of food for their families during their "hungry season".
- Provide farmers with the opportunity to derive additional production income from trees bearing more valuable fruits at off-season periods.
- Provide cash payments to farmers to replace pre-project income derived from the sale of excess mango production until replacement trees produce the equivalent (or more) in projected cash income.

The compensation schedule is based on providing a combination of new grafted and local trees to farmers, as well as cash payments to offset lost yearly income. The schedule could assume the following (the figures in Uganda Shilling (Xno) to be determined in the socio-economic study):

<table>
<thead>
<tr>
<th>Local Mangoes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Avg Fruit Yield (kg) of Mature tree</td>
</tr>
<tr>
<td>Estimated Yield used</td>
</tr>
</tbody>
</table>
### Market Price,
- **Height of harvest season (March/April)**
- **End of season (late May)**

<table>
<thead>
<tr>
<th>Price used as basis of this estimate</th>
<th>80% height of season, 20% end of season</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years to Production</td>
<td>Six to seven</td>
</tr>
<tr>
<td>Years to Maximum Production</td>
<td>Twenty</td>
</tr>
<tr>
<td>Costs of Sapling</td>
<td>UGANDA SHILLING, locally available</td>
</tr>
</tbody>
</table>

#### Grafted Mangoes

<table>
<thead>
<tr>
<th>Estimated Avg. Fruit Yield (kg) of Mature tree</th>
<th>800 to 1,300 kg/year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Price, (varies according to variety)</td>
<td>UGANDA SHILLING/kg</td>
</tr>
<tr>
<td>Price used as basis of this estimate</td>
<td>Price per fruit or sac (100kg) as quoted by growers</td>
</tr>
<tr>
<td>Years to Production</td>
<td>Four to five</td>
</tr>
<tr>
<td>Years to Maximum Production</td>
<td>Eight</td>
</tr>
<tr>
<td>Costs of Sapling</td>
<td>UGANDA SHILLING, not locally available</td>
</tr>
</tbody>
</table>

#### Proposed Schedule for Mango Trees Cut Down

<table>
<thead>
<tr>
<th>Type/Age of Tree</th>
<th>Est. Years</th>
<th>In-kind replacement for Local Mangoes</th>
<th>Credits/Financial Support.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sapling</td>
<td>0-1</td>
<td>Deliver to Farmer:</td>
<td>• UGANDA SHILLING</td>
</tr>
<tr>
<td>Sapling/Young Tree</td>
<td>1-6</td>
<td>Deliver to Farmer:</td>
<td>Equivalent of X no UGANDA SHILLING in credits or other financial support for labor invested in planting, fencing, and watering, made in one payment</td>
</tr>
<tr>
<td>Mango Trees Fruit Producing</td>
<td>6-30+</td>
<td>Deliver to farmer:</td>
<td>Equivalent of X no UGANDA SHILLING in credits or other financial support for labor invested in planting, fencing, and watering, made in one payment</td>
</tr>
<tr>
<td>Mature Trees – Low or Non-Fruit Producing</td>
<td>30+</td>
<td>Same as for mature trees above</td>
<td>Same as above</td>
</tr>
</tbody>
</table>

No compensation will be paid for minor pruning of trees. Compensation for removal of limbs will be prorated on the basis of the number of square metres of surface area...
The total surface area of the tree will be calculated using the following formula: \( \left( \frac{1}{2} \text{diameter of canopy} \right)^2 \times 3.14. \)

**Other Domestic Cash Crops and Fruit Trees.**

These trees/crops have recognized local market values, depending upon the species and age. Individual compensation for wild trees "owned" by individuals which are located in lands as defined in this policy will be paid. Note that wild, productive trees belong to the community when they occur in the true bush as opposed to a fallow land. These trees will be compensated for under the umbrella of the village or community compensation.

<table>
<thead>
<tr>
<th>Sub-Category</th>
<th>Unit</th>
<th>Compensation Value (X no. of UGANDA SHILLING)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton, Tobacco, etc</td>
<td>to be determined</td>
<td></td>
</tr>
<tr>
<td>Coffee, Tea, Sugar, Rice, etc</td>
<td>to be determined</td>
<td></td>
</tr>
<tr>
<td>Domestic Fruit Trees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pineapple Non-productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planktian Non-productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lemon Non-productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avocado Non-productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lime Non-productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orange Non-productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grapefruit Non-productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Papaya Non-productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shade Trees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Young adult</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual Owned Wild Productive Trees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Palm KERNEL Non-productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coconut Non-productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Productive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mango Trees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 saplings &amp; equipment</td>
<td>0-1 year</td>
<td></td>
</tr>
<tr>
<td>2 saplings &amp; equipment</td>
<td>1-6 years</td>
<td></td>
</tr>
<tr>
<td>2 saplings &amp; equipment</td>
<td>6+ years</td>
<td></td>
</tr>
<tr>
<td>Catch</td>
<td>Demonstrable loss according to case</td>
<td></td>
</tr>
<tr>
<td>Kitchen Garden</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beehive</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Compensation (and resettlement) will be funded like any other activity eligible under the local government administrative and financial management rules and manuals.

Funding would be processed and effected through the Project Coordination Unit (PCU) in the Ministry of Local Government (MoLG) through the decentralized local governments and will comply with the financial arrangements agreed upon at project appraisal.

The compensation process which will involve several steps would be in accordance with the individual project resettlement and compensation plans, significantly:

- **Public Participation** with the local communities would initiate the compensation process as part of an ongoing process that would have started at the land selection/screening stage and at the time the socio-economic assessment is being carried. This would ensure that no affected individual/household is simply “notified” one day that they are affected in this way. Instead, this process seeks their involvement and wishes to inform communities in a participatory approach with the project, from the beginning as outlined in Section L of this report.

- **Notification** of land resource holders – the respective local/district heads involved in identifying the land will notify the parish chief, and village chief and village inhabitants who will help to identify and locate the property users. The users will be informed through both a formal notification in writing and, as many people are illiterate, by verbal notification delivered in the presence of the village chief or his representative. In addition, the parish chief, village chiefs, religious leaders, other elders and individuals who control land will accompany the survey teams to identify sensitive areas.

- **Documentation** of Holdings and Assets – village and project officials to arrange meetings with affected individuals and/or households to discuss the compensation process. For each individual or household affected, the project officials completes a compensation dossier containing necessary personal information on the affected party and those that s/he claims as household members, total landholdings, inventory of assets affected, and information for monitoring their future situation. This information is confirmed and witnessed by village officials and PMC’s. Dossiers will be kept current and will include documentation of lands surrendered. Each individual will be provided a copy of the dossier at the time of negotiations. This is necessary because it is one way in which an individual can be monitored over time. All claims and assets will be documented in writing.

- **Agreement on Compensation and Preparation of Contracts** – All types of compensation are clearly explained to the individual or household. The PMC draws up a contract, listing all property and land being surrendered, and the types of compensation (cash and/or in-kind) selected. A person selecting in-kind compensation has an order form which is signed and witnessed.
compensation contract is read aloud in the presence of the affected party and the 
PMC, parish chief, the village chief, village officials and other village leaders 
prior to signing

- **Compensation Payments** – All handing over of property such as land and 
buildings and compensation payments will be made in the presence of the 
affected party and the village officials.

**Community Compensation Payments**

Community compensation will be in-kind only for a community as a whole in the form of 
reconstruction of the facility to at least the same standard or equivalent better standard 
to that being built by the LGDP II on the area to serve the same function. Examples of 
community compensation include;

- School Building (public or religious)
- Public Toilets
- Well or Pump
- Market Place
- Road
- Storage warehouse

No community project will be approved that requires the displacement of additional 
persons for compensation or relocation.

I. **A DESCRIPTION OF THE IMPLEMENTATION PROCESS, LINKING 
RESETTLEMENT IMPLEMENTATION TO CIVIL WORKS**

Before any project activity is implemented, people who are being affected by such 
activity, will be compensated in accordance with the resettlement policy framework. For 
projects involving land acquisition, it is further required that these measures include 
provision of compensation, income restoration and of other assistance required for 
relocation, prior to displacement, and preparation and provision of resettlement sites with 
adequate facilities, where required. In particular, the taking of land and related assets 
may take place only after compensation has been paid and, where applicable, 
resettlement sites and moving allowances have been provided to displaced persons For 
project activity requiring relocation or loss of shelter, the policy further requires that 
measures to assist the displaced persons are implemented in accordance with the 
individual resettlement and compensation plan of action.

The measures to ensure compliance with this policy directive will be included in the 
resettlement and compensation plans that will be prepared for each land involving 
resettlement or compensation. When the PMC present their resettlement and 
compensation plans to the TPC and the local government council for approval, part of 
the screening process that the local government council will use to approve 
recommended sites will be to confirm that the resettlement and compensation plans 
contain acceptable measures that link resettlement and compensation activity to civil 
works in compliance with this policy. The timing mechanism of these measures will 
ensure that no individual or affected household will be displaced due to civil works 
activity before compensation is paid and resettlement sites with adequate facilities are
prepared and provided for to the individual or household affected. Once the resettlement and compensation plan is approved by the local and national government, the resettlement and compensation plan, will, at the discretion of the Bank, be sent to the World Bank for final review and approval.

J. **A DESCRIPTION OF GRIEVANCE REDRESS MECHANISMS.**

At the time that the individual resettlement and compensation plans are approved and individual compensation contracts are signed, affected individuals would have been informed of the process for expressing dissatisfaction and to seek redress.

The grievance procedure will be simple, administered as far as possible at the local level to facilitate access, flexible and open to various proofs taking into cognizance the fact most people are illiterate and poor requiring a speedy, just and fair resolution of their grievances. The PMC (whose members can be found on page 20) being a party to the contract would not be the best office to receive, handle and rule on disputes. Therefore, taking these concerns into account, all grievances concerning non-fulfillment of contracts, levels of compensation, or seizure of assets without compensation will be addressed to the existing local courts system of administration of justice in the Districts. Local NGO's will be engaged by the TPC's to mediate disputes.

All attempts would be made to settle grievances. Those seeking redress and wishing to state grievances would so by notifying their village chief and the District Chairperson (DC) The DC will consult with the district local governments, parish and village chiefs and elders and other records to determine a claims validity. If valid, the village chief and PMC will notify the complainant and s/he will be settled.

If the complainants claim is rejected, then the matter will be brought before the District Land Tribunals and/or the local courts for settlement. If the matter cannot be settled by the local courts and/or the District Land Tribunals, the matter will go the High Court for resolution. The High Court of Uganda will be the highest appellate “judge” in this system. The decision of the High Court would be final and all such decisions must be reached within a full growing season after the complaint is lodged.

If a complaint pattern emerges, the DC with the local governments, PMCs, parish and village leaders will discuss possible remediation. The local leaders will be required to give advice concerning the need for revisions to procedures. Once the DC, local governments, parish and village leaders agree on necessary and appropriate changes, then a written description of the changed process will be made. The DC, local governments, parish and village leaders will be responsible for communicating any changes to the population.

In the local cultures it takes people time to decide that they are aggrieved and want to complain. Therefore, the grievance procedures will give people up to the end of the next full agricultural season after surrendering their assets to set forth their case.

K. **A DESCRIPTION OF THE ARRANGEMENTS FOR FUNDING RESETTLEMENT AND COMPENSATION, INCLUDING THE PREPARATION AND REVIEW OF COSTS ESTIMATES, THE FLOW OF FUNDS, AND CONTINGENCY ARRANGEMENTS**
The estimate of the overall cost of resettlement and compensation would be determined during the socio-economic study. The Local Government or the Project Management Committee (PMC) would have to finance the resettlement and compensation plan depending on who is impacting livelihoods.

At this stage, it is not possible to estimate the likely number of people who may be affected since the sub-projects have not yet been identified. When these locations are known, and after the conclusion of the site specific socio-economic study, information on specific impacts, individual and household incomes and numbers of affected people and other demographic data would be available, thus facilitating the preparation of a detailed and accurate budget for resettlement and compensation.

Where a local government is the party causing resettlement, funds would be released for payment through the local government to the affected people once the resettlement and compensation contracts have been signed. Payment will then be made in a manner that complies with the administrative and financial procedures of the LGDP II like with any other activity eligible for payment under project.

Where the PMC is the party causing resettlement, the PMC would be required to effect payments to the affected party or to finance any other requirements in the resettlement and compensation plan, prior to funds being released to it by the Local Government to finance the sub project.

The budget in the resettlement and compensation plans will be subject to the approval of the World Bank.

At this stage however, all that can be reasonably and meaningfully prepared is an indicative budget, highlighting key features that the budget must contain, inter alia, as follows:

<table>
<thead>
<tr>
<th>#</th>
<th>Item</th>
<th>Costs (in US$)*</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Compensation for loss of Land</td>
<td>$1,235/hectare</td>
<td>For land acquisition purposes, based on cost realized in projects involving similar issues in Uganda</td>
</tr>
<tr>
<td>2</td>
<td>Compensation for loss of Crops</td>
<td>$3,125/hectare</td>
<td>Includes costs of labor invested and average of highest price of staple food crops as per methods described in Section G of this RPF</td>
</tr>
<tr>
<td>3</td>
<td>Compensation for loss of access to local quarries to mine stones for concreting and road construction</td>
<td>N/a</td>
<td>Those affected would be provided with a license to re-start mining activities in new approved quarries</td>
</tr>
<tr>
<td>4</td>
<td>Compensation for loss of access to fishing resources</td>
<td>Estimated $2000/fishmonger, fishermen and others</td>
<td>Data provided from revised socio-economic study will determine market values of catch, fish products etc that is produced</td>
</tr>
<tr>
<td>5</td>
<td>Compensation for Buildings and Structures</td>
<td>$150,000 for all structures</td>
<td>This compensation would be in-kind. These new buildings would be built and then given to those affected. Cost based on basic housing needs for a family of ten, including house with four bedrooms, ventilated pit latrines, outside kitchen and storage</td>
</tr>
</tbody>
</table>

35
L. A DESCRIPTION OF MECHANISMS FOR CONSULTATIONS WITH, AND PARTICIPATION OF, DISPLACED PERSONS IN PLANNING, IMPLEMENTATION, AND MONITORING

Public consultation and participation are essential because they afford potential displaced persons the opportunity to contribute to both the design and implementation of the project activities. The socio-economic situation prevailing in Uganda as discussed earlier, makes public consultation with the communities, indispensable. Furthermore, it is the local communities who are to claim ownership of this project for it to be successful and their wealth of knowledge of local conditions are invaluable assets to the project. In recognition of this, particular attention would be paid to public consultation with potentially affected individuals/households when resettlement and compensation concerns are involved.

Public consultation will take place at the inception of the planning stages when the development plans are being prepared. The participation strategy would evolve around the provision of a full opportunity for involvement. This process would not be an isolated one because of the very nature of the project, which through its implementation and design ensures continuous public participation and involvement at the local level. Therefore, as a matter of strategy, public consultation would be an on-going activity taking place throughout the entire project cycle. For example, public consultation would also occur during the preparation of the; (i) the socio-economic study, (ii) the resettlement and compensation plan and (iii) the environmental impact assessment and (iv) during the drafting and reading of the compensation contract.

Public participation and consultation would take place through meetings, radio programs, request for written proposals/comments, filling in of questionnaires/forms, public readings and explanations of project ideas and requirements, making public documents available at the, district, sub-county, town, division, parish and village levels at suitable locations like the official residences/offices of local chiefs/elders. These measures would take into account the low literacy levels prevalent in these communities by allowing enough time for responses and feedback.

---

<table>
<thead>
<tr>
<th></th>
<th>Compensation for Trees</th>
<th>$250/year/tree</th>
<th>Based on methods described on page 27 of this RPF for compensation for trees</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Cost of Relocation Assistance/Expenses</td>
<td>4150/household</td>
<td>This cost is to facilitate transportation, etc</td>
</tr>
<tr>
<td>8</td>
<td>Cost of Restoration of Individual Income</td>
<td>Est $2500/per person</td>
<td>Assumed to be higher than the GDP/capita</td>
</tr>
<tr>
<td>9</td>
<td>Cost of Restoration of Household Income</td>
<td>Est. $7500/ per household</td>
<td>For household of ten</td>
</tr>
<tr>
<td>10</td>
<td>Cost of Training Farmers</td>
<td>$100,000 total cost</td>
<td>This is a mitigation measure which seeks to involve those affected in the project activities. This figure represents a costs of around $25/person</td>
</tr>
</tbody>
</table>

* These costs are indicative only and must be confirmed during the socio-economic study and revised at the time the payments are made.
Notwithstanding, the best guarantor for public interest is the chiefs and other local leaders who are responsible members of their local communities and can inadvertently be part of the potentially displaced individuals/households either in part or in whole.

Monitoring of this process would be through the village chief as part of the individual resettlement and compensation plans and overall the monitoring and evaluation mechanism of the entire project.

This requirement is line with the Bank policy on disclosure.

M. ARRANGEMENTS FOR MONITORING BY THE IMPLEMENTATION AGENCY AND, IF REQUIRED, BY INDEPENDENT MONITORS

The arrangements for monitoring will fit the overall monitoring plan of the entire LGDP II project which will be through the Ministry of Local Government and the Local Governments themselves. The LGDP II will institute an administrative reporting system that:

(a) alerts project authorities to the necessity for land acquisition in a subproject,
(b) provides timely information about the valuation and negotiation process,
(c) reports any grievances that require resolution, and
(d) documents timely completion of project resettlement obligations (i.e. payment of the agreed-upon sums, construction of new structures, etc.) for all permanent and temporary loses, as well as unanticipated, additional construction damage.

Consistent with the Environmental and Social Management Framework, the Environmental and Social Resource Person in the TPC will be responsible for periodically transferring the information compiled by local governments to the PCU so that it is alerted in a timely manner to any difficulties arising at the local level.

The objective will be to make a final evaluation in order to determine;

(i) if affected people have been paid in full and before implementation of the subproject,
(ii) if the people who were affected by the subproject have been affected in such a way that they are now living a higher standard than before, living at the same standard as before, or they are actually poorer than before.

A number of indicators would be used in order to determine the status of affected people (land being used compared to before, standard of house compared to before, level of participation in project activities compared to before, how many kids in school compared to before, health standards, etc). Therefore, the resettlement and compensation plans will set two major socio-economic goals by which to evaluate its success:

- Affected individuals, households, and communities are able to maintain their pre-project standard of living, and even improve on it, and
- The local communities remain supportive of the project.
In order to access whether these goals are met, the resettlement and compensation plans will indicate parameters to be monitored, institute monitoring milestones and provide resources necessary to carry out the monitoring activities.

The following parameters and verifiable indicators will be used to measure the resettlement and compensation plans performance;

- Questionnaire data will be entered into a database for comparative analysis at all levels of Local Governments,
- Each individual will have a compensation dossier recording his or her initial situation, all subsequent project use of assets/improvements, and compensation agreed upon and received.
- The Local Governments will maintain a complete database on every individual impacted by the sub-project land use requirements including relocation/resettlement and compensation, land impacts or damages
- Percentage of individuals selecting cash or a combination of cash and in-kind compensation,
- Proposed use of payments
- The number of contentious cases out of the total cases
- The number of grievances and time and quality of resolution
- Ability of individuals and families to re-establish their pre-displacement activities, land and crops or other alternative incomes
- Mining and agricultural productivity of new lands
- Number of impacted locals employed by the civil works contractors
- Seasonal or inter-annual fluctuation on key foodstuffs
- General relations between the project and the local communities

The following indicators will be used to monitor and evaluate the implementation of resettlement and compensation plans;

<table>
<thead>
<tr>
<th>VERIFIABLE INDICATORS</th>
<th>Monitoring</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding compensation or resettlement contracts not completed before next agricultural season</td>
<td>Outstanding individual compensation or resettlement contracts</td>
<td></td>
</tr>
<tr>
<td>Communities unable to set village-level compensation after two years</td>
<td>Outstanding village compensation contracts</td>
<td></td>
</tr>
<tr>
<td>Grievances recognized as legitimate out of all complaints lodged</td>
<td>All legitimate grievances rectified</td>
<td></td>
</tr>
<tr>
<td>Pre- project production and income (year before land used) versus present production and income of settlers, off-farm-income trainees, and users of improved mining or agricultural techniques</td>
<td>Affected individuals and/or households compensated or resettled in first year who have maintained their previous standard of living at final evaluation</td>
<td></td>
</tr>
<tr>
<td>Pre- project production versus present production (crop for crop, land for land)</td>
<td>Equal or improved production per household.</td>
<td></td>
</tr>
</tbody>
</table>

Financial records will be maintained by the Local Governments and the PCU at the MoLGI to permit calculation of the final cost of resettlement and compensation per individual or household. Each individual receiving compensation will have a dossier containing;

- Individual biological information,
- Number of people s/he claims as household dependents
GOVERNMENT OF UGANDA

LOCAL GOVERNMENT DEVELOPMENT PROGRAM II (LGDP II)

- Amount of land available to the individual or household when the dossier is opened.

Additional information will be acquired for individuals eligible for resettlement/compensation:

- Level of income and of production
- Inventory of material assets and improvements in land, and
- Debts.

Each time land is used/acquired by a sub-project, the dossier will be updated to determine if the individual or household is being affected to the point of economic non-viability and eligibility for compensation/resettlement or its alternatives. These dossiers will provide the foundation for monitoring and evaluation, as well as documentation of compensation agreed to, received, and signed for.

It is normal that some compensation procedures and rates may require revision at some time during the project cycle. The Local Governments and PCU will implement changes through the Change Management Process in the Monitoring and Evaluation manuals of the project, which will require feedback from:

- Indicators monitored by the local governments to determine whether goals are being met, and
- A grievance procedure for the local community to express dissatisfaction about implementation of compensation and resettlement.

This framework is suggesting that the office of the National Environmental Management Authority (NEMA), in Uganda is structured into the whole M&E component of the project. This would give NEMA the mandate to carry out independent monitoring of the implementation of the resettlement and compensation plans at periodic intervals of quarterly or half yearly (as circumstances dictate) during the project life. Their report would then be sent to the Local Governments and PCU of the MoLG and become part of the official documents of the project.