



## **The Investment for Industrial Transformation and Employment Project (INVITE) Trust (P171607)**

**Under**

**The Ministry of Finance Planning and Economic Development (the  
Settlor) and the Bank of Uganda (Trustees)**

**Final**

**ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (ESMF)**

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## ABBREVIATIONS AND ACRONYMS

BoU	Bank of Uganda
COVID 19	Coronavirus disease 2019
DCA	DanChurchAid
E&S	Environmental and Social
ESHS	Environmental, Social, Health, and Safety
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMS	Environmental and Social Management System
ESRM	Environmental and Social Risk Management
ESS	Environmental and Social Standards
ESSF	Environmental and Social Screening Form
GBV	Gender-based Violence
GoU	Government of Uganda
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
IC	Investment Committee
ICT	Information & Communication Technology
IDA	International Development Association
IFC	International Finance Corporation
INVITE	Investment for Industrial Transformation and Employment
LEs	Large Enterprises
MDTF	Multi Donor Trust Fund
M&E	Monitoring and Evaluation
MFD	Microfinance Deposit-taking institution
MFI	Microfinance Institution
MoFPED	Ministry of Finance, Planning and Economic Development
MoGLSD	Ministry of Gender, Labour and Social Development
MSMEs	Micro, Small, and Medium Enterprises
NDP	National Development Plan
NEA	National Environment Act
NEMA	National Environment Management Authority
OPM	Office of the Prime Minister

PACR	Project Advisory Committee for Refugees
PAD	Project Appraisal Document
PCBs	polychlorinated biphenyls
PCU	Project Coordination Unit
PFI	Participating Financial Institution
PIU	Project Implementation Unit
PSC	Project Steering Committee
PSFU	Private Sector Foundation Uganda
RHD	Refugee Hosting District
SACCO	Savings and Credit Cooperative Society
SEP	Stakeholder Engagement Plan
SMEs	Small to Medium Size Enterprises
UBOS	Uganda Bureau of Statistics
UNBS	Uganda National Bureau of Standards
UNHCR	United Nations High Commissioner for Refugees
UOBDU	United Organisation for Batwa Development in Uganda
URA	Uganda Revenue Authority
UWA	Uganda Wildlife Authority
VMGF	Vulnerable and Marginalized Groups Framework
WB	World Bank
WHR	Window for Host Communities and Refugees

## EXECUTIVE SUMMARY

### INTRODUCTION

#### Background

The Government of Uganda (GoU) through Ministry of Finance and Economic Development (MoFPED), the Bank of Uganda (BoU), and Private Sector Foundation Uganda (PSFU) plans to implement the Investment for Industrial Transformation and Employment (INVITE) Project with funding from the World Bank. The MoFPED and BoU established the INVITE Trust that will implement component 1, subcomponent 2.1, subcomponent 2.2 and subcomponent 4a of the INVITE Project. This Environmental and Social Management Framework (ESMF) is to cover components implemented under the INVITE Trust. PSFU will implement Subcomponent 2.3 and Component 3 and Component 4b. A separate ESMF has been prepared for these components under PSFU and it is disclosed.

#### ESMF Purpose and Rationale

The ESMF has been developed to guide the Project Implementation Unit (PIU) at INVITE Trust and Commercial Banks, Microfinance Institutions (MFIs), Microfinance Deposit-taking institutions (MDIs), Savings and Credit Cooperative Societies (SACCOs), Micro Small Medium Enterprises (MSMEs) and Large Enterprises (LEs), on compliance with the Environmental and Social (E&S) requirements during the implementation of the project.

In March 2024, following the enactment of the Anti-Homosexuality Act, 2023, this document and its annexes have been updated to include specific measures to mitigate the risk of discrimination against or exclusion of any affected individuals and groups in providing or receiving benefits in World Bank-financed projects and programs in Uganda. These measures are described in various sections of this document including section 7.2.3, Annexes 10 and 11.

### PROJECT DESCRIPTION

#### The Project Development Objective (PDO)

The Project Development Objective (PDO) of the INVITE project is to mitigate the effect of COVID-19 on private-sector investment and employment and to support new economic opportunities including in refugee and hosting communities.

#### Project Scope

Geographically, the project will be implemented countrywide across the manufacturing and exporting value chains.

#### INVITE Trust Components

**COMPONENT 1:** Mitigating the Impact of COVID-19 with a focus on the Manufacturing and Exporting Sectors Driving Economic Transformation, including Refugee and Host Districts.

**Window 1.1 (Amortization Extension):** This Window will provide grant support to MSMEs whose loans were restructured as part of the BoU COVID 19 response measures undertaken in March 2020, by covering part of the added financial cost due to the restructuring. Grant support will be channelled through eligible Financial Institutions (Tier I, II, and III) regulated by either BoU or UMRA.

**Window 1.2 (Restart Discount Loan):** This Window will provide loans to MSMEs through eligible Financial Institutions (Tiers II, III and IV) to enable them restart or continue their operations. The Window will give preference to MSMEs in refugee hosting districts and women-led firms.

**Window 1.3 (Receivables financing):** This Window will provide financing to MSMEs based on security in the form of invoices issued to large buyers, thereby building on the credit standing of these large off-takers and introducing a product that offers lower risk while fostering liquidity. This window will allow MSMEs to receive payment for the goods or services they have delivered immediately.

**COMPONENT 2: Creating New Productive and Transformative Assets including in Refugee and Host Districts;** focuses on enabling new financing to restart and bolster economic growth.

**Window 2.1 (Credit Guarantee Facility):** The CGF will be established to share the risks associated with new lending on a 50/50 basis through PFIs (Tier I, II, and III).

**Window 2.2 (Subordinated Long-term Local Currency Loan Facility):** The window will provide for long-term financing in the form of subordinated/convertible long-term local currency loans to Large Enterprises. This instrument targets key economic assets, such as grain storage facilities or collection centers, cold storage, laboratories, SME Centers, industry and manufacturing hubs, etc.

**COMPONENT 4 (Implementation Support):** Implementation Support and Monitoring and Evaluation.

Sub-component 4a (Project Implementation Framework): The sub-component will support the establishment of operations systems in the INVITE Trust, including the legal advice to set up the Invite Trust, the environmental and social systems, a management information system, the technical and financial design, risk management framework and the operational support for the financing of INVITE Trust Windows.

#### **INVITE Trust Beneficiaries**

- a) Businesses that borrowed before or during COVID and, because of the economic impact of COVID-19, had their loan periods extended following guidance from BoU, resulting in higher cost of credit.
- b) MSMEs with a focus on manufacturing and export supply chains, irrespective of their geographical location but with a bias towards those located or doing business in refugee hosting districts.
- c) Large and medium business projects in need of long-term financing to acquire or improve productive assets.
- d) MSME businesses with good business cases in manufacturing and/or export value chains, and adequate or potentially adequate cash flows, that have inadequate or no traditional collateral to secure loans for business operations from Financial Institutions.

#### **STUDY APPROACH**

The ESMF was prepared by the Consultant, (JBN Consults and Planners Ltd), with support from the PSFU and INVITE Trust, in line with the World Bank Environmental and Social Framework, the National Environment Act of 2019 and other applicable policies, laws and regulations. The ESMF was prepared mainly on document review and consultations with key stakeholders. PSFU has taken the lead on supervising the preparation of the ESMF on behalf of the INVITE Trust due to lack of E&S technical capacity on the BOU's side. Implementation shall be handed over to INVITE Trust once their structures

have been established and fully constituted. To this regard, PSFU contracted JBN Consults and Planners Limited to prepare this ESMF.

### **POLICY, LEGAL, AND INSTITUTIONAL FRAMEWORK**

Key plans, policies, legal framework, applicable to components implemented under INVITE Trust were reviewed against Uganda Vision 2040, the National Development Plan III, the National Action Plan on Gender Based Violence (GBV), National Biodiversity Strategy and Action Plan II (2015-2025).

#### **Policies**

The policies included; the National Environment Management Policy (1994), the National Policy on Conservation and Management of Wetland resources (1995), the National Water Policy (1999), National Industrial Policy (2008), the Uganda National Land Policy (2013), the National Environment Health Policy (2010), Uganda Gender Policy (2007), National Policy on Elimination of Gender-Based Violence (2016), The National Equal Opportunities Policy, (2006), the National HIV/AIDS Policy (2004), National Policy on Disability (2006), the Uganda National Culture Policy (2006), National Forestry Policy (2001) and the Climate Change Policy (2013).

#### **Laws**

The laws included; the Constitution of the Republic of Uganda (1995), the National Environment Act (2019), Bank of Uganda Act (2000), Financial Institutions Act (2004), Micro Finance Deposit-taking Institutions Act (2003), the Land Act, Cap 227 (1998), the Land Acquisition Act (Cap 226), National Climate Change Act (2021), the Public Health Act (Cap 281), The Water Act (1997), the National Forestry and Tree Planting Act (2003), Traffic and Road Safety Act (Cap.361), the Occupational Safety and Health Act (2006), the Workers' Compensation Act (Cap. 225), the Employment Act (2006), Children Act (Cap. 59), the Agricultural Chemicals (Control) Act, (2006), Control of manufacture, of agricultural chemicals Act (Cap. 29), the Agricultural Seeds and Plants Act (Cap. 28), the Plant Protection Act (Cap. 31), External Trade Act (Cap 88), Uganda National Bureau of Standards Act (Cap. 327), Access to information Act (2005), Refugee Act (2006), Penal Code Act (120) and the Museum and Monument Act (2023).

#### **Regulations**

The applicable regulations included; the National Environment (Environmental and Social Assessment) Regulations (2020), Water Resources Regulations (1998), the National Environment (Wetlands, Riverbanks and Lakeshores Management) Regulations (2000), National Environment (Air Quality Standards) Regulations (2024), the National Environment (Waste Management) Regulations (2020), National Environment (Standards for Discharge of Effluent into Water or on Land) Regulations (2020), the National Environment (Noise Standards and Control) Regulations (2003), the National Environment (Audit) Regulations (2020), the National Environment (Management of Ozone Depleting Substances and Products) Regulations (2001) and Refugee regulations (2010).

#### **International Protocols and Conventions**

The International Protocols and Conventions applicable include; United Nations Framework Convention on Climate Change (1992), Stockholm Convention on Persistent Organic Pollutants (2001), Strategic Approach to International Chemicals Management (2006), International Labor Organization Convention (1998), Convention on Wetlands of International Importance as Waterfowl

Habitat-Ramsar Convention (1971), Basel Convention (2006) and the FAO International Code of Conduct on the Distribution and Use of Pesticides (2002).

### **Environmental and Social Standards (ESS)**

The ESMF has been prepared in line with the World Bank Environmental and Social Framework (ESF). The 10 Environmental and Social Standards (ESS) under ESF are relevant and applicable to the INVITE-Trust project activities and these include: Assessment and Management of Environmental and Social Risks and Impacts (ESS1); Labour and Working Conditions (ESS2); Resource Efficiency and Pollution Prevention and Management (ESS3); Community Health and Safety (ESS4); Land Acquisition, Restrictions on Land Use and Involuntary Resettlement (ESS5); Biodiversity Conservation and Sustainable Management of Living Natural Resources (ESS6); Indigenous Peoples/ Sub-Saharan African Historically Underserved Traditional Local Communities (ESS7); Cultural Heritage (ESS8); Financial Intermediaries (ESS9) and Stakeholder Engagement and Information Disclosure (ESS10).

### **ENVIRONMENTAL AND SOCIAL BASELINE**

The following key parameters at national level were considered and examined: Biophysical conditions that included climate change, geology, soils, surface and ground water, biodiversity, forest ecosystems, wetlands, wildlife, fisheries and Socio-economic conditions that included; governance and administrative structures, demography, youth, refugees in Uganda, gender, employment, household incomes and expenditures, land tenure and land use, economic impacts of COVID-19, commercial banking and microfinance, access to credit, agricultural and industrial sectors, among others. The baseline information is presented under Section 5 of the report.

### **STAKEHOLDER ENGAGEMENT**

Stakeholder engagement is continuous, and the project Stakeholder Engagement Plan (SEP) guides how engagements will be conducted during project implementation. Initial consultations were undertaken as part of preparation of the ESMF in 2022. Additional consultations were conducted in June and July of 2024. Some of the issues discussed with stakeholders regarding the project included: (i) Provision of information on the project to the stakeholders i.e. development objective, key components, and activities to be undertaken; (ii) Target beneficiaries of the project (section 2.4); (iii) Likely Environmental and Social (E&S) impacts of project activities, including health and safety, during the implementation phase; (iv) Suggestions on how best the project could be implemented while ensuring sustainability; and (v) Any other suggestions to improve project design, plans, and implementation. The stakeholders engaged included selected associations such as; Uganda Small Scale Industries Association (USSIA), Uganda Manufacturers Association (UMA), Federation of Small Medium Enterprises (FSME) which are umbrella bodies with effective representation of the potential beneficiaries and PFIs. Consultations were also undertaken with Government Ministries, Agencies, Departments, selected districts local governments (Yumbe, Gulu, Lira, Arua, Adjuman, Mbarara, Hoima, Kikuube), refugees and refugee host communities, among others. Details have been provided in section 6 of this report.

Additional consultations on non-discrimination and inclusion were undertaken on the project in January 2024 to specifically discuss the vulnerability of some individuals or groups due to exclusion or discrimination. A summary of the consultations is posted on the World Bank Uganda consultations website at <https://www.worldbank.org/en/country/uganda/brief/consultations>

During the consultations, key issues raised relating to INVITE included:

- a) Can the Uganda Bureau of Statistics collect information on vulnerable or marginalized individuals or groups? There is not enough data about us.
- b) What is being done to ensure behavior change in communities is going to be a continuous conversation – sustainability plan?
- c) What measures will be put in place to ensure job security for persons hired by the project?
- d) Around community safety there needs to be a long-term consideration included in the mitigation measures.
- e) We fear that people will not participate in projects because of lack of trust.
- f) If we agree learning is a long-term process, why don't we directly get involved in these projects? for example, in delivering the trainings?
- g) More detail is needed on what will be done in the trainings.

The approach to managing these issues and other issues raised during the consultations are found at section 7.2.3 of this ESMF.

## **ASSESSMENT OF POTENTIAL GENERIC ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS, AND MITIGATION MEASURES**

A summary of the expected positive and negative environmental and social impacts, and measures or good practices to prevent, minimise, mitigate and compensate for negative impacts for components under INVITE Trust, is provided in section 7 of this ESMF. The project activities that will be financed under the INVITE Trust are associated with E&S risks and impacts. The positive impacts may include ease liquidity constraints on MSMEs and LEs, ease the cost of finance and the availability of liquidity by working with PFIs to reach the MSMEs, reduce the MSMEs' incremental cost or debt servicing liability, enable new financing to restart and bolster economic growth, Provide risk coverage for new lending to MSMEs.

The negative risks and impacts may include: pollution, occupational and community health and safety risks, impacts on flora and fauna, labour influx with associated social impacts, social exclusion, GBV/SEA and child labour among others, though these will largely be dependent on the nature, scope and scale of subproject. The summary of generic environmental and social impacts and mitigation measures, in addition to the general assessment and guidance on management measures, is presented under Section 7 and shall be used to facilitate the assessment and identification of site-specific E&S impacts and mitigation measures during the implementation phase of the project activities.

## **PROCEDURES TO ADDRESS ENVIRONMENTAL AND SOCIAL ASSESSMENT ISSUES**

The procedures section defines steps, actions, and responsibilities for screening potential environmental and social (E&S) issues, classifying risk levels, and undertaking the appropriate Environmental and Social Assessment, including applicable E&S instruments. It illustrates the steps involved that the MSMEs/LEs will undertake for project activities supported by the INVITE trust during environmental and social assessment. It also includes E&S management processes as per Ugandan regulations, World Bank Environmental and Social Framework (ESF), Project Environmental and Social Commitment Plan (ESCP) and this ESMF. This section will also guide in the review and approval of environmental and social assessments for INVITE project activities.

PFI will be required to develop and maintain an Environmental and Social Management System (ESMS) that is appropriate to the nature and scale of activities financed through them to identify, assess, manage, and monitor the environmental and social risks and impacts of PFI project activities that receive support from the INVITE Project. Section 8.2 provides guidance on preparation of the ESMS.

## **MONITORING AND GRIEVANCE REDRESS MECHANISM**

The INVITE Grievance Redress Mechanism (GRM) will be established at different levels including the following; Community-level Grievance Redress Committee (GRC), Sub- County Level GRC, District Level GRC, Uganda Bankers Association, Uganda Microfinance Regulatory Authority, INVITE Trust GRC, PSFU, National Level GRC, Workers' Grievances Management Committees and Structure, INVITE Web-based GRM and World Bank Grievance Redress Service. A detailed GRM is provided in section 8.6.

In addition, the World Bank will provide support for enhanced monitoring of the risk of exclusion or discrimination for individuals or groups who may be vulnerable or marginalized. The World Bank will also support the strengthening of the GRM to ensure it includes an effective, safe, ethical and confidential mechanism to receive, manage, refer, and monitor grievances related to exclusion and discrimination. Further details of this support can also be found at Annexes 10 and 11. For grievances associated with discrimination or exclusion of people, the grievance will be passed to an appropriate referral pathway to ensure it is resolved in a safe, ethical, and confidential manner.

## **ESMF IMPLEMENTATION FRAMEWORK, PROJECT IMPLEMENTATION ARRANGEMENTS, RESPONSIBILITIES AND REPORTING**

The project will be overseen and coordinated by a Project Steering Committee (PSC) chaired by the Permanent Secretary/Secretary to the Treasury (PS/ST) of the Ministry of Finance, Planning and Economic Development (MoFPED). The core members of the committee will include all operating units (PSFU and INVITE Trust) of the project and the Office of the Prime Minister (OPM), the Bank of Uganda (BoU), the Ministry of Trade, Industry and Cooperatives (MTIC), the Ministry of Gender Labour and Social Development (MoGLSD), and the Private Sector Foundation Uganda (PSFU). Other Ministries, Departments and Agencies (MDAs) may be invited to participate as needed by the PSC.

The INVITE Trust will coordinate with the PFIs, other statutory institutions and the respective host district local governments to ensure that the relevant national, WB ESSs, Project ESMF and ESCP requirements are complied with and that the prepared environmental and social risk assessment and management instruments such as ESMS, ESIAs, ESMPs, and other related instruments are prepared, disclosed and implemented by the MSMEs/LEs throughout the lifecycle of the Project. In addition, the INVITE Trust and the PFIs will put in place adequate institutional arrangements, systems, and resources to ensure effective monitoring of the ESMF and the relevant plans associated with the INVITE Project. This shall be included as a clause in the contract between INVITE Trust and the PFIs, INVITE Trust and the MSMEs/LEs, and between the PFIs and the MSMEs/LEs.

INVITE Trust, on a quarterly and annual basis, will prepare and submit to WB monitoring progress reports on the compliance of PFIs/ MSMEs/LEs with environmental, social, health, and safety (ESHS) requirements of the Project. The monitoring conducted by INVITE Trust will be quarterly, and submission of E&S reports to the World Bank will be quarterly and annual.

## **ESMF IMPLEMENTATION BUDGET**

Financial resources are required to support the implementation of the ESMF and general environmental and social management activities. It is estimated that the total budget for the implementation of the ESMF and other associated instruments will be US\$ 1,080,000 including budget for capacity building that is estimated at US\$ 250,000. The project is urged to prioritize and financially fund the listed activities in order to facilitate implementation of E&S mitigation plans and manage the likely environmental and social risks and impacts of the project activities.

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# 1 INTRODUCTION

## 1.1 BACKGROUND

The Government of Uganda (GoU) through Ministry of Finance and Economic Development (MoFPED), the Bank of Uganda (BoU), and Private Sector Foundation Uganda (PSFU) plans to implement the Investment for Industrial Transformation and Employment (INVITE) Project with funding from the World Bank (IBRD/IDA). The proposed project will improve access to financial services in the short term and provide financial solutions over the medium term. In parallel, a complementary Multi-Donor Development Fund will provide technical assistance to enhance public services and the capability of firms. The MoFPED and BoU established the INVITE Trust and had it registered under the Trustee Incorporation Act Cap 165 as amended by the Trustee Incorporation (Amendment) Act, No. 22 of 2022. The background to and nature of Trust is discussed in section 9.3. The INVITE trust will implement Component 1 (Windows 1.1, 1.2 and 1.3), Component 2 (Windows 2.1, and 2.2) and Component 4a of the INVITE Project.

This Environmental and Social Management Framework (ESMF) is to cover components implemented under the INVITE Trust. JBN Consults and Planners Limited have been contracted to prepare this ESMF. PSFU has taken the lead on supervising the preparation of the ESMF on behalf of the INVITE Trust. The personnel for INVITE Trust are yet to be recruited. There will be handover of the ESMF to INVITE Trust for implementation.

While the project is country-wide in scope, there is a particular focus on the refugee population and refugee hosting districts/ communities. The focus on refugees is informed by Uganda's refugee protection framework, which includes upholding their right to engage in economic activities for their livelihood and is adequate for accessing financing from the IDA19 WHR. Highlights of the country's pro-refugee environment can be inferred from Uganda being a state party to international and regional instruments protecting refugees, as well as the country's Laws, policies, and practices which are largely consistent with international refugee law. The Refugee Hosting Districts (RHDs) include; Isingiro, Kyegegwa, Kamwenge, Kiryandongo, Kikuube, Yumbe, Adjumani, Madi Okollo, Terego, Lamwo, Koboko, Obongi and Kampala. Most refugees reside in designated refugee settlements located across 13 districts (including Kampala).

## 1.2 ESMF PURPOSE AND RATIONALE

The ESMF has been prepared following the requirements of both the National environment and social requirements and the World Bank Environmental and Social Framework (ESF), 2017. The ESF is composed of 10 Environmental and Social Standards which this project has to comply with. The ESMF is to specify appropriate roles and responsibilities, and outline the necessary reporting procedures, for managing and monitoring environmental and social concerns related to project.

Principally, the ESMF is meant to set out the modalities for the environmental and social assessment, as well as the post assessment situation, as the specific aspects of the project become known during its implementation.

The ESMF has been developed to guide the Project Implementation Unit (PIU) at INVITE Trust, Participating Financial Institutions (PFIs), Microfinance Institutions (MFIs), Microfinance Deposit-taking institutions (MDIs), Savings and Credit Cooperative Societies (SACCOs), Micro Small Medium

Enterprises (MSMEs) and Large Enterprises (LEs) on compliance with the Environmental and Social (E&S) requirements during the implementation of the project.

The ESMF recognizes that the project activities under INVITE Trust are not yet clearly identified, defined, or designed with no specific locations. The ESMF will be used to prepare institution Environmental and Social Management Systems (ESMS), E&S-specific corrective action plans and risk mitigation measures during project activities' implementation.

Following the World Bank Group's communication of its concerns with the enactment of the Anti-Homosexuality Act (AHA), the Government of Uganda issued five Circulars (see Annex 10). Of particular importance is the Circular on Uganda's Social Safeguard Policies issued on September 21, 2023, by the Ministry of Finance Planning and Economic Development, to all Accounting Officers, Ministries, Departments and Agencies and Local Governments which states that:

- "All World Bank-financed projects must be implemented in a manner consistent with the principles of non-discrimination as provided Article 21 of the Constitution of the Republic of Uganda. These projects should also be implemented in accordance with World Bank policies and applicable Legal Agreements.
- Under these projects, no one will be discriminated against or stigmatized, and the principles of nondiscrimination and inclusion will be adhered to. Support should be provided to all project beneficiaries. All implementing entities of World Bank projects will implement specific mitigation measures to address non-discrimination.
- These mitigation measures will require enhancing project grievance redress mechanisms as well as strengthening existing project monitoring by implementing entities including third-party monitoring [the Enhanced Implementation Support Mechanism] where applicable.
- Each project implementation entity shall develop comprehensive guidelines to address nondiscrimination."

The environmental and social risk management documents including this ESMF have been prepared to identify impacts and risks and describes mitigation measures to address these impacts and risks. They include the implementation, monitoring, and reporting arrangements, and roles and responsibilities to assess the efficacy of the mitigation measures being implemented. They also include the risks identified in the public consultations on these documents involving the Government of Uganda and civil society organizations. Noteworthy is that the World Bank will provide support to the Government of Uganda, particularly its Project Implementation Units, to help them to implement the additional mitigation measures for this project.

### 1.3 OBJECTIVES OF THE ASSIGNMENT

The objectives of the assignment are to:

- a. Provide a framework for integration of environmental and social aspects at all stages of project planning, design, execution and operation.
- b. Enhance positive environmental and social impacts of the project and avoid/minimize potential adverse impacts.
- c. Make environment and social information available to stakeholders and the public to foster consensus and project ownership or collective responsibility for socio-environment actions.
- d. Provide guidance to PFIs for development and operational of Environmental and Social Management System (ESMS).

- e. Clearly define the roles and responsibilities of the key actors, for the management of environmental and social issues on the project.
- f. Ensure that the necessary framework for monitoring E&S aspects is in place and ideally based on a proactive approach.

The ESMF will cover all the planned INVITE Trust project activities and specifically provide procedures for:

- i. Stakeholder engagement during project implementation;
- ii. Environmental and social impact screening, assessment, management and monitoring, reporting, audit/review and continuous improvement, including preparation of Environmental and Social Management Systems (ESMSs);
- iii. Institutional capacity assessment and capacity building;
- iv. Establishment of a functional grievance redress mechanism;
- v. Mitigation and management of gender-based violence (GBV) and sexual exploitation and abuse and sexual harassment (SEA/SH) risks;
- vi. Mitigation and management of exclusion and discrimination against vulnerable and marginalized groups; and
- vii. The ESMF will also specify the inter-institutional arrangements for the preparation of time-bound action plans for managing and mitigating adverse impacts related to the planned subproject(s) during implementation.

## 2 PROJECT DESCRIPTION

### 2.1 THE PROJECT DEVELOPMENT OBJECTIVE (PDO)

The Project Development Objective (PDO) is to mitigate the effect of COVID-19 on private-sector investment and employment and to support new economic opportunities including in refugee and hosting communities.

#### Project Development Objective Level Indicators

The project will measure:

- a) The number of firms benefiting from private sector initiatives,
- b) The value of investment in manufacturing,
- c) The number of income-generating opportunities for refugees,
- d) The number of firms benefiting in Refugee Hosting Districts (RHD),
- e) The percentage of jobs saved that would otherwise have been lost due to COVID-19<sup>3</sup>, and
- f) The number of new loans issued to firms in the manufacturing sectors.

### 2.2 PROJECT SCOPE

Geographically, the project will be implemented countrywide across the manufacturing and exporting value chains.

### 2.3 INVITE TRUST COMPONENTS

The project has four Components. However, the INVITE Trust will implement only a part of them and these are as follows:

**COMPONENT 1:** Mitigating the Impact of COVID-19 with a focus on the Manufacturing and Exporting Sectors Driving Economic Transformation, including Refugee and Host Districts.

**Window 1.1 (Amortization Extension):** This Window will provide grant support to MSMEs whose loans were restructured as part of the BoU COVID 19 response measures undertaken in March 2020, by covering part of the added financial cost due to the restructuring. Grant support will be channelled through eligible Financial Institutions (Tier I<sup>1</sup>, II<sup>2</sup>, and III<sup>3</sup>) regulated by either BoU or UMRA.

**Window 1.2 (Restart Discount Loan):** This Window will provide loans to MSMEs through eligible Financial Institutions (Tiers II, III and IV<sup>4</sup>) to enable them restart or continue their operations. The Window will give preference to MSMEs in refugee hosting districts and women-led firms.

**Window 1.3 (Receivables financing):** This Window will provide financing to MSMEs based on security in the form of invoices issued to large buyers, thereby building on the credit standing of these large off-takers and introducing a product that offers lower risk while fostering liquidity. This window will allow MSMEs to receive payment for the goods or services they have delivered immediately.

---

<sup>1</sup> Commercial Banks (including Islamic Banking)

<sup>2</sup> Credit Institutions

<sup>3</sup> Microfinance Deposit Taking Institutions (MDIs)

<sup>4</sup> Non-Deposit Taking Microfinance Institutions, SACCOs, Community Based Microfinance Institutions. Licensing of Money Lenders started after BoU response to the COVID 19 emergency, so they are ineligible.

**COMPONENT 2:** Creating New Productive and Transformative Assets including in Refugee and Host Districts; focuses on enabling new financing to restart and bolster economic growth.

**Window 2.1 (Credit Guarantee Facility):** The CGF will be established to share the risks associated with new lending on a 50/50 basis through PFIs (Tier I, II, and III).

**Window 2.2 (Subordinated Long-term Local Currency Loan Facility):** The window will provide for long-term financing in the form of subordinated/convertible long-term local currency loans to Large Enterprises. This instrument targets key economic assets, such as grain storage facilities or collection centers, cold storage, laboratories, SME Centers, industry and manufacturing hubs, etc.

**COMPONENT 4 (Implementation Support):** Implementation Support and Monitoring and Evaluation.

Sub-component 4a (Project Implementation Framework): The sub-component will support the establishment of operations systems in the INVITE Trust, including the legal advice to set up the Invite Trust, the environmental and social systems, a management information system, the technical and financial design, risk management framework and the operational support for the financing of INVITE Trust Windows.

### 2.3.1 Component 1: Mitigating the Impact of Covid-19 With a Focus on the Manufacturing and Exporting Sectors

#### Window 1.1 Amortization Extension (Grants for Loan Extension)

Table 2.1: Eligibility and Features of the Amortization Extension

Amortization extension	
<i>Selection Criteria for PFIs</i>	<ul style="list-style-type: none"> <li>i. Be regulated by BoU (Tier I, II or III) or UMRA (III).</li> <li>ii. Be in full compliance with the regulatory requirements, specially but not exclusively with capitalization requirements (capital adequacy) and not subject to any pending investigation by either BoU or UMRA.</li> <li>iii. Have been in operation for over 18 months before applying to the line of credit.</li> <li>iv. Be current on its obligations, except in the case of forbearance in the form of deferred payments resulting from loan restructuring requested between April 1st 2020 and April 1st 2023.</li> <li>v. Have sound asset quality, with a Portfolio at Risk (PAR) of not more than 10%, including prior year write-offs.</li> <li>vi. Prove that it made operating profits in the two years prior to application as per its audited annual financial statements. Institutions with no operations in the two years before the application are not eligible.</li> <li>vii. Pass the minimum benchmark for soundness as will be adopted from the BoU inspection reporting guidelines.</li> <li>viii. Commitment to environmental and social requirements. PFIs must have an ESMS compliant with the ESF of the WB and requirements in the ESCP, and compliant with the NEA (2019), OSHA (2006).</li> </ul>

Amortization extension	
<i>Selection Criteria for MSMEs</i>	<ul style="list-style-type: none"> <li>i. Tax compliant before March 2020.</li> <li>ii. Compliant social security obligations (NSSF) before March 2020.</li> <li>iii. Operating in the manufacturing or exporting value chain.</li> <li>iv. Employing between 2 to 100 workers.</li> <li>v. Compliant to EHS good practice for commercial banks financing MSMEs.</li> <li>vi. Complaint with the environmental and social requirements (NEA, 2019 and OSHA, 2006) before March 2020.</li> </ul> <p><b>Preference:</b></p> <ul style="list-style-type: none"> <li>• Located in growth triangle.</li> <li>• Located in a refugee host district.</li> <li>• Women -led firm.</li> </ul>
<i>Estimated average amount of benefits per Beneficiary</i>	US\$ 4,628
<i>Excluded activities</i>	Any cases involving aspects listed under the Environmental and Social Exclusion List in the INVITE ESCP (Section 1.6) and the INVITE ESMF (Annex 12).

## Steps in the implementation of Window 1.1

Table 2.2: Steps in the implementation of Window 1.1

No.	Step
1.	Awareness creation of PFIs about the Window.
2.	Launch expressions of interest of PFIs.
3.	Assessing the eligibility/selection of PFIs.
	Due Diligence of interested PFIs including Assessing the ESMS for PFIs (Annex 19).
4.	Credit agreement with the PFIs.
5.	PFIs Launches expressions of interest for MSMEs.
6.	PFIs Assesses applicants for compliance with the eligibility criteria.
7.	PFIs submit to Trust Manager (TM) for review, verification and submission to Investment Committee (IC) if found satisfactory.
8.	IC reviews and approves, award of contract of grant if found satisfactory.
9.	PFIs signing of grant agreement with qualifying MSMEs.
10.	PFIs disburses to MSME.
11.	Monitoring, evaluation and reporting.

## Window 1.2 Re-start Discount Loan (Working Capital for Input Suppliers)

*Table 2.3: Eligibility and Features of Re-start Discount Loan*

COVID Re-Start Discount Loan	
<i>Selection Criteria for PFIs</i>	<ul style="list-style-type: none"> <li>i. Be regulated by BoU (Tier II or III) or UMRA (Tier III or IV).</li> <li>ii. Be in full compliance with the regulatory requirements, specially but not exclusively with capitalization requirements (capital adequacy) and not be subject to any pending investigation by either BoU or UMRA.</li> <li>iii. Have been in operation for over 18 months before applying to the line of credit.</li> <li>iv. Be current on its obligations, except in the case of forbearance in the form of deferred payments resulting from loan restructuring requested between April 1st 2020 and April 1st 2023.</li> <li>v. Have sound asset quality, with a Portfolio at Risk (PAR) of not more than 10%, including prior year write-offs.</li> <li>vi. Prove that it made operating profits in the two years prior to application as per its audited annual financial statements. Institutions with no operations in the two years before the application are not eligible.</li> <li>vii. Have a minimum number (17) of branches in all the five regions of Uganda (East-3, South-West-2, Mid-West-2, North-West-2, West Nile-2, Central -6).</li> <li>viii. Willing to offer a 50 percent reduction in the annualized interest rate to their borrowers from this facility in the first cycle of lending.</li> <li>ix. Pass the minimum benchmark for soundness as will be adopted from the BoU inspection reporting guidelines.</li> <li>x. Commitment to environmental and social requirements. PFIs must have an ESMS compliant with the ESF of the WB and requirements in the ESCP, and compliant with the NEA (2019), OSHA (2006).</li> </ul>
<i>Selection Criteria for MSMEs</i>	<ul style="list-style-type: none"> <li>i. Registered MSME operating under the Laws of Uganda.</li> <li>ii. Tax compliant.</li> <li>iii. Compliant social security obligations (NSSF).</li> <li>iv. Operating in the manufacturing or exporting value chain.</li> <li>v. Employing between 2 to 100 workers.</li> <li>vi. Compliant with the environmental and social requirements (NEA, 2019 and OSHA, 2006).</li> <li>vii. Compliant to WB ESF, and ESMF.</li> </ul> <p><b>Preference:</b></p> <ul style="list-style-type: none"> <li>• Located in growth triangle.</li> </ul>

COVID Re-Start Discount Loan	
	<ul style="list-style-type: none"> <li>• Located in a refugee host district.</li> <li>• Women -led firm.</li> </ul>
<i>Estimated ranges for final loan amounts</i>	US\$90 to US\$5,000
<i>Loan Period</i>	18 months
<i>Excluded activities</i>	Any cases involving aspects listed under the Environmental and Social Exclusion List in the INVITE ESCP (Section 1.6) and the INVITE ESMF (Annex 12).

*Table 2.4: Steps in the implementation of Window 1.2*

No.	Step
1.	Awareness creation of PFIs about the Window by the INVITE Trust.
2.	Launch expressions of interest of PFIs.
3.	TM Assessing the eligibility of PFIs.
	Due Diligence of interested PFIs including Assessing the ESMS for PFIs (Annex 19).
	TM recommends to IC for approval if found satisfactory.
4.	E&S capacity building and induction.
5.	Credit agreement between Invite Trust and qualifying PFIs.
6.	Disbursements to PFIs.
7.	Call for loan applications.
8.	Assessing the loan application by PFIs against the eligibility criteria.
9.	Approval of loans to qualifying MSMEs.
10.	Monitoring, verification and reporting.
11.	Continuous E&S capacity development and other types of handholding/ capacity building.

### Window 1.3: Receivables Financing (Factoring Facility)

*Table 2.5: Eligibility and Features of the Receivables Financing (Factoring Facility) window*

Receivables Financing		
Selection Criteria for MSMEs		<ul style="list-style-type: none"> <li>i. Registered MSME operating under the Laws of Uganda.</li> <li>ii. Tax compliant.</li> <li>iii. Compliant social security obligations (NSSF).</li> <li>iv. Operating in the manufacturing or exporting value chain.</li> <li>v. Employing between 2 to 100 workers.</li> <li>vi. Compliant with the environmental and social requirements (NEA, 2019 and OSHA, 2006).</li> <li>vii. Compliant to WB ESF, and ESMF.</li> </ul>
<i>Estimated number of PFIs</i>		Typically, no PFI is involved in a factoring transaction.
<i>Excluded activities</i>		Any cases involving aspects listed under the Environmental and Social Exclusion List in the INVITE ESCP (Section 1.6) and the INVITE ESMF (Annex 12).

*Table 2.6: Steps in the implementation of Window 1.3*

No.	Step
1.	Incorporation and staffing of the Factoring company.
2.	Awareness creation of MSMEs about the Window.
3.	Submission of application for financing to the Factoring Company.
4.	Assessing the invoice by the Factoring Company against the eligibility criteria including E&S screening by the INVITE Trust's E&S team.
5.	Approval and Disbursement.
6.	Monitoring, verification and reporting by the INVITE Trust.

## 2.3.2 Component 2 New Productive and Transformative Assets Including in Refugee and Host Districts

### Window 2.1 Credit Guarantee Facility

*Table 2.7: Eligibility and Features of the Credit Guarantee Facility*

<i>Credit Guarantee Facility (CGF)</i>	
<i>Selection Criteria for PFIs</i>	<ul style="list-style-type: none"> <li>i. Licensed by Bank of Uganda to operate as a Tier I, II or III institution.</li> <li>ii. Have operated in Uganda for at least the three full years.</li> <li>iii. Have well-defined business and operational policies and procedures.</li> <li>iv. Have adequate internal controls.</li> <li>v. Have adequate Management Information System (MIS).</li> <li>vi. Have a demonstrated interest in financing the manufacturing and export value chains.</li> <li>vii. Have willingness to take non-traditional collateral in lending.</li> <li>viii. Fully compliant with BoU regulatory requirements.</li> <li>ix. Commitment to environmental and social requirements. PFIs must have an ESMS compliant with the WB ESF and requirements in the ESCP, and compliant with the NEA (2019), OSHA (2006).</li> </ul>
<i>Selection Criteria for MSMEs</i>	<ul style="list-style-type: none"> <li>i. Registered MSME operating under the Laws of Uganda.</li> <li>ii. Tax compliant.</li> <li>iii. Compliant social security obligations (NSSF).</li> <li>iv. Operating in the manufacturing or exporting value chain.</li> <li>v. Employing between 2 to 100 workers.</li> <li>vi. Compliant with the environmental and social requirements (NEA, 2019 and OSHA, 2006).</li> <li>vii. Compliant to WB ESF, and ESMF.</li> </ul>
Estimated guarantee value	Between US\$30,000 and US\$62,500
Excluded activities	Excluded activities: Any cases involving aspects listed under the Environmental and Social Exclusion List in the INVITE ESCP (Section 1.6) and the INVITE ESMF (Annex 12).

Table 2.8: Steps in the implementation of Window 2.1

No.	Step
1.	Awareness creation of PFIs about the Window by INVITE Trust.
2.	Launch expressions of interest of PFIs.
3.	Assessing the eligibility of PFIs.
	Due Diligence of interested PFIs including Assessing the ESMS for PFIs (Annex 19).
4.	E&S capacity development and other types of handholding/ capacity building.
5.	Call for applications from MSMEs by PFIs.
6.	Assessing the eligibility of the application by PFIs.
7.	PFIs recommend to TM if satisfactory.
8.	TM reviews the application before recommending it to IC for approval if found satisfactory.
9.	Credit agreement amongst PFI, MSME and INVITE Trust.
10.	E&S capacity development and other types of handholding/ capacity building.
11.	Monitoring, evaluation and reporting.

## Window 2.2 Subordinated Long-term Local Currency Loan Facility

Table 2.9 Eligibility and Features of Subordinated Long-term Local Currency Loan Facility

Subordinated Long-term Local Currency Loan Facility	
<i>Selection Criteria for PFIs</i>	<ul style="list-style-type: none"> <li>i. Licensed by Bank of Uganda to operate as a Tier I, II or III institution.</li> <li>ii. Have operated in Uganda for at least the three full years.</li> <li>iii. Have well-defined business and operational policies and procedures.</li> <li>iv. Have adequate internal controls.</li> <li>v. Have adequate Management Information System (MIS).</li> <li>vi. Have a demonstrated interest in financing the manufacturing and export value chains.</li> <li>vii. Have willingness to take non-traditional collateral in lending.</li> <li>viii. Fully compliant with BoU regulatory requirements.</li> </ul> <p>Commitment to environmental and social requirements. PFIs must have an ESMS compliant with the WB ESF and requirements in the ESCP, and compliant with the NEA (2019), OSHA (2006).</p>
<i>Selection criteria for Large Enterprise</i>	<ul style="list-style-type: none"> <li>i. Registered Entity operating under the Laws of Uganda.</li> <li>ii. Tax compliant.</li> </ul>

	iii. Compliant social security obligations (NSSF). iv. Operating in the manufacturing or exporting value chain. v. Commitment to environmental and social requirements. Compliant with the WB ESF and requirements in the ESCP, and compliant with the NEA (2019), OSHA (2006). vi. Compliant to WB ESF, and ESMF.
Estimated subordinated loan value	Between US\$880,000 and US\$7,000,000
Excluded activities	Excluded activities: Any cases involving aspects listed under the Environmental and Social Exclusion List in the INVITE ESCP (Section 1.6) and the INVITE ESMF (Annex 12).

*Table 2.10: Steps in the implementation of Window 2.2*

No.	Step
1.	Awareness creation of PFIs about the Window.
2.	Launch expressions of interest of PFIs.
3.	Assessing the eligibility of PFIs.
	Due Diligence of interested PFIs Assessing of ESMS for PFIs (Annex 19).
4.	E&S capacity development and other types of handholding/ capacity building.
5.	Submission of application by the potential Senior Lender (PFI) to TM.
6.	TM to review the application among others in compliance to the INVITE Trust ESMS.
	Assessing the E&S Risk category, compliance to WB ESF, NEA (2019), OSHA (2006).
7.	TM recommends to IC for approval if found satisfactory.
8.	Credit agreement amongst Senior Lender, Borrower and INVITE Trust.
9.	Monitoring, evaluation and reporting.

## 2.4 INVITE TRUST BENEFICIARIES

From the macroeconomic viewpoint, the project will benefit nearly all Ugandans directly or indirectly. The key intended immediate project beneficiaries are:

- Businesses that borrowed before or during COVID and, because of the economic impact of COVID-19, had their loan periods extended following guidance from BoU, resulting in higher cost of credit
- MSMEs with a focus on manufacturing and export supply chains, irrespective of their geographical location but with a bias on those located or doing business in in refugee hosting districts.
- Large and medium, private or business projects in need of long terms financing to acquire or improve productive assets.
- MSME business with good business cases, in manufacturing and/or export value chains, and actual or potential adequate cash flows, that have inadequate or no traditional collateral to secure loans for business operations.

### 3 STUDY APPROACH

The ESMF was prepared based mainly on document review and Consultations with key stakeholders. The study commenced in 2022 and was completed in 2024. Stakeholder consultations were undertaken in selected Districts of; Yumbe, Gulu, Lira, Arua, Adjuman, Mbarara, Hoima, Kikuube and Kampala. The Districts were sampled from three of the four regions of Uganda (Northern, Central and Western Region). These regions are also known to host refugees who are part of the beneficiaries of the INVITE project.

#### 3.1 DOCUMENT REVIEW

In the process of preparing the ESMF, a number of documents were reviewed. The key documents that were consulted included:

- i. Project Appraisal Document (PAD);
- ii. Project's Environmental and Social Commitment Plan (ESCP);
- iii. Appraisal Environmental and Social Review Summary (ESRS);
- iv. Draft Stakeholder Engagement Plan (SEP);
- v. The World Bank Environmental and Social Framework (ESF);
- vi. INVITE Trust Project Operational Manual (POM);
- vii. INVITE Trust Deed;
- viii. International conventions ratified by Uganda;
- ix. The Constitution of the Republic of Uganda and other relevant policies and laws;
- x. Vision 2040;
- xi. National Development Plan (NDP) III.

#### 3.2 STAKEHOLDER IDENTIFICATION, ANALYSIS AND MAPPING

Ascertaining the stakeholders is an important initial process activity since it helps to know what interests they have in the INVITE Project and their perspectives about the project. Additionally, the analysis enables determination of which stakeholder or stakeholder category that should be targeted for information provision, consultation and collaboration in preparation of the ESMF and its implementation.

Stakeholder mapping was done to identify and classify who has to be consulted (or needed to participate), on what, how, when and why (or with what purpose). The guiding questions for the analysis and development of the stakeholder mapping included: (a) Who are the important and affected stakeholders? (b) What are their interests, concerns, influence and resources? (c) Who represents each stakeholder group and how? (d) What consultation methods, structures and processes are most appropriate for each stakeholder?

Consultations were taken at national and district levels. At the district level, districts were clustered into regions (Central, Eastern, Northern and Western). Nine (09) districts were sampled from three (03) region (Northern, Central and Western). Five (05) Districts (Yumbe, Gulu, Lira, Arua and Adjuman) were sampled from Northern Uganda, three (03) Districts (Mbarara, Hoima and Kikuube) were sampled from Western Uganda and one (01) District (Kampala) was sampled from Central Region. Key informant interviews were done with various stakeholders identified. PSFU, on behalf of INVITE Trust, lead stakeholder consultations, while the Consultant undertook the required organization.

## **4 POLICY, LEGAL, AND INSTITUTIONAL FRAMEWORK**

This chapter presents an overview of the key policies, laws, regulatory and institutional framework that will be adopted in the management of environmental and social aspects of the INVITE Trust activities.

### **4.1 NATIONAL PLANS, POLICIES, LEGAL AND REGULATORY FRAMEWORK**

The following is a summary of key plans, policies, legal, and regulations and standards applicable to components implemented under INVITE Trust.

Table 4.1: Summary of plans and policies applicable to the INVITE Trust Components

Policies or Plans	Brief description and its key provisions	Relevance to component under INVITE Trust
Uganda Vision 2040	<p>The aspiration of the Vision 2040 is to change the country from a predominantly low income to a competitive upper middle-income country within 30 years with a per capita income of USD 9,500.</p> <p>The Vision 2040 is conceptualized around strengthening the fundamentals of the economy to harness the abundant opportunities around the country. The opportunities include; oil and gas, tourism, minerals, ICT business, abundant labour force, geographical location and trade, water resources, industrialisation, and agriculture.</p>	The project objective is in line with the Uganda Vision 2040 as the project objective is to mitigate the effect of COVID-19 on private-sector investment and employment and to support new economic opportunities. The implementation of the project will contribute to attaining of the Vision 2040.
The National Development Plan III	The National development Plan (NDP III) 2021-2025 aims to achieve a transformed Ugandan society from a peasant to a modern and prosperous country within 30 years. The goal is to increase household incomes and improve quality of life of Ugandans through sustainable industrialization for inclusive growth, employment and wealth creation.	The project will support the manufacturing and exporting sectors driving economic transformation and also will focus on enabling new financing to restart and bolster economic growth which is in line with NDP III.
The National Action Plan on Gender Based Violence (GBV)	Findings on the National Situation Gender Based Violence Analysis (2010) revealed that, Uganda has much Gender Based Violence which afflicts both females and males. The findings further indicated that, GBV issues in Uganda originate from institutionalized male dominance as opposed to female subordination, leading to unequal power distribution in the home and the society plus resultant GBV violations based on male dominance and male superiority tendencies.	Both males and females need to be given opportunities during planning and implementation, to ensure that no or minimum impacts arises due to Project implementation.
National Biodiversity Strategy and Action Plan II (2015-2025)	The goal of the plan is to enhance biodiversity conservation, management and sustainable utilisation and fair sharing of its benefits by 2025 and its vision is to maintain a rich biodiversity benefiting the present and future generations for socio-economic development. The plan provides for biodiversity conservation and the sustainable use of living resources.	<p>The proposed project may in one way or other impact on biodiversity, be it directly or indirectly.</p> <p>All proposed project activities under INVITE Trust shall adhere to this plan requirements and undertake proper impact assessment to ensure adverse impacts on the biodiversity are adequately mitigated. However, project activities impacting natural and critical habitats will not be</p>

Policies or Plans	Brief description and its key provisions	Relevance to component under INVITE Trust
		supported under the project in line with the exclusion list contained in the project ESCP.
The National Environment Management Policy, 1994	The overall policy goal is sustainable development, which maintains and promotes environmental quality and resource productivity for socio-economic transformation. One of the key principles guiding policy development and implementation includes the need to conduct and ESIA for projects that are likely to have potential impacts on the environment.	INVITE Trust has prepared this ESMF in line with the requirements of the Policy.
The National Policy on Conservation and Management of Wetland resources, 1995	The overall goal of this policy is to maintain an optimum and sustainable diversity of uses and users and consideration of other stakeholders when using wetland resources. In general, the policy calls for sustainable use, sound environmental management of wetlands, equitable distribution of benefits, and application of ESIA procedures on activities to be carried out in wetlands.	<p>The proposed project may in one way or other impact on wetlands resources, be it directly or indirectly.</p> <p>All proposed project activities under INVITE Trust shall adhere to this policy requirements and undertake proper impact assessment to ensure adverse impacts on the wetland ecosystems are adequately mitigated, including obtaining wetland use permits where necessary. However, project activities impacting natural and critical habitats including Ramsar sites, will not be supported under the project in line with the exclusion list contained in the project ESCP.</p>
The National Water Policy, 1999	The objective of the policy is to guide the development and management of the water resources of Uganda in an integrated and sustainable manner, to secure and provide water of adequate quantity and quality for all social and economic needs, with full participation of all stakeholders and mindful of the needs of future generations.	The project will be implemented in line with the requirements of the NWP by ensuring that the MSMEs/LEs and PFIs acquire the applicable permits and licenses.
National Industrial Policy, 2008	Industrial development is an integral and important part of the Government's overall development strategy. This development strategy is to be achieved through transforming Uganda into a modern and Industrial Country through, among other things; adding value by processing to reduce post-harvest losses and by increasing exports of higher value products, especially from agricultural and mineral resources.	This policy is relevant to the project as some of the project funds will be used for industrial development. The strategies provided by the policy in management of OSH risks should be adopted by the project.

Policies or Plans	Brief description and its key provisions	Relevance to component under INVITE Trust
	The policy provides strategies for management of Occupational Health and Safety (OHS) risks.	
The Uganda National Land Policy, 2013	The land policy addresses the contemporary land issues and conflicts facing the Country. The vision of the policy is: "Sustainable and optimal use of land and land-based resources for the transformation of Ugandan society and the economy" while the goal of the policy is: "to ensure efficient, equitable and sustainable utilization and management of Uganda's land and land-based resources for poverty reduction, wealth creation, and overall socio-economic development".	Land acquisition is not envisaged for project. However, any project activity support by the INVITE Trust funds that will need to acquire land will have to comply with the Land Policy.
The National Environment Health Policy, 2010	This policy establishes the environmental health priorities of the Government of Uganda and provides a framework for the development of services and programmes at national and local government levels. It has been developed in support of the National Health Policy and primarily concerns the role of the Ministry of Health. However, environmental health is a cross-cutting discipline, and the policy therefore has implications for other departments and agencies.	The project will take into consideration environmental and health aspects during the E&S screening, assessment processes, and implementation of the INVITE Trust activities.
Uganda Gender Policy, 2007	The Uganda Gender Policy mandates the Ministry of Gender, Labour and Social Development, and other line Ministries to mainstream gender in all sectors.	The beneficiaries of the INVITE Trust funds will be encouraged to adopt an equal opportunity employment policy and to incorporate gender aspects and considerations in the recruitment processes.
National Policy on Elimination of Gender-Based Violence, 2016	The policy emphasizes early intervention to prevent re-victimization of long-term effects for girls, including interpersonal violence, sexual coercion, alcohol and drug abuse, and mental health problems, reporting cases of violence against children immediately.	The project will undertake initiatives to do away with Gender Based Violence-GBV cases relating to project implementation activities.
The National Equal Opportunities Policy, 2006	The goal of the National Equal Opportunities policy is to provide avenues where individuals' and groups' potentials are put to maximum use by availing equal opportunities and affirmative action.	Discrimination and stigmatization, which act as a barrier for marginalized and other groups of people in project areas to access employment and support opportunities will be eliminated throughout project implementation. This entails equitable access to services by workers employed by various

Policies or Plans	Brief description and its key provisions	Relevance to component under INVITE Trust
		beneficiaries, including giving special consideration to women groups/ owned businesses.
The National HIV/AIDS Policy, 2004	The policy aims at guiding a multi-sectoral approach to HIV/AIDS control in the country. Subsection I under Policy Strategies specifically requires workplace policies in both public and non-public formal and informal sectors to be appropriately reviewed to cater for HIV/AIDS prevention & care issues in the workplace.	In line with this policy, project will have to mainstream HIV/AIDS prevention measures into the respective INVITE Trust project activities.
National Policy on Disability, 2006	The National Policy on Disability in Uganda aims to promote equal opportunities for enhanced empowerment, participation, and protection of the rights of PWDs irrespective of gender, age, and type of disability. This is in recognition that PWDs can perform to their full potential given the same conditions and opportunities irrespective of their social, economic, and cultural backgrounds. The Policy is to guide and inform the planning process, resource allocation, implementation, monitoring, and evaluation of activities concerning PWDs concerns at all levels.	With limited skills characteristic of most PWDs, accessing employment is a major challenge. Most potential employers do not give chance to PWDs to compete for employment even where they have the necessary qualifications and experience. During the recruitment of workers to be employed to undertake implementation by various project beneficiaries, some PWDs will apply for some jobs and they should consider the PWDs applicants who qualify for such jobs.
The Uganda National Culture Policy, 2006	The policy was designed to enhance the integration of culture into national development. It is the first comprehensive instrument considering the diversity of Ugandan cultures, recognising the need to promote culture and, the need for social inclusion and to respect cultural diversity.	The INVITE Trust Project activities could have an impact on both the intangible and tangible cultural heritage aspects, and therefore the necessary cultural resources safeguards would need to be put in place. During site specific assessments (ESIA/ESMP/PB), cultural heritage surveys shall be required to be undertaken to identify any specific resources which may be impacted. A chance finds procedure has been provided under Annex IV and this shall be customised to each site as applicable.
National Forestry Policy, 2001	The Goal of the Policy is to ensure an integrated forest sector that achieves sustainable increase in the economic, social and environmental benefits from forests and trees by all the people of Uganda, especially the poor and vulnerable.	Some MSMEs/LEs may encroach on forests and such protected fragile eco systems, hence this INVITE Trust shall uphold the provisions of this policy.

Policies or Plans	Brief description and its key provisions	Relevance to component under INVITE Trust
The Climate Change Policy, 2013	Climate change is a global challenge that requires a concerted effort by all nations. This National Climate Change Policy (NCCP) is Uganda's integrated response to climate change. The promotes harmonized and coordinated approach towards a climate resilient and low carbon development for sustainable development. It promotes conservation of water, forests, wildlife and fisheries in climate change adaptation and mitigation measures.	The INVITE Project will promote reduction of negative environmental impacts and hence promote the green jobs and technologies. INVITE Trust Project activities will be implemented in conformity with this policy.

**Table 4.2: Summary of laws applicable to the INVITE Trust project components**

Laws	Brief description and its key provisions	Relevance in the Project
The Constitution of the Republic of Uganda, 1995	The Constitution requires that the project be implemented without endangering human health and the environment.	The project will ensure that INVITE Trust project activities are undertaken in a manner that ensures a safe and healthy environment as required by the Constitution.
The National Environment Act, 2019	Specifically, its Fourth and Fifth Schedule lists projects that require project brief and full ESIA's respectively to be done before implementation. Further, Section 49 requires the developer for projects listed in Schedule 4 or 5 to establish and maintain an Environment Management System (EMS).	The proposed INVITE project activities may vary from those that require the MSMEs/LEs to undertake simple assessment under Schedule 4 by way of a project brief and or those that fall under Schedule 5 where the MSMEs/LEs will be required to undertake full ESIA's before implementation. INVITE Trust E&S team will ensure that the PFIs have Environmental and Social Management Systems (ESMS) and also MSMEs/LEs have the applicable permits based on the risk categorization of the proposed activities funded under INVITE Trust.
Bank of Uganda Act, 2000	The main function of BoU is to formulate and implement monetary policy directed to economic objectives of achieving and maintaining economic stability. To achieve this, BoU does: (a) maintain monetary stability; (b) maintain an external assets reserve; (c) issue currency notes and coins; (d) be the banker to the Government; (e) act as financial adviser to the Government and manager of public debt; (f) advise the Government on monetary policy;	The Ministry of Finance, Planning and Economic Development (MoFPED) and the Bank of Uganda (BoU) established the INVITE Trust that will implement the components considered in this ESMF. The implementation of INVITE Trust components will be largely through the PFIs which are supervised, regulated, controlled and disciplined by BoU.

Laws	Brief description and its key provisions	Relevance in the Project
	<p>(g) where appropriate, act as agent in financial matters for the Government;</p> <p>(h) be the banker to financial institutions;</p> <p>(i) be the clearinghouse for cheques and other financial instruments for financial institutions;</p> <p>(j) supervise, regulate, control and discipline all financial institutions and pension funds institutions;</p> <p>(k) where appropriate, participate in the economic growth and development programmes.</p>	
Financial Institutions Act, 2004	An Act to revise and consolidate the law relating to financial institutions; to provide for the regulation, control and discipline of financial institutions by the Central Bank; to repeal the Financial Institutions Act, Cap. 54 and to provide for other related matters.	The implementation of INVITE Trust components will be largely through the PFIs and therefore this Act is relevant to the project.
Micro Finance Deposit-taking Institutions Act, 2003	An Act to provide for the licensing, regulation and supervision of microfinance business in Uganda and to provide for matters connected with or incidental to the foregoing	The implementation of INVITE Trust components will be largely through the PFIs including microfinance businesses and therefore this Act is relevant to the project
The Land Act, Cap 227, 1998	The Land Act, Cap 227 of 1998 provides for the tenure, ownership, and management of land. Under Section 44 the Government or the local government shall hold land in trust for the people and protect natural lakes, ground water, natural streams, wetlands, and any other land reserved for ecological purposes for the common good of Ugandans.	Land acquisition is not envisaged under project. The loan applicant will be required to present proof of land ownership and availability, without encumbrances, for purposes of project activities and INVITE Trust and the PFIs will undertake due diligence.
The Land Acquisition Act, Cap 226	The Act spells out modalities that the Government has to follow for purposes of compulsory acquisition of land for public use whether for temporary or permanent use.	Land acquisition is not envisaged under the project. The loan applicant will be required to present proof of land ownership and availability, without encumbrances, for purposes of project activities and INVITE Trust and the PFIs will undertake due diligence.
National Climate Change Act, 2021	The Act gives the force of law in Uganda to the United Nations Framework Convention on Climate Change, the Kyoto Protocol, and the Paris Agreement; provides for climate change response measures; provides for participation in climate change mechanisms; provides for measuring emissions, reporting and verification of information; provides for institutional arrangements for coordinating and implementing climate change response measures; provides for financing for climate change; and related matters.	The project activities' design shall ensure measures are put in place to manage the effects of climate change.

<b>Laws</b>	<b>Brief description and its key provisions</b>	<b>Relevance in the Project</b>
The Public Health Act, Cap 281	Under this Act, the Minister of Health may cause to be made such inquiries as he or she may see fit concerning any matters concerning the public health in any place. When such a directive is made, the person directed to inquire shall have free access to all books, plans, maps, documents, and other things relevant to the inquiry and shall have in relation to witnesses and their examination and the production of documents similar powers to those conferred upon commissioners by the Commissions of Inquiry Act, and may enter and inspect any building, premises or place, for inquiry.	The provisions of this Act will be relevant for the project implementation activities especially those supporting manufacturing industries, and infrastructure development. The PFIs and loan applicant will take all possible mitigations to make sure that, all impacts to humans and the environment are avoided.
The Water Act Cap, 152, 1997	The Act provides for the use, protection, and management of water resources and supply in Uganda. The Water Resources Regulations of 1998 established under this Act stipulates a requirement to apply for a permit to construct, own, occupy, or control any works on or adjacent to the land as per Regulation 10.	Abstraction of water for the project activities will follow the provisions of the Act including obtaining an abstraction permit from the Directorate of Water Resources Management (DWRM). Any disposal of waste shall also need to be in line with the waste discharge regulations; proper management of fuel/oil spills is essential for minimizing the chances of water contamination.
The National Forestry and Tree Planting Act, 2003	The Act provides for the conservation, sustainable management, and development of forests for the benefit of the people of Uganda. It also provides that the Central Government or local government shall hold in trust for the people and protect forest reserves for ecological, forestry, and tourism purposes for the common good of the citizens of Uganda.	The project activities where applicable will encourage tree planting in project areas. Where cutting down some trees cannot be avoided, the developer will be required to undertake replanting campaigns or compensate for them.
Traffic and Road Safety Act, Cap.361	Section 119 of the Traffic and Road Safety Act stipulates that every person who uses, parks, or stands a motor vehicle, trailer, or engineering plant on any road carelessly or without reasonable consideration for other persons using the road commits an offense.	The PFIs and MSMEs/LEs will ensure that all project activities observe traffic and road safety procedures including observing minimum speed limits, routine maintenance, and observing road signs among others.
The Occupational Safety and Health Act, 2006	The Occupational Safety and Health Act of 2006 makes provisions for the health, safety, welfare, and appropriate training of persons employed in workplaces.	The PFIs and MSMEs/LEs must protect the health and safety of their workforce by ensuring proper and safe designs, providing workers with safety training, a clean and healthy work environment, sanitary conveniences, washing facilities, First Aid facilities, clean drinking water, meals and all requisite PPEs, among others throughout the project implementation in compliance with this act.

<b>Laws</b>	<b>Brief description and its key provisions</b>	<b>Relevance in the Project</b>
The Workers' Compensation Act, Cap. 225	The Act outlines matters of compensation for injuries and accidents as well as the responsibility of employees to take care of their health and safety while on the project.	The PFIs and MSMEs/LEs will ensure that there are safeguards for the workers and ensure that they are appropriately compensated in case of injuries resulting from project activities.
The Employment Act, 2006	This Act is the governing legal statutory instrument for the recruitment, contracting, deployment, remuneration, management, and compensation of workers. It provides for matters governing individual employment relationships in terms of circumstances of the provision of labour. It is explicit on matters of forced labour that, no one should be forced to work, there should be no discrimination concerning the recruitment process, and it prohibits sexual harassment in employment.	This Act is relevant in that, it addresses matters of engagement of workers and their rights while at work. The project beneficiaries shall adhere to the provision of this Act for all project-related workforce.
Children Act, Cap. 59	The Act defines a child as a person below the age of 18. This Act reforms and consolidates the law relating to children; to provide for the care, protection, and maintenance of children; to provide for local authority support for children; to establish a family and children court; to make provision for children charged with offenses and for other connected purposes.	Child labour is to be prohibited during project implementation activities i.e., no employment of children below 18 years for all the project implementation activities. Section 8 (1) states that a person shall not employ or engage a child in any activity that may be harmful or hazardous to his or her health, or his or her physical, mental, spiritual, moral, or social development. Project beneficiaries shall be required to adhere to this requirement.
The Agricultural Chemicals (Control) Act, No. 1 of 2006	This Act was enacted to control and regulate the manufacture, storage, distribution, and trade in, use, importation, and exportation of agricultural chemicals and other related matters. Under this Act, the requirement of packaging, labelling, or advertisement of agricultural chemicals is relevant in pesticide management to prevent illegal activities related to mislabelling and mis-packaging.	Where the Business is agro-based, they need to put in place an effective and efficient mechanism for disposal of the seized/expired chemicals in compliance with this Act. Similarly, and where necessary after E&S screening, a Pest Management Plan shall be developed by the Lead Investor to guide the safe use of pesticides.
Control of manufacture, of agricultural chemicals Act (Cap. 29)	The Act provides for the safe manufacture, packaging, store, display, and distribution of agricultural chemicals. It also has provisions governing the Importation and export of agricultural chemicals. The Act in its Section provides for the establishment, constitution, and operation of the Agricultural Chemicals Board which has the responsibility to advise the government on matters pertaining to agricultural chemicals.	Where applicable and relevant based on E&S screening of project activities, PFIs shall require MSMEs/LEs to develop a Pest Management Plan (PMP) to guide the procurement, storage, use, and disposal of pesticides.
The Agricultural Seeds and Plants Act (Cap. 28)	This Act provides for the promotion, regulation, and control of plant breeding and variety release, multiplication, conditioning marketing, importing, and quality assurance of seeds and other	INVITE will require the MSMEs/LEs in the agro-based supply chain to guide the farmers on the use of seeds that are certified and ensure that standards are adhered to.

Laws	Brief description and its key provisions	Relevance in the Project
	planting materials. It establishes the National Seed Authority and a Variety Release Committee. The Act also establishes the National Seed Certification Service which is responsible for the design, establishment, and enforcement of certification standards, methods, and procedures, registration and licensing of all seed producers, auctioneers, and dealers, advising the Authority on seed standards and providing the Authority with technical information on any technical aspects affecting seed quality. The Act imposes stringent requirements for variety testing.	
The Plant Protection Act (Cap. 31)	The Act provides for the prevention of the introduction and spread of diseases destructive to plants. Section 4(i) states "Every occupier or, in the absence of the occupier, every owner of land shall take all measures as he or she may be required to take by virtue of any rules made under section 3 and, in addition, such other measures as are reasonably necessary for the eradication, reduction or prevention of the spread of any pest or disease which an inspector may by notice in writing order him or her to take, including the destruction of plants.	Project beneficiaries where the requirements of this Act apply shall be required to comply accordingly.
External Trade Act (Cap 88)	This Act restricts certain imports (section 3) and empowers the Minister to prohibit the importation or exportation of any goods (section 8). This Act provides Uganda the opportunity to restrict or prohibit the importation of highly hazardous pesticides, especially as the provisions of the Customs Management Act can only be amended through the East African Community.	Project beneficiaries involved in external trade activities shall be required to comply with the requirements of this Act.
Uganda National Bureau of Standards Act, (Cap. 327)	The relevant provision of this Act prohibits any person from importing, distributing, selling, manufacturing, or having in possession for sale or distribution any commodity for which a compulsory standard specification has been declared unless such commodity conforms to the compulsory standard or unless the commodity bears a distinctive mark (section 21(1). This Act could be read together with the National Environment Act on chemical standards in developing standards for pesticide use in the country.	Project beneficiaries whose activities are affected by this Act shall be required to accordingly comply.
Access to information Act, 2005	The Act aims to promote an efficient, effective, transparent, and accountable Government; give effect to article 41 of the Constitution by providing the right to access information held by organs of the State, other than exempt records and information;	This ESMF will be disclosed upon its approval as part of complying with this Act. Other project documents that are not confidential will be disclosed as well.

Laws	Brief description and its key provisions	Relevance in the Project
	protect persons disclosing evidence of contravention of the law, or corruption in Government bodies; promote transparency and accountability in all organs of the State by providing the public with timely, accessible and accurate information; and empower the public to effectively scrutinize and participate in Government decisions that affect them.	
Refugee Act, 2006	<p>The Refugees Act 2006 regulates the determination and granting of refugee status, as well as the provision of identity cards and travel documents. It provides for the recognition and registration of refugees and establishes an Office of Refugees, Commissioner for Refugees, Refugee Eligibility Committee, and Refugee Appeals Board to implement the Act.</p> <p>The Act recognized that refugees shall “receive at least the same treatment accorded to aliens generally in similar circumstances”, covering a defined list of subjects, including the right to work. Section 29(1)(e) of the Refugees Act 2006 guarantees the recognition of foreign certificates, diplomas, and degrees and the right to practice the profession of the refugee who holds qualifications recognized by the competent authorities in Uganda.</p>	The Act will be triggered to ensure that refugees’ right to access employment opportunities and engage in gainful employment is granted.
Penal Code Act, 120	This Act makes provisions on defilement and Rape. This makes defilement and Rape criminal offences and prescribes punishments.	The project shall ensure that there are no acts of defilement and rape associated with the project.
The Museum and Monument Act, 2023	An Act to consolidate and reform the law relating to cultural and natural heritage; strengthen the administrative structure for the effective management of cultural and natural heritage; to provide for classification of museums; to provide for management and maintenance of museums and monuments; to provide for formulation, control and protection of tangible and associated intangible cultural heritage and works of art collections; to repeal the historical monument Act, 46 and for related matter.	Archaeological, paleontological, ethnographical, traditional and historical monuments may be discovered during project activities. These shall be handled in line with the provisions of this Act.

Table 4.3: Summary of regulations and standards applicable to the proposed project

Regulations or standards	Brief description and its key provisions	Relevance in the Project
The National Environment (Environmental and Social Assessment) Regulations, 2020	The National Environment Management Authority (NEMA) issued Environmental Impact Assessment Regulations, 2020, for the conduct of ESIAs, which are now part of the Environmental Legislation of Uganda. Schedule 2 lists issues to be considered in preparation of a Project Brief (ESMP) or an Environmental and Social Impact Statement (ESIS).	INVITE Trust has developed this ESMF with general guidance on how to undertake ESIA/PBs/ESMPs that may be required during the implementation of project activities in line with the Second Schedule of these Regulations.
Water Resources Regulations, 1998	The Regulations apply to motorized water abstraction from boreholes or surface watercourses or diverting, impounding, or using more than 400m <sup>3</sup> of water within 24 hours.	Where applicable the PFIs and MSMEs/LEs will follow the conditions set out in the regulations. The project will be required to abide by the provisions of this law regarding water usage and conservation during implementation project activities.
The National Environment (Wetlands, Riverbanks and Lakeshores Management) Regulations, 2000	These Regulations guide the development procedures to be followed where developments are to be undertaken in wetlands, riverbanks, and lakeshores.	Some of the project activities may pose E&S risks & impact on wetlands. All proposed project implementation activities have to adhere to these regulations and requirements and undertake proper impact assessment to ensure adverse impacts on the wetland ecosystems are adequately mitigated. In addition, following E&S screening and where applicable, the INVITE Trust and PFIs will require the MSMEs/LEs to acquire wetland use permit/s from NEMA for any activity specified in the second schedule of the regulations. However, project activities impacting natural and critical habitats including Ramsar sites, will not be supported under the project in line with the exclusion list contained in the project ESCP.
National Environment (Air Quality Standards) Regulations of 2024	The regulation establishes clear standards for indoor air quality to safeguard the health of occupants in workplaces and other enclosed environments. Additionally, the regulations impose stringent emission limits for industrial facilities, vehicles, and other sources of pollution to mitigate their impact on communities. The regulations also prohibit the release of objectionable substances into the atmosphere, including smoke, gases, and dust. Open burning of garbage and combustible materials is also outlawed to curb pollution.	The project activities should comply with this regulation by ensuring that the air quality within the work places are within the limits and mitigating air pollution impacts on communities caused by the projects funded by the INVITE.
The National Environment (Waste Management) Regulations, 2020	These Regulations apply to all categories of hazardous and non-hazardous waste, storage and disposal of hazardous waste and their movement into and out of Uganda, and to all	Certainly, waste will be generated during project implementation activities, especially from production line facilities. The INVITE Trust, PFIs and MSMEs/LEs' beneficiaries

<b>Regulations or standards</b>	<b>Brief description and its key provisions</b>	<b>Relevance in the Project</b>
	waste disposal facilities, landfills, sanitary fills, and incinerators.	shall be guided by these regulations to ensure that wastes generated through project activities are appropriately managed/disposed of.
National Environment (Standards for Discharge of Effluent into Water or on Land) Regulations, 2020	These regulations provide standards for effluent discharge. Schedules 2, 3, and 4 detail maximum permissible limits for regulated contaminants, which must not be exceeded before the effluent is discharged into water or on land.	Some of the investments to be supported by the INVITE project may generate effluent waste. The project activity implementers shall employ appropriate measures to manage effluent waste generated by their project activities.
The National Environment (Noise Standards and Control) Regulations, 2003	Part III Sec. (1) requires machinery operators to use the best practicable means to ensure that the emission of noise does not exceed the permissible levels.	Implementation of project activities and other associated facilities may trigger noise generation. The PFI/MSMEs/LEs will be obligated to apply these standards where applicable to keep the noise levels within permissible limits as well as mitigate noise generation at the source.
The National Environment (Audit) Regulations, 2020.	Section 3 of these regulations requires that: (i) These Regulations apply to an environmental audit for a project or activity for which environmental and social assessment has been undertaken and any other project or activity as may be prescribed by the Authority. (ii) An environmental audit shall be undertaken to ensure compliance by the developer with the Act, regulations, and standards made under the Act, conditions in permits and licenses and any other applicable law, environment management systems, and the environmental management and monitoring plan of the developer.	The project beneficiaries shall be required among others to comply with the requirements of the Audit Regulations.
The National Environment (Management of Ozone Depleting Substances and Products) Regulations, 2001	The objectives of these Regulations are to— Regulate the production, trade, and use of controlled substances and products; Promote the use of ozone-friendly substances, products, equipment, and technology; and Ensure the elimination of substances and products that deplete the ozone layer. Section 4 of this Regulation states that “No person shall import or export a controlled substance or product listed in the First and Second Schedules, without a license issued by the Executive Director.” Section 5 further states that, “A	The E&S screening of proposed project activities under INVITE Trust shall be carried out with respect to the guidelines in this Regulation.

Regulations standards	or Brief description and its key provisions	Relevance in the Project
	<p>person intending to import or export a controlled substance or product shall apply to the Executive Director for a license in the application set out in Form A and B respectively in the Third Schedule.”</p> <p>Controlled substances according to the Second Schedule of this Regulation include Hydrobromofluorocarbons (HBFCs), and Chlorofluorocarbons (CFCs).</p>	
Refugee regulations, 2010	<p>The Refugees Regulations 2010 clarify that: “A person who has been granted refugee status and has a valid identity card issued by the Commissioner for Refugees, shall, to facilitate his or her local integration, be allowed to engage in gainful or wage-earning employment on the most favourable treatment accorded to foreign residents in similar circumstances; except that recognized refugees shall exceptionally be exempt from any requirement to pay any charges or fees prior to taking up of any offer or to continue in his or her employment.</p>	<p>The project will comply with these regulations to ensure that refugees are accorded the stated privileges such as engaging in gainful/wage employment where they qualify.</p>

## 4.2 REQUIRED STATUTORY APPROVALS, PERMITS AND LICENSES

Some Statutory Approvals, certificates, and Licenses may be required by the INVITE Trust, PFIs, and MSMEs/LEs during project implementation as shown in Table 4.4. Securing approvals requires preparation of the relevant documentation and payment of fees by the INVITE Trust/ PFIs/ MSMEs/LEs. It is important to ensure that all supplies (pesticides, production/process chemicals, seeds, and other agro-inputs like fertilizers) and construction materials (sand, murram, and stone aggregates) are sourced from suppliers and operators of such sources having the requisite statutory approvals (as relevant) compliant with environmental and social requirements. Depending on the risk/impact categorization of individual project activities investments, the following permits and licenses may be required by the MSME (Table 4.4).

Table 4.4: Approvals, permits, and licenses potentially required

Approvals, Permits, Licenses and Consents Required	Issuing Authority	Legal Framework
Water Abstraction Permit	DWRM	Water Act, Cap 152
Waste Disposal Permit	NEMA	National Environment Act 2019; National Environment (Waste Management) Regulation 2020
Waste Transportation License	NEMA	National Environment Act 2019; National Environment (Waste Management) Regulation 2020
ESIA/ Project Brief (PB)/ESMP Approvals for project activities	NEMA	National Environment Act 2019
Project Brief (PB)	Local Government	National Environment Act 2019
Building and Occupation Permit	Local Government	Building Control Act, 2020
Trading License	Local Government	Trading License Act, 1969
Compliance Environmental Audit	NEMA	National Environment Act 2019
Permit to carry out a Regulated activity in a Wetland, Riverbank, Lakeshore (River Nile), (for activities in modified habitats, as defined in the ESCP).	NEMA	National Environment Management (Wetland, Riverbank, Lakeshore) Regulation 2000
Workplace Registration Permit	MGLSD	OHS Act, 2006

## 4.3 INTERNATIONAL PROTOCOLS AND CONVENTIONS

The relevant international protocols and conventions to which Uganda is a signatory are presented in Table 4.5 below. The project activities under INVITE Trust will have to comply with the provisions of these protocols and conventions.

**Table 4.5: Summary of International Protocols and Conventions applicable to the components implemented by INVITE Trust**

<b>Protocol or Convention</b>	<b>Purpose</b>
United Nations Framework Convention on Climate Change (UNFCCC), 1992	The Convention requires parties to avoid adverse effects on the environment and adopt measures and policies to control carbon dioxide emissions in technologies, considering their common, yet differentiated responsibilities, as well as their specific national and regional development priorities, objectives, and circumstances. They are required to take climate change considerations into account, to the extent feasible, in their relevant social, economic, and environmental policies and actions, and employ appropriate methods, for example, impact assessments, formulated and determined nationally, to minimize adverse effects on the economy, on public health and on the quality of the environment of projects or measures undertaken by them to mitigate or adapt to climate change.
Stockholm Convention on Persistent Organic Pollutants, 2001	Protects human health and the environment from Persistent Organic Pollutants that remain intact in the environment for long periods and can become widely distributed geographically and accumulate in the fatty tissue of humans and wildlife, which can lead to serious health effects.
Strategic Approach to International Chemicals Management, 2006	To foster sound management of chemicals and to ensure that by the year 2020, chemicals are produced and used in ways that minimize significant adverse impacts on the environment and human health.
International Labour Organisation Convention, 1998.	Sets out basic principles and labour rights at work, based on international best practise.
Convention on Wetlands of International Importance as Waterfowl Habitat-Ramsar Convention (1971)	The project is not expected to affect any Ramsar site, and in any case, the appropriate mitigation actions shall be designed and implemented. Project activities impacting natural and critical habitats including Ramsar sites, will not be supported under the project in line with the exclusion list contained in the project ESCP.
Basel Convention, 2006	The Basel Convention on the Control of Trans-Boundary Movements of Hazardous Wastes and Their Disposal was concluded in Basel, Switzerland, on March 22, 1989, and entered into force in May 1992. Now ratified by 149 countries including 32 of the 53 African countries, the focus of this convention is to control the movement of hazardous wastes, ensure their environmentally sound management and disposal, and prevent illegal waste trafficking (UNEP, 2006).
The FAO International Code of Conduct on the Distribution and Use of Pesticides (2002)	It establishes voluntary standards for public and private institutions involved in the distribution and use of pesticides. The Code sets out a vision of shared responsibility between the public and private sectors, especially the pesticide industry and government, to ensure that pesticides are used responsibly, delivering benefits through adequate pest management without significant adverse effects on human health or the environment.

#### **4.4 WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK 2018**

The ESMF has been prepared in line with the World Bank Environmental and Social Framework (ESF). The WB-ESF is an elaborate systematic approach to guaranteeing sustainable development. It sets out a vision for sustainable development, the Environment and Social policy for investment project financing, and ten Environmental and Social Standards (ESS) that guide borrowers in the course of project implementation.

*The 10 Environmental and Social Standards (ESS) under ESF are reviewed below all actors, and all of them are relevant and applicable to the INVITE project. And the ESF applies to all actors in the implementation of the INVITE Project since the ESF applies to the entire project. For description of obligations of each party please refer to Table 9.2 below.*

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#### **4.4.1 ESS1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS**

ESS-1 is relevant and applicable to the INVITE project given that the INVITE Trust project components will support transactions and investments that are anticipated to have E&S risks and impacts requiring assessment and management. The investments to be supported by the INVITE Trust are expected to pose environmental and social risks and impacts.

This ESS makes it incumbent upon PFIs and the MSMEs/LEs through the existing institutional framework to conduct assessment and monitoring of environmental and social risks and impacts that are anticipated to arise across the different phases of implementation of the project activities. ESS1 further aids the identification of mitigation measures and action to improve decision-making, while emphasizing the application of the mitigation hierarchy to avoid, minimize, reduce, and mitigate environmental and social (E&S) risks and impacts, and where significant residual or cumulative impacts remain, to compensate for or offset such impacts.

##### **Application to Standard**

ESS-1 is applicable to the project. The INVITE Trust has to systematically manage the likely environmental and social risks and impacts arising from project activities. INVITE Trust has developed this Environmental and Social Management Framework (ESMF) that will be used by the Project Borrower, designated responsible governmental implementing agencies and entities/companies that will receive financial support via the Windows in Components 1 and 2 as a guiding framework for the identification and management of E&S risks and impacts. All project investment activities will be subjected to E&S screening by INVITE Trust through PFIs -except for Window 1.3 which shall be monitored directly by INVITE Trust, given the lack of PFI participation- and where necessary the PFI/MSMEs/LEs will be required to develop and implement Project Brief (PB)/ESMP/ESIA or update existing ESMPs/PBs/ESIAs for the project activity. The PFI/MSMEs/LEs' ESMPs/PBs/ESIAs will be reviewed and cleared by the INVITE Trust and /or approved by NEMA before the start of implementation. In addition, the INVITE Trust and the PFIs will be required to establish and operate an Environmental and Social Management System (ESMS).

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#### **4.4.2 ESS2: LABOR AND WORKING CONDITIONS**

Environmental and Social Standard 2 is relevant and applicable to the project since the project is expected to have workers engaged in undertaking various activities. ESS2 is cast in such a way as to clarify workers' rights, benefits, and other general work conditions irrespective of the category they find themselves in. The Bank recognizes the importance of employment creation, equal opportunities in employment, income generation, and poverty alleviation despite the challenges of worker exploitation, discrimination, sexual harassment and abuse, child labour to mention a few, ills that may compromise project benefits. In line with this, the INVITE Trust, PFIs, and MSMEs/LEs will put in place measures to ensure appropriate safety and health for the protection and promotion of a safe and healthy working environment as well as ensuring a safe work environment in terms of ensuring

proper designs, minimizing injuries, disease spread, the feeling of security, positive communication, and general perception of employees' well-being a priority.

The recruitment of child labour is forbidden in accordance with ESS2 and Ugandan law for any person under the age of 18. In line with ESS2, the INVITE Trust will establish and operate a workers' grievance mechanism to enable project workers to raise workplace-related concerns, including regarding workplace sexual harassment. In line with ESS2 and Ugandan law, the INVITE Trust will also ensure that the use of forced labour and labour procured through the trafficking of persons is prohibited regarding all workers engaged/employed in relation to the INVITE project. Non-discrimination of workers during recruitment and employment, ensuring that all workers recruited have signed contracts and codes of conduct, timely payment of salaries and NSSF remittances for those eligible.

#### **Application to Standard**

This standard is applicable to all actors including INVITE Trust, PFIs, and MSMEs/LEs. All actors will have to comply with the requirements of ESS2 irrespective whether the workers are direct or contracted.

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#### **4.4.3 ESS3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT**

Environmental and Social Standard 3 is relevant and applicable to the project because the project will support operations in various sectors which often involve waste generation, producing noise and dust during operations, making use of different materials such as water and energy, and resulting in generation of both hazardous and non-hazardous wastes that will require management and/or disposal. ESS3 focuses on the issue of resource efficiency and pollution prevention and management.

#### **Application to Standard**

INVITE Trust, PFIs, and MSMEs/LEs supported under the project will consider ambient conditions and apply technically and financially feasible resource efficiency and pollution prevention measures per the mitigation hierarchy. The measures will be proportionate to the risks and impacts associated with the project and consistent with GIIP, in the first instance the WBG EHSGs.

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#### **4.4.4 ESS4: COMMUNITY HEALTH AND SAFETY**

Environmental and Social Standard 4 is relevant and applicable to the project since the project will involve the construction of small-scale infrastructure and the associated influx of labour into communities hosting them, posing risks of GBV/SEA. ESS4 focuses on health, security, and safety issues of project-affected communities. Project activities' actions may compromise security, health, and safety around its operation areas, public areas, and settlements, including through traffic accidents, chronic diseases, pollution of water sources, noise nuisance, dust nuisance, community conflicts, non-payment for community services offered and through labour influx and spread of communicable diseases, including COVID-19, Hepatitis B, and HIV/AIDS.

#### **Application to the Standard**

The INVITE Trust and PFIs will evaluate the risks and impacts of the project activities on the health and safety of the host communities during the project life cycle, including those who, because of their particular circumstances, may be vulnerable. INVITE Trust and the PFIs will require the and MSMEs/LEs to identify risks and impacts and propose mitigation measures in accordance with the

mitigation hierarchy. The MSMEs/LEs will be required to put in place emergency preparedness and response measures. These measures shall be contained in relevant instruments i.e. ESMPs, and project briefs that will be prepared/updated by the MSMEs/ MSMEs/LEs following the E&S screening.

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#### 4.4.5 ESS5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT

Land acquisition is not envisaged under the project. However, ESS5 is relevant/applicable because some projects activities may involve construction of facilities (expansion of facilities, warehouses, logistics/collection centers, housing facilities for workers, training centers, testing laboratories, research and development facilities, etc.) that will potentially result into economic and physical displacement. The loan applicants will be required to present proof of land ownership and availability, without encumbrances, for purposes of project activities and INVITE Trust and PFIs will undertake due diligence.

##### **Application to Standard**

The project will address risks associated with land take through the implementation of the PFIs' ESMS and their Environmental and Social Procedures, as well as inclusion of these considerations in the instruments and tools to be required from the MSMEs/LEs. The project activity E&S instruments shall be prepared by MSMEs/LEs, reviewed by PFIs and INVITE Trust. The same entities will undertake E&S due diligence including review of historical land acquisition for existing facilities to ensure that any legacy issues are resolved prior to loan approval.

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#### 4.4.6 ESS6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES

Environment and Social Standard 6 is relevant and anchors the conservation of biodiversity and sustainable management of living natural resources. Project activities of MSMEs/LEs could impact biodiversity conservation and sustainable management of living natural resources. The projects activities may involve agricultural supply chains where living natural resources are at the core of the value chain management and require careful consideration for inclusion of sustainability aspects at each stage of agricultural supply chains, from primary production to processing. The project activities will address these risks through the implementation of the project's ESMF and ensuring their inclusion and consideration in the instruments and tools to be required from MSMEs/LEs. ESS6 therefore requires the observance of requirements to assess risks and impacts from proposed project activities with keen emphasis on potential threats to biodiversity including habitat loss, potential introduction or proliferation of invasive/alien species, nutrient loading, pollution as well as climate change impacts amongst others.

##### **Application to Standard**

E&S screening by INVITE Trust and PFIs will facilitate the mainstreaming of any biodiversity aspects into the assessments and implementation to be undertaken. Activities in critical habitats shall be excluded from support by the project as per the project list of excluded activities.

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#### 4.4.7 ESS7: INDIGENOUS PEOPLES/ SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES

Overall, this Standard is relevant to the project because of Components which will be implemented by INVITE Trust in areas where there are members of vulnerable and Marginalized groups such as the Districts of Kisoro (the Batwa), Kaabong (the Ik), and Mount Elgon region (Tepeth and Benet) and

could in one way or the other affect such communities. The INVITE Trust Component activities have a countrywide coverage.

#### **Application to Standard**

The INVITE Trust and the PFIs will address these risks through the implementation of the project's Environmental and Social Procedures established under this ESMF (Section 8.9), as well as inclusion of ESS7 considerations in the instruments and tools to be required from the PFIs (ESMS, vulnerable and marginalized groups plans). The project will exclude activities that would require free, prior and informed consent (FPIC) – i.e. that would (i) have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation; (ii) cause relocation (or have caused relocation) of IP; or (iii) have significant impacts on IP cultural heritage that is material to their identity.

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#### **4.4.8 ESS8: CULTURAL HERITAGE**

ESS8 is relevant/applicable to the project, since project activities may entail civil works excavations, movement of earth, or other changes in the physical environment which may have direct interaction and/or impact on Cultural Heritage. This ESS has the main objectives to protect cultural heritage from adverse impacts of project activities and support its preservation.

#### **Application to Standard**

Project activities supported by the INVITE Trust and through the PFIs may result in the construction of facilities (expansion of facilities, warehouses, logistics/collection centers, housing facilities for workers, training centers, testing laboratories, research and development facilities, etc.) especially under Window 2.2 that could impact sites falling into this category. However, activities likely to cause damage to national monuments or impact areas with already established and known physical cultural property attributes are among the excluded activities under the INVITE project.

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#### **4.4.9 ESS9: FINANCIAL INTERMEDIARIES**

This ESS9 applies to FIs that receive financial support from the Bank. FIs include public and private financial services providers, including national and regional development banks which channel financial resources to a range of economic activities across industry sectors. Financial intermediation also includes provisions of financing or guarantees by FIs to other FIs.

ESS9 recognizes that strong domestic capital and financial markets and access to finance are important for economic development, growth and poverty reduction. The way in which the FIs manage their portfolio take various forms, depending on a number of considerations, including the capacity of the PFI and the nature and scope of the funding to be provided by the PFI.

#### **Application to Standard**

PFIs will support the implementation of some of the INVITE Trust components. PFIs will be required to monitor and manage the environmental and social risks and impacts of their portfolio and project activities, and monitor portfolio risk, as appropriate to the nature of intermediated financing. The PFIs will develop, maintain, and implement an ESMS to identify, assess, manage, and monitor the environmental and social risks and impacts of projects activities that receive support from the INVITE Project.

#### 4.4.10 ESS10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE

ESS 10 is relevant and applicable to the proposed project. ESS10 recognizes the importance of open and transparent engagement with project stakeholders. The success of any project is hinged on the level and quality of stakeholder engagement which is an inclusive process expected to occur throughout the project life cycle. Engagement is more useful when introduced in the early phases of project development and is mainstreamed into all levels of decision-making. To this end, a Stakeholder Engagement Plan has been prepared proportionate to the nature and scale of the project and its potential risks and impacts and shall be disclosed alongside the project ESMF.

Main stakeholders specific to INVITE Trust components will likely include; Uganda Banks' Association (UBA), Federation of Small Medium Enterprises (FSME), Microfinance Support Centre (MSC), Microfinance Institutions (MFI), Micro Finance Deposit-taking institutions (MFDs), Micro Small Medium Enterprises (MSMEs), Large Enterprises (LEs), Savings and Credit Cooperative Societies (SACCOs) and any relevant regulatory agencies.

##### **Application to Standard**

INVITE Trust, PFIs, MSMEs/LEs will be required to conduct stakeholder engagement in a manner proportionate to the risks and impacts of their operations, and which reflects the type and scope the investment that the project will finance. Additionally, INVITE Trust and PFIs will be required to put in place procedures for external communications on environmental and social matters proportionate to the risks and impacts of the project activities and establish Grievance Redress Mechanism (GRM) to facilitate resolution of grievances.

#### 4.5 WORLD BANK GROUP ENVIRONMENTAL HEALTH AND SAFETY GUIDELINES

The Environmental, Health, and Safety (EHS) Guidelines are technical reference documents with general and industry-specific examples of Good International Industry Practice (GIIP). When one or more members of the World Bank Group are involved in a project, these EHS Guidelines are applied as required by their respective policies and standards. The General EHS Guidelines contain information on cross-cutting environmental, health, and safety issues potentially applicable to all industry sectors. Applicable general guidelines include environmental, occupational health and safety, community health and safety, and construction and decommissioning. The applicability of the EHS Guidelines shall be tailored to the hazards and risks established for each project based on the results of an environmental assessment in which site-specific factors are considered. These guidelines are used together with the relevant industry sector guideline(s).

Effective management of environmental, health, and safety (EHS) issues entails the inclusion of EHS considerations into corporate- and facility-level business processes through the following steps:

- a. Identifying project hazards and associated risks as early as possible;
- b. Involving EHS professionals, who have the experience, competence, and training necessary to assess and manage EHS impacts and risks, and carry out specialized environmental management functions;
- c. Understand the likelihood and magnitude of the risks;
- d. Prioritizing risk management strategies to achieve an overall reduction of risk to human health and the environment;
- e. Favouring strategies that eliminate the cause of the hazard at its source;

- f. Incorporating engineering and management controls to reduce or minimize the possibility and magnitude of undesired consequences;
- g. Preparing workers and nearby communities to respond to accidents;
- h. Improving EHS performance through a combination of ongoing monitoring of facility performance and effective accountability.

The INVITE Trust shall ensure the assessment of the potential risks and impacts from project activities and inform the affected local population of significant potential hazards in a timely manner. It is also the responsibility of the PFI, and the MSMEs/LEs to support and work with the project activity host communities, and the respective local government structures to respond to any arising emergency. Detailed General EHS Guidelines and Industry-specific EHS Guidelines can be accessed at [Environmental, Health, and Safety Guidelines \(ifc.org\)](http://Environmental, Health, and Safety Guidelines (ifc.org)). The Industry Specific EHSGs shall be used based on the Sector under which a given project activity falls. The Industry sectors likely to be supported under the INVITE Trust are Manufacturing sector, Agribusiness sector, Forestry sector, Infrastructure sector, as applicable. INVITE Trust will ensure that the PFIs, and MSMEs/LEs comply with the applicable sector EHSGs requirements including but not limited to the following;

- i. Environmental, Health, and Safety Guidelines for Annual Crop Production, 2016.
- ii. Environmental, Health, and Safety Guidelines for Aquaculture, 2007.
- iii. Environmental, Health, and Safety Guidelines for Dairy Processing, 2007.
- iv. Environmental, Health, and Safety Guidelines for Fish Processing, 2007.
- v. Environmental, Health, and Safety Guidelines for Food and Beverage Processing, 2007.
- vi. Environmental, Health, and Safety Guidelines for Mammalian Livestock Production, 2007.
- vii. Environmental, Health and Safety Guidelines for Meat Processing, 2007.
- viii. Environmental, Health, And Safety Guidelines for Perennial Crop Production, 2016.
- ix. Environmental, Health, and Safety Guidelines for Poultry Processing, 2007.
- x. Environmental, Health, and Safety Guidelines for Sugar Manufacturing, 2007.
- xi. Environmental, Health, and Safety Guidelines for Vegetable Oil Production and Processing, 2015.

**Table 4.6: Key aspects of the World Bank General EHS Guidelines applicable to INVITE Project**

Applicable Issue from the Guidelines	Relevance of the Guidelines to INVITE Trust Components	Applicable Windows	Sector
<b>Environmental</b> <ul style="list-style-type: none"> <li>Air Emissions and Ambient Air Quality</li> <li>Energy Conservation</li> <li>Wastewater and Ambient Water Quality</li> <li>Water Conservation</li> <li>Hazardous Materials Management</li> </ul>	<p>Some project activities financed under the INVITE Trust may generate emissions to air; waste water; noise; or other waste at any stage of the project activity life-cycle, from construction, operation, to decommissioning phases of the subproject. As far as possible, these adverse impacts to human health, safety, and the environment from emissions to or pollution of air, land and water shall be avoided, minimized, and controlled, using appropriate measures as prescribed in the project activity specific ESMPs.</p> <p>Some of the beneficiary MSMEs/LEs may be consuming energy or other resources such as water, as part of their processes, such as</p>	Window 2.2	Agribusiness Manufacturing Warehouse and logistics IT Infrastructure Medical and pharmaceutical supply chains Export supply chains

Applicable Issue from the Guidelines	Relevance of the Guidelines to INVITE Trust Components	Applicable Windows	Sector
<ul style="list-style-type: none"> <li>Waste Management</li> <li>Noise</li> <li>Contaminated Land</li> </ul>	motors, pumps, and fans; compressed air systems and heating, ventilation and air conditioning systems (HVAC); and lighting systems.		
<b>Occupational Health and Safety</b> <ul style="list-style-type: none"> <li>General Facility Design and Operation</li> <li>Communication and Training</li> <li>Physical Hazards</li> <li>Chemical Hazards</li> <li>Biological Hazards</li> <li>Radiological Hazards</li> <li>Personal Protective Equipment (PPE)</li> <li>Special Hazard</li> </ul>	<p>All Windows of the project will be implemented in a way that ensures that all reasonable precautions to protect the health and safety of workers are implemented. Risk assessment shall be undertaken to assess the various hazards (physical, chemical, biological, radiological and other special environment hazards) involved in the activities and appropriate controls shall be instituted.</p> <p>Some OHS specific interventions shall include:</p> <ul style="list-style-type: none"> <li>Only allowing trained and certified workers to install, maintain, or repair electrical equipment;</li> <li>Testing temporary and permanent structures for integrity prior to undertaking work, including safety equipment and working machinery;</li> <li>Implementation of a fall protection program that includes training in climbing techniques and use of fall protection measures; inspection, maintenance, and replacement of fall protection equipment; and rescue of fall-arrested workers, among others;</li> <li>Provision of an adequate work-positioning safety device system for workers.</li> <li>Safety signage shall be installed and other obstructions shall be removed prior to undertaking work.</li> </ul>	All Windows	Agribusiness Manufacturing Warehouse and logistics IT Infrastructure Medical and pharmaceutical supply chains Export supply chains
<b>Community Health and Safety</b> <ul style="list-style-type: none"> <li>Water Quality and Availability</li> <li>Structural Safety of Project Infrastructure</li> <li>Life and Fire Safety (L&amp;FS)</li> <li>Traffic Safety</li> <li>Transport and management of Hazardous Materials</li> </ul>	<p>The Project components activities shall all be undertaken in line with these guidelines to minimise negative impacts on community health and safety. Aspects to be addressed shall include water quality monitoring, traffic management, health monitoring and emergency preparedness and response.</p> <p>Some of the community health and safety specific interventions shall include:</p> <ul style="list-style-type: none"> <li>Hoarding of sites where construction work is being undertaken.</li> <li>Safety signage shall be installed and other obstructions shall be removed prior to undertaking work;</li> </ul>	All Windows	Agribusiness Manufacturing Warehouse and logistics IT Infrastructure Medical and pharmaceutical supply chains Export supply chains

Applicable Issue from the Guidelines	Relevance of the Guidelines to INVITE Trust Components	Applicable Windows	Sector
<ul style="list-style-type: none"> <li>• Disease Prevention</li> <li>• Emergency Preparedness and Response</li> </ul>	<ul style="list-style-type: none"> <li>• Extensive public consultation during the planning of the construction works.</li> <li>• Ensure that measures such as speed limits and signs to manage traffic and road safety risks are incorporated in site-specific ESMPs.</li> </ul>		Export supply chains
<b>Construction &amp; decommissioning.</b> <ul style="list-style-type: none"> <li>• Environment</li> <li>• Occupational Health &amp; Safety</li> <li>• Community Health &amp; Safety</li> </ul>	All the above aspects of environmental, Occupational Health & Safety as well as Community Health & Safety shall be adhered to throughout the project life cycle, from the operational or construction phases to the decommissioning phases.	Window 2.1 and 2.2	Agribusiness Manufacturing Warehouse and logistics IT Infrastructure

#### 4.6 GAP ANALYSIS BETWEEN THE RELEVANT WORLD BANK ENVIRONMENTAL AND SOCIAL STANDARDS AND THE GOVERNMENT OF UGANDA'S ENVIRONMENTAL AND SOCIAL REQUIREMENTS

*Table 4.7: Gap Analysis between World Bank ESS and National E&S Requirements*

World Bank Environmental and Social Standards	Government of Uganda's Environmental and Social Requirements	Gap	How the gaps have been addressed (if applicable)
<p>ESS 1: Assessment and Management of Environmental &amp; Social Risks and Impacts that requires assessing, managing and monitoring environmental and social risks and impacts associated with each stage of a project supported by the Bank through Investment Project Financing, in order to achieve environmental and social outcomes consistent with the Environmental and Social Standards (ESSs).</p> <p>ESS1 guides to identify, evaluate and manage the environment and social risks and impacts of the project in a manner consistent with the ESSs.</p> <p>Guides to adopt a mitigation hierarchy approach to:</p> <p>(a) Anticipate and avoid risks and impacts;</p> <p>(b) Where avoidance is not possible, minimize or reduce risks and impacts to acceptable levels;</p> <p>(c) Once risks and impacts have been minimized or reduced, mitigate; and</p> <p>(d) Where significant residual impacts remain, compensate for or offset them, where technically and financially feasible.</p> <p>Guides to adopt differentiated measures so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable, and they are not disadvantaged in sharing development benefits and opportunities resulting from the project.</p>	<p>Constitution (1995) requires GOU to ensure environmental protection &amp; provides Ugandans a right to clean &amp; healthy environment.</p> <p>National Environment Management Policy (1994) calls for sustainable development that maintains and enhances environmental quality &amp; resources to meet needs of present &amp; future generations.</p> <p>NEA 2019 (section 110-4) requires ESIAs for projects likely to have environmental impacts. Projects needing a full EIA are stipulated in Schedule 5 (substantial to high-risk projects) and those requiring Project Briefs are in Schedule 4. Also requires monitoring and audits.</p> <p>The NEA (2019) (section 5.2(j) application of the mitigation hierarchy in ESIAs (avoid, minimize, restore, off-sets).</p>	<p>ESS1 and National legislation are largely aligned, with both requiring assessment of activities to a level if proportionate to the of risks and impacts. The legislation shortcomings however, include:</p> <p>The Ugandan Laws do not provide for Framework Approach (ESMF) but rather only specific instruments (ESIA, ESMP, Environmental Audits).</p>	<p>Project activities will need to conduct environmental and social assessment to determine the specific risks and impacts in line with ESS1.</p> <p>This ESMF is drafted as one of the requirements to fill the gap in ESS1.</p>

World Bank Environmental and Social Standards	Government of Uganda's Environmental and Social Requirements	Gap	How the gaps have been addressed (if applicable)
<p>Enables to utilize national environmental and social institutions, systems, laws, regulations and procedures in the assessment, development and implementation of projects, whenever appropriate.</p> <p>Promote improved environmental and social performance, in ways which recognize and enhance Borrower capacity.</p>			
<p>ESS 2: Labour and Working Conditions: There must be adequate safety and health at work catering for the following types of workers direct workers, contracted workers, and primary suppliers.</p> <p>Promote the fair treatment, non-discrimination and equal opportunity of project workers.</p> <p>Protect project workers, including vulnerable workers such as women, persons with disabilities, children (of working age, in accordance with this ESS) and migrant workers, contracted workers, and primary supply workers, as appropriate.</p> <p>Prevent the use of all forms of forced labour and child labour.</p> <p>Support the principles of freedom of association and collective bargaining of project workers in a manner consistent with national law.</p> <p>Provide project workers with accessible</p>	<p>National Industrial Policy 2008 provides strategies for OHS.</p> <p>Workers Compensation Act, 2000 provides for the provision of financial compensation for work related injury or illness.</p> <p>Occupational Safety and Health Act of 2006 consolidates, harmonizes and updates the law relating to occupational safety and health.</p> <p>The employment Act of 2006 has provisions to protect workers including against all forms of forced labour and child labour, Support the principles of freedom of association and collective bargaining of workers, and grievance handling.</p>	<p>There is still no policy to guide its implementation of the Occupational Safety and Health Act (2006).</p> <p>Lack of requirements to consider risks and impacts associated with the project's primary suppliers.</p>	<p>The PFIs, and MSMEs/LEs to evaluate and include mechanism for assessment, management and coordination of OSH and community safety.</p> <p>The project has followed ESS2 and developed labour management procedures with relevant provisions to bridge the gap which includes consideration of risks and impacts associated with the project's primary suppliers.</p>

World Bank Environmental and Social Standards	Government of Uganda's Environmental and Social Requirements	Gap	How the gaps have been addressed (if applicable)
means to raise workplace concerns.			
<p>ESS 3: Pollution Prevention and Resource Efficiency:</p> <p>a) Promote the sustainable use of resources,</p> <p>b) Avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution and emissions from project activities,</p> <p>c) Avoid or minimize generation of hazardous and non-hazardous waste,</p> <p>d) To minimize and manage the risks and impacts associated with pesticide use.</p>	<p>The Constitution provides for a right to a clean and healthy environment. NEA 2019, Section 5 (d) includes the principle that there shall be “optimum sustainable yield in the use of renewable natural resources”</p> <p>Public Health Act Cap 281 requires every local authority to take measures for preventing any pollution dangerous to public health.</p> <p>National Environment (Air Quality Standards) Regulations, 2024 establishes clear standards for indoor air quality to safeguard the health of occupants in workplaces and other enclosed environments. Additionally, the regulations impose stringent emission limits for industrial facilities, vehicles, and other sources of pollution to mitigate their impact on communities.</p>	<p>The laws and regulations for pollution prevention and resource efficiency are available in Uganda. However, the challenge is in the implementation of these laws and regulations.</p>	<p>The project will follow provisions of ESS3 on resource efficiency in its activities to ensure compliance with the requirements.</p> <p>World Bank Group EHS Guidelines will be applied.</p> <p>Project activities will also have to comply with the national legislation and regulatory requirements.</p>
<p>ESS 4: Community Health and Safety: Safety, Health, and Environmental issues are included in the project implementation.</p> <p>To anticipate and avoid adverse impacts on the health and safety of project-affected communities during the project life cycle from both routine and nonroutine circumstances.</p>	<p>Occupational Health and Safety Act, 2006 and the Workers Compensation Act, 2000 and the Public Health Act Cap 281 requires every local authority to take measures for preventing any pollution dangerous to public health.</p>	<p>Health and safety issues are generally taken care of in World Bank and donor funded projects, but less so otherwise.</p>	<p>The project has included identification of community health and safety risks and mitigation measures in its environmental and social screening process and the labour management procedures.</p>

World Bank Environmental and Social Standards	Government of Uganda's Environmental and Social Requirements	Gap	How the gaps have been addressed (if applicable)
<p>To promote quality and safety, and considerations relating to climate change, in the design and construction of infrastructure, including dams.</p> <p>To avoid or minimize community exposure to project-related traffic and road safety risks, diseases and hazardous materials.</p> <p>To have in place effective measures to address emergency events.</p> <p>To ensure that the safeguarding of personnel and property is carried out in a manner that avoids or minimizes risks to the project-affected communities.</p>			
<p>ESS5: Land acquisition, restrictions on land use and involuntary resettlement.</p> <p>Involuntary resettlement should be avoided. Where involuntary resettlement is unavoidable, it will be minimized and appropriate measures to mitigate adverse impacts on displaced persons (and on host communities receiving displaced persons) will be carefully planned and implemented.</p> <p>To avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring project design alternatives.</p> <p>To avoid forced eviction.</p> <p>To mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by: (a) providing timely compensation for loss of assets at replacement cost and (b) assisting displaced persons in their efforts to improve, or at least restore, their livelihoods and</p>	<p>Uganda's Land Act and legal framework is restricted to fair, adequate, and prompt compensation (cash).</p>	<p>While the World Bank ESS5 requires the need to provide alternative land, resettling the Project Affected Persons (PAPs) to levels or standards of livelihood similar to or better than before compensation. The Ugandan legislation also does not provide for restoration of livelihoods, resettlement assistance, and compensation at replacement value, and does not</p>	<p>Under circumstances regarding shortcomings in the Ugandan law on compensation and the ESMF process, the provisions of ESS-5 shall be applied.</p>

World Bank Environmental and Social Standards	Government of Uganda's Environmental and Social Requirements	Gap	How the gaps have been addressed (if applicable)
<p>living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.</p> <p>To improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure.</p> <p>To conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant.</p> <p>To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.</p>		recognize informal (without Land-Title) land occupants.	
<p>ESS 6: Biodiversity Conservation &amp; Sustainable Management of Living Natural Resources:</p> <p>a) To protect and conserve biodiversity and habitats.</p> <p>b) Where biodiversity impacts likely, apply mitigation hierarchy and precautionary approach in project design &amp; implementation</p> <p>c) Promote sustainable management of living natural resources.</p> <p>d) Support livelihoods of local communities, including Indigenous Peoples.</p> <p>e) Seek inclusive economic development that integrates conservation needs and development priorities.</p>	<p>Policies such as the Wildlife Policy, 2014; Forestry Policy 2001 and legislation right from the Constitution (1995), NEA 2019, and Wildlife Act (2019), National Biodiversity Strategic Action Plan, provide for biodiversity conservation and the sustainable use of living resources.</p>	<p>Implementation is variable – good in the case of donor or Bank funded projects, but modest to poor otherwise.</p>	<p>The project will be implemented in line with ESS6 requirement in close coordination with the National statutory Agencies responsible for biodiversity conservation and sustainable management of living natural resources.</p>

World Bank Environmental and Social Standards	Government of Uganda's Environmental and Social Requirements	Gap	How the gaps have been addressed (if applicable)
<p>ESS8- Cultural Heritage</p> <p>It recognizes that cultural heritage provides continuity in tangible and intangible forms between the past, present and future. People identify with cultural heritage as a reflection and expression of their constantly evolving values, beliefs, knowledge and traditions. Cultural heritage, in its many manifestations, is important as a source of valuable scientific and historical information, as an economic and social asset for development, and as an integral part of people's cultural identity and practice.</p> <p>ESS8 sets out measures designed to protect cultural heritage throughout the project life cycle.</p> <p>To protect cultural heritage from the adverse impacts of project activities and support its preservation.</p> <p>To address cultural heritage as an integral aspect of sustainable development.</p> <p>To promote meaningful consultation with stakeholders regarding cultural heritage.</p> <p>To promote the equitable sharing of benefits from the use of cultural heritage.</p>	<p>The Museum and Monument Act, 2023 requires Preservation and protection of historical monuments and objects of archaeological, paleontological, ethnographical and traditional interest. It requires that any person who discovers any portable object in the course of an excavation shall surrender such objects to the Minister who shall deposit them in the museum.</p>	<p>The Museum and Monument Act is in alignment with this ESS.</p>	<p>The National legislation will be adopted since it accords with the ESS8.</p>
<p>ESS9. Financial Intermediaries</p> <p>ESS9 recognizes that strong domestic capital and financial markets and access to finance are important for economic development, growth and poverty reduction. The Bank is committed to supporting sustainable financial sector</p>	<p>Section 49 of NEA 2019 requires developers to establish, maintain and implement an environment management system.</p>	<p>Bank of Uganda Act, 2000; Financial Institutions Act, 2004 and Micro Finance Deposit-taking Institutions Act, 2003 are not explicit on management of</p>	<p>The project will be implemented in line with ESS9 and NEA 2019 requirements in close coordination with the National statutory Agencies responsible for FIs and these include; Bank of Uganda (BoU), Uganda Microfinance Regulatory Authority (UMRA) and Ministry of Trade,</p>

World Bank Environmental and Social Standards	Government of Uganda's Environmental and Social Requirements	Gap	How the gaps have been addressed (if applicable)
<p>development and enhancing the role of domestic capital and financial markets.</p> <p>FIs are required to monitor and manage the environmental and social risks and impacts of their portfolio and PFI project activities, and monitor portfolio risk, as appropriate to the nature of intermediated financing. The way in which the PFI will manage its portfolio will take various forms, depending on a number of considerations, including the capacity of the PFI and the nature and scope of the funding to be provided by the FI.</p> <p>FIs are required to develop and maintain, in the form of an Environmental and Social Management System (ESMS), effective environmental and social systems, procedures and capacity for assessing, managing, and monitoring risks and impacts of project activities, as well as managing overall portfolio risk in a responsible manner.</p>		environmental and social risks of FIs.	Industry and Cooperatives (MTIC), with a responsibility to guide in implementation of the Environmental and Social Governance (ESG) framework launched in Uganda on June 04, 2024.
<p>ESS10: Stakeholder Engagement &amp; Information Disclosure</p> <p>ESS10 establishes a systematic approach to stakeholder engagement that helps Borrowers identify stakeholders and build and maintain a constructive relationship with them, in particular project-affected parties.</p> <p>It enables to assess the level of stakeholder interest and support for the project and to enable stakeholders' views to be considered in project design and environmental and social performance.</p> <p>ESS10 provides means for effective and inclusive engagement with project-affected parties throughout the project life cycle on issues</p>	When consultations are held, explanations must be given in a form, manner and language understandable to affected people.	Gap - There are no explicit provisions for consultations and disclosure.	The project has followed ESS10 and developed SEF procedures with relevant provisions to bridge the gap.

World Bank Environmental and Social Standards	Government of Uganda's Environmental and Social Requirements	Gap	How the gaps have been addressed (if applicable)
that could potentially affect them. It's also to ensure that appropriate project information on environmental and social risks and impacts is disclosed to stakeholders in a timely, understandable, accessible and appropriate manner and format.			

Note: Where there is a conflict between the national and WB E&S requirements, the more stringent ones will apply.

## 5 ENVIRONMENTAL AND SOCIAL BASELINE INFORMATION

### 5.1 PHYSICAL CONDITIONS

#### 5.1.1 Climate

Uganda's climate is naturally variable and susceptible to flood and drought events which have had negative socio-economic impacts in the past. Human-induced climate change is likely to increase average temperatures in Uganda by up to 1.5 °C in the next 20 years and by up to 4.3 °C by the 2080s. (Uganda National Meteorological Authority, 2019). Uganda experiences two rainy seasons except in the north. The first rainy season in the east, south and central region is from March to May followed by a less pronounced rainy season from October to December. The rainy season in the north extends from May to October. The annual rainfall varies between approximately 600 and 1800 mm, averaging at about 600 mm on a national scale.

#### 5.1.2 Climate Change

Climate variability is an issue now and action to deal with the impacts is already a concern. While its exact impacts are uncertain, future climate change is likely to place a continued emphasis on mitigation and adaptation of associated climate risks and impacts. According to the World Economic Forum (2021), the future effects of climate change could have an economic impact of US\$3-6 billion by 2025 and US\$17-27 billion by 2050. The effects would mainly stem from impact to the water and agriculture sectors, and the reduction in energy outputs.

Although greenhouse gas (GHG) emissions in Uganda are currently some of the lowest in the world, future developments could lead to an increase in emissions. Future growth under business as usual is likely to lead to an increase in the energy intensity of GDP and emissions per capita. The government projection is for national emissions to rise from around 40 MtCO<sub>2</sub>e (million metric tons of carbon dioxide) today to 77 MtCO<sub>2</sub>e by 2030. Given the expected scale of future investment in energy, transport, and housing infrastructure, it will be important to avoid locking in future emissions growth through consideration of low-carbon investment opportunities. This is recognized in Uganda's intended nationally determined contribution (NDC), underpinned by its National Climate Change Policy (NCCP), which makes an international commitment of 22% of emissions reduction in Uganda by 2030.

Uganda continues to experience the effects of climate change in the form of deteriorating snow cover on Mount Rwenzori, extreme weather events such as floods and landslides, all of which have destroyed property and claimed lives of many Ugandans as well as affected their associated livelihoods. Uganda launched its National Climate Change Policy in 2015 and submitted its Nationally Determined Contributions (NDCs) or proposed greenhouse gas emissions reductions to the United Nations Framework Convention on Climate Change in 2018. The country has witnessed massive losses of natural vegetation and intensification of human activities. This situation is further aggravated by the overexploitation of natural resources, use of unsustainable harvesting and agronomic practices, and effects of climate change. Uganda has witnessed many environmental problems including frequent occurrences of landslides and floods causing deaths and loss of property, loss of biodiversity, low agricultural output, and reduced forest and wetland goods and services.

It is also critical to consider climate which is an atmospheric resource that is greatly affected by weather variability and climate change that subsequently impact on human well-being. Extreme

weather conditions and climate events like floods and droughts have adverse effects on human livelihood capitals like food and income and thus affecting human well-being. Furthermore, rise in temperatures affects ecosystem functions and services such as loss of biodiversity species, increase in invasive species and total species extinction. Besides rise in temperature is a major cause of drought which hinder the regulating functions of ecosystems for environmental integrity, climate resilience, disaster risk reduction and human livelihoods.

The INVITE Project will support investments in manufacturing sector. Manufacturing and industries produce emissions, during making things like cement, iron, steel, electronics, plastics, clothes, and other goods. These emissions include greenhouse gases that contribute to climate change.

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### 5.1.3 Geology

The geology of Uganda extends back to the Archean and Proterozoic eons of the Precambrian, and much of the country is underlain by gneiss, argillite, and other metamorphic rocks that are sometimes over 2.5-billion-year-old. Sedimentary rocks and new igneous and metamorphic units formed throughout the Proterozoic and the region was partially affected by the Pan-African orogeny and Snowball Earth event. Through the Mesozoic and Cenozoic, ancient basement rock has weathered into water-bearing saprolite and the region has experienced periods of volcanism and rift valley formation. The East Africa Rift gives rise to thick, more geologically recent sediment sequences and the country's numerous lakes. Uganda has extensive natural resources, particularly gold. The mineral resources sector contributes 0.3% percent to Gross Domestic Product (GDP) per annum. By 2019, the value of mineral resources produced was worth UGX 158.75 billion. The increased mining activities have, however, impacted the environment e.g. through excessive release of mercury into the air, water, and land by artisanal and small-scale gold mining and leaving large burrow pits that collect water resulting in increased malaria cases (*NSOER 2018-2019, NEMA*).

Lake Victoria, the catchment point of this region and source of the White Nile sits in the low point between two Rifts above a large area of ancient metamorphic rock. Around 2500 million years ago, during the Achaean-Proterozoic switchover, three systems of geological activity were identified with different levels of intensity and are responsible for the varied rocks found throughout the country.

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### 5.1.4 Soils

Land resources, and in particular soils, are the basis for agricultural production and development. Uganda has a total land area of 241,040 km<sup>2</sup> of which approximately 64.5% is suitable for agriculture. Soils in Uganda are very old and deeply weathered; they have an inadequate supply of the major plant nutrients, very low nutrient holding capacity, and deficiencies or toxicities of trace elements. The limited nutrients also are prone to leaching since rainfall is high in many areas. In terms of productivity, the soils are of a medium rating implying that the soils will only yield good crops under good management through the use of biological, organic manures, or inorganic fertilizers during the cropping phase. Other approaches would be practicing crop rotation, controlling soil erosion through soil and water conservation, and resting the land.

In Uganda, soil organic matter is low to medium in most places and is declining due to increased erosion and poor land management practices. Soil organic carbon and soil pH are key indicators of the status of soil health, the pH of Uganda's soils varies, owing to a climate gradient, but has a narrow range between 4.8 and 6.3. High soil pH is mainly in the Karamoja region, where conditions are generally dry; otherwise, the rest is low because of wet conditions (*NSOER 2018-2019, NEMA*). Soil degradation is a major threat to food security in Uganda and is responsible for the siltation and

pollution of lakes, rivers, and open water sources, which has affected livelihoods. The major causes of soil degradation in Uganda are nutrient depletion and soil erosion. The degradation of the soil resource in Uganda is attributed to population growth and the attendant effect on land ownership and fragmentation, land tenure, adoption of inappropriate land and soil management practices, and the low use of fertilizers and organic manure. The population explosion seems to out-match farmer's ability to find arable land and 50% of the land has soils of medium productivity leading to encroachment of protected areas.

The effects of pollution from manufacturing and industries on geology, soil and ecology include depletion of natural reserves, endangered terrestrial habitats leading to migration of animals to safer places and loss of them in the host communities, increased compaction due to increased vehicular and human traffic and reduction in yield of lands within the vicinity of the industries. The reduced soil fertility could be attributed to leachate from chemical wastes from industries.

Interventions should include revision of the legal framework e.g. the National Environment (Minimum Standards for Management of Soil Quality) Regulations and the National Environment (Hilly and Mountainous Area Management) Regulations, mapping of erosion risk and soil nutrient deficiency, enforcing the adoption of appropriate soil and water conservation strategies.

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#### 5.1.5 Surface and Ground Water Resources

The term groundwater potential refers to the sustainable groundwater yield or groundwater recharge that does not lead to the over-use of that resource and thus not to the lowering of groundwater tables. Groundwater potential in Uganda is highly variable, i.e. within the same hydrological unit, a high and low potential can occur. The estimated annual groundwater recharge rates are highly variable ranging from about 10% of the annual rainfall in Central Uganda to about 1% of the annual rainfall in Western Uganda. The estimated annual groundwater recharge rates in Uganda are highly variable and range from about 1% to 10% of the annual rainfall.

Agriculture and the manufacturing sector that INVITE project intends to support has a significant impact on water resources, both in terms of water consumption and water pollution. Industrial activities consume a significant amount of water through both operational processes and human use. The production of all kinds of industrial goods generates wastewater that can be contaminated with toxic substances.

Interventions to control water pollution should include containment of soil erosion, demarcation, isolation and treatment of underground mine water and leachate, mapping highly contaminated soils and prohibition of cultivation or grazing animals on such soils, enforcement of waste management regulations and protocols, strengthening enforcement of the existing legal frameworks and expansion of the Integrated Water Resources Management (IWRM) framework to include other aspects like poverty eradication and disaster preparedness.

## 5.2 BIOLOGICAL ENVIRONMENT

### 5.2.1 Biodiversity

Uganda is incredibly rich in biodiversity. More than half of Africa's 2,000 bird species for instance can be found here (1,020), about 10% of the world's bird species, and the numbers of mammals (345), reptiles (142), amphibians (86), fish (501), butterflies (1,242) and higher plants (4,500) are similarly high (WCS, 2024). Due to the uniqueness and diversity of ecosystems and variation of climatic conditions in Uganda, the country hosts 53% of the world's mountain gorillas. The country also hosts a high number of globally threatened species i.e. 39 mammals, 25 birds, 12 amphibians, 3 reptiles, and 45 plants. At the national level, the number of threatened species is even much higher, underscoring the need for increased species protection in Uganda (*NEMA, 2020*).

INVITE Investments may lead to threats to biodiversity. Agricultural and industrial activities are the leading cause of biodiversity loss as these cause conversion and degradation of the natural ecosystem, introduction of invasive species, excessive harvesting of flora and fauna, illegal wildlife trade, poaching, human-wildlife conflict, disease outbreaks, plastic waste, and pollution of water bodies. The increase in human population has also resulted in communities settling close to areas of high wildlife populations resulting in crop raiding, spread of zoonotic diseases, loss of property, and attacks on humans often resulting in retaliatory killing of wildlife. These conflicts have cross-cutting impacts on human livelihoods, biodiversity conservation, and the economy.

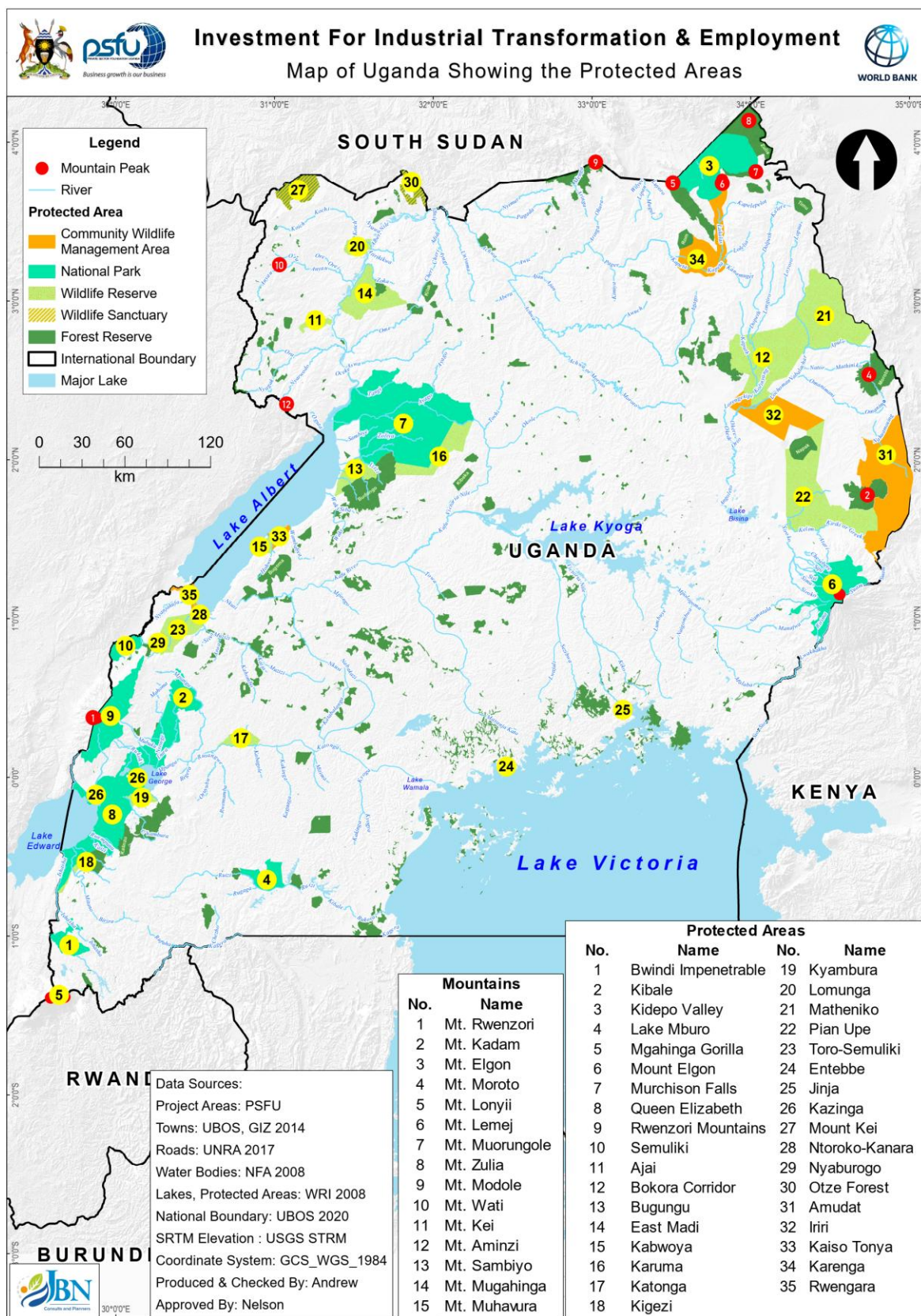


Figure 5.1: Map of Uganda showing Protected Areas

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### 5.2.2 Forest Ecosystem

Studies have shown that almost all the natural forests outside protected areas had been cleared and most of the remaining forests are in protected areas; forest reserves or national parks. Over the entire period of 25 years from 1990 to 2015, Uganda has lost 63% of its forests at an annual rate of 2.51. Currently 55% Uganda's forests grow on protected land and 45% private land contrasting the situation in 1990 where 70% grew on private land and 30% in protected areas. (NEMA, 2019). Forest loss has mainly been due to the conversion of forest to agriculture. Amuru, Masindi and Hoima forest loss has mainly been due to sugarcane plantations e.g. Atiak sub-county in Amuru district alone, lost over 33.7 KM<sup>2</sup> to sugarcane growing. The other significant cause is the demand for charcoal, fuelwood, and building materials by refugees e.g. Kyangwali, Bidibidi, and Rwamwanja. Efforts to restore forest cover include the Saw log Production Grant Scheme (SPGS), focused on forest plantations as a means of reducing pressure on the natural forest estate, the tree fund where District Local Governments annually receive tree seedlings from NFA for planting, interventions by civil society organizations, and eviction of encroachers and allowing natural regeneration.

Some of the forests are cleared to acquire land for industries for example Namanve Central Forest Reserve was degraded to set up Namanve Industrial Park. Forests are also affected by the activities carried out in the industries as a result of use and release of harmful chemicals into the environment.

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### 5.2.3 Wetlands

Wetlands occur all over Uganda and cover an area of 11 per cent of the land area. wetlands continue to be degraded and their area across the country is below that recorded in the 90s. In the urban areas, there is indiscriminate encroachment for settlements while in the rural areas there is much conversion to agriculture. The data shows that the national area of wetlands declined by 30 per cent between 1994 and 2008 (GoU, 2016). Considering the cover at the drainage basin level, wetland degradation was highest in Lake Kyoga and Edward basins (42% and 34% respectively) and lowest in the Kidepo and Aswa basins (1% each). Further analysis showed that Mbale district had the most degraded wetlands with 99% of its wetlands under threat while Ntoroko had the lowest percentage of degraded wetlands (2%). The Kyoga basin degradation is mainly attributed to the conversion of intact wetlands to subsistence cultivation of mainly rice, sugarcane, and maize. In Victoria Nile and Albert Nile, wetland loss is mainly due to conversion into built-up areas and landfilling. Recovery chances are a higher chance for areas converted to agriculture than for built-up areas if wetland protection is enforced. To maintain wetlands for future generations, key considerations should be to demarcate and gazette wetland reserves, restoration efforts should be increased and directly work with communities to conserve wetlands within a specific area.

Some investments supported under the INVITE project may be located close to the wetlands. In addition, some MSMEs/LEs may use swamps for water, clay and sand sources for construction works. There is a risk that they may exacerbate the problem of wetland pollution or destruction, for example when construction or industrial waste is illegally dumped in wetlands. The MSMEs/LEs will have to acquire the relevant permits and approvals from the authorities such as wetland use permits from the DWRM and adhere to the provisions of the National Environment (Wetlands, River Banks and Lake Shores Management) Regulations, 2000.

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### 5.2.4 Wildlife

Uganda is unrivalled on the continent as a bird-watching destination with over 1,000 species of birds several of which are found nowhere else on the planet. It is also home to 13 types of primates

including over half of the world's endangered Mountain Gorillas; and the chimpanzee. Uganda Wildlife Authority, (UWA) manages 10 National Parks; 12 Wildlife reserves; 5 Community Wildlife Management Areas; and 13 Wildlife Sanctuaries (UWA, 2024). Although there is an overall increase in wildlife species in protected areas, the species population on private land is steadily declining as a result of the conversion of existing habitats for cultivation and grazing. Between 1995 and 2017, Elephant populations increased from about 2000 to 5,808, Buffaloes increased from about 18,000 to 37,054, and giraffes increased from 250 to 880. The Kibale National Park Chimpanzee survey conducted in 2019 indicated a population increase from 921 in 2005 to 1001 in 2019 and the gorilla population census conducted in 2018 in the Bwindi-Sarambwe area estimated the Gorilla population at 496. The Black rhinos also increased in captivity from 8 in 2004 to 22 in 2017. The Grant's gazelle, however, declined from 100 individuals in 1995 to 57 in 2017.

INVITE will support the industrial sector. Manufacturing industries require large amounts of raw materials, such as metals, plastics, and chemicals, often from unsustainable sources which negatively impact the environment and wildlife. Some industries engage in practices that cause significant habitat destruction. Industrial processes can emit pollutants like nitrogen oxide, ammonia, mercury, and carbon dioxide, which can pollute water, air, and land. The production process can produce hazardous waste that can contaminate water sources and soil.

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### 5.2.5 Fisheries

The Ugandan fisheries sector is important in terms of employment, poverty reduction and foreign exchange revenues. Fishing is one of the major economic activities. Over recent years, overfishing, destructive fishing methods and illegal fishing have had significant impacts on fish stocks. For example, around 40% of large species captured in Lake Victoria are immature, meaning they are caught before they can reproduce. There are other threats too, including pollution and invasive species. Collectively, these pressures have huge implications for freshwater biodiversity and, by extension, food security, health and livelihoods in Uganda (UNEP, 2020). The establishment of the Fish Protection Unit in 2017 and the promotion of cage aquaculture have led to a reduction of illegal fishing activity and fishing pressure on the water bodies. More effort should be towards the restoration of forests and wetlands in the water catchments, protection of water body buffer zones, and promotion of sustainable agronomic practices in areas adjacent to water bodies. The main markets for Uganda's fish are the European Union (EU), Japan, Hong Kong, Singapore, Australia, Dubai, Israel and the United States. Uganda earned 171.5 million US\$ in revenue from the export of fish and fish products. This is the highest ever amount the country has earned from fishery-based exports. On the other hand, fish and related aquatic products have also continued to increase. Aquatic products import increased from 70 million 2016/2017 financial year US\$ to 90.9 million US\$ in 2017/18.

The manufacturing of fish processing plants can have a positive impact on fisheries by improving the quality of fish and reducing post-harvest losses. Fish processing plants that pay premium prices for high-quality fresh fish encourage local fishers to improve their handling practices. This can improve the quality of fish available in the country and reduce post-harvest losses.

However, the manufacturing industry can also impact fisheries in other ways. Industrial activities can alter the habitat of fisheries through physical, mechanical, or chemical means. Industries can also release industrial waste that may include inorganic nutrients like nitrogen and phosphorus into the environment. This can lead to pollution and eutrophication, which can kill fish and decline fish quality

## 5.3 SOCIAL – ECONOMIC CONDITIONS

### 5.3.1 Governance and Administrative Structure

The governance structure in Uganda is constituted of both the central and local government structures. The central government is comprised of three arms (Figure 5.1): The Executive headed by the President; the Parliament headed by the Speaker; and the Judiciary that is headed by the Chief Justice. The local government structure on the other hand is constituted of five levels known as Local Councils (LCs) 1, 2, 3, 4, and 5. The INVITE project will leverage the existing central government and local government structures when implementing its activities.

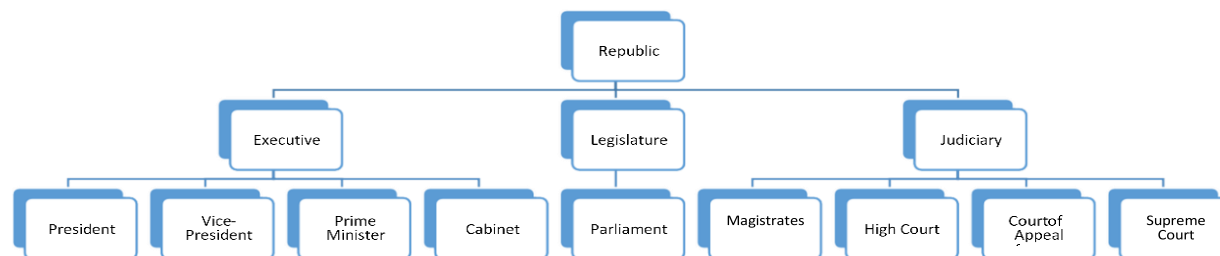


Figure 5.2: The Three Arms of the Uganda Government

### 5.3.2 Demography

The current population estimate of Uganda is 49,811,807, based on projections of the latest United Nations data, as of June 2024, a 2.82% increase from 2023, having registered a 3.04% increase in 2022 and a 3.39% increase in 2020 (Worldometer, 2024). The growth rate has remained around 3% for the past several decades in Uganda. This is influenced heavily by the country's fertility rate of 4.78 births per woman. At this growth, over 1 million people are added to the population each year. Uganda's rapid population growth is a cause for concern. Issues cited include rapid urbanization, poor waste management, high poverty, unemployment, environmental degradation and inadequate infrastructure, among other things. 84% of the population lives in rural areas.

Uganda is one of the most ethnically diverse countries in the region with the Baganda making up 16.9% of the population, followed by the Banyankole, Basoga, and Bakiga tribes, which make up 9.5%, 8.4%, and 6.9% respectively. There are many other tribes such as the Iteso, Lango, Acholi, Bagisu, etc; however, they constitute a very small percentage of the total population. The population size reflects the number of people that are likely to be impacted by the project.

Population size correlates with magnitude of benefit/ impact that will emanate from the INVITE project. Local leaders will have jurisdiction over areas in which the project will be implemented. These leaders will lend support to the project through information dissemination to the public;

Populations in areas hosting industries supported by the project may be exposed to risks like accidents, HIV/AIDs, GBV and SEA/SH. Labour influx is expected as number of people seeking jobs from the manufacturing sector will increase.

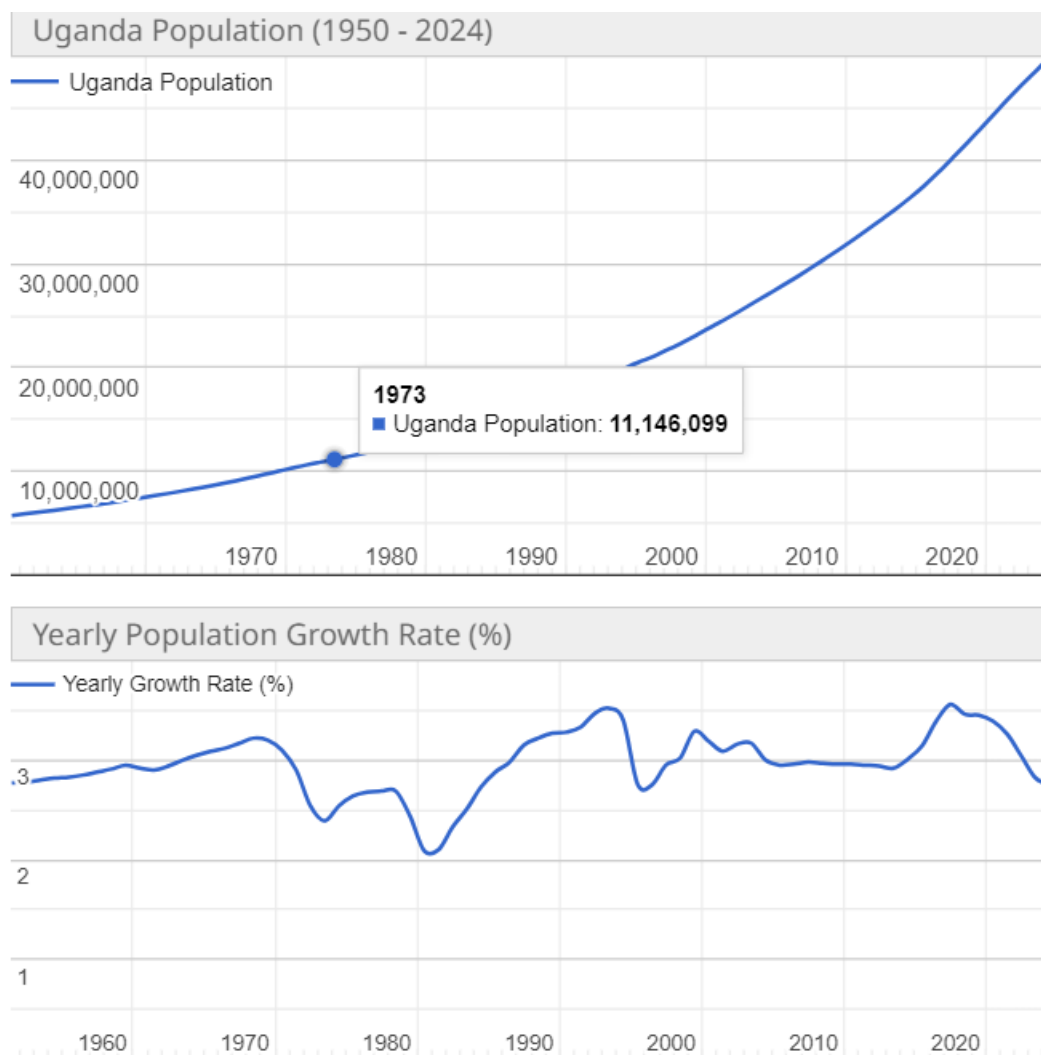


Figure 5.3: Uganda Population Projections (Source: Worldometer 2024)

### 5.3.3 Youth

The National Development Plan (NDP) III indicates that about 78 percent of the population is aged 30 years and below and constitute 57% of the labour force although there is high youth unemployment at an average of 38 percent. 79% live in rural areas and the major economic activity is agriculture. Youth face multi- dimensional challenges such as inadequate employable skills; limited access to assets and other means of production; and limited access to basic health services, including sexual and reproductive health services. Youth experience early marriages and pregnancies, and substance and drug abuse and these are attributed to lack of employment, peer influence, and other social pressures.

The manufacturing industry can have a positive impact on young people by providing employment opportunities and helping them develop skills that can lead to better jobs and higher wages. Industrial jobs can help young workers develop skills that can lead to better jobs and higher wages over time. The industrial sector will accelerate Uganda's economic growth, reduce poverty and increase income among the youth that forms the majority of the labour force.

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#### 5.3.4 Education

Education is a right enshrined in the Constitution of the Republic of Uganda, where articles 30 and 34 make provision for education as a human right, and basic education as an entitlement for all children. Educational attainment is an important indicator of the society's stock of human capital and level of socioeconomic development and refers to the highest level of education that an individual has completed.

Uganda's education system follows a four – tier system. The first tier comprises of seven (7) years of primary education, followed by four (4) years of Ordinary Level secondary education, two (2) years of Advanced Level secondary education and the final tier is three (3) to five (5) years of Tertiary education. Each level is nationally examined and certificates awarded.

The Government introduced Universal Primary Education (UPE) in 1997 to offer free education at the primary level and later in 2007, Universal Secondary Education (USE) was introduced.

University and Tertiary education are offered by both public and private institutions. There also exists Informal education in Uganda that aims to serve those persons who did not receive or only partially received formal education. Under the informal system, a range of practical/hands-on skills are imparted. The Informal system includes Functional Adult Literacy (FAL) programme in Ministry of Gender, Labour and Social Development and Adult Basic Education for Karamoja (ABEK) among others.

According to National Population and Housing Census Main Report (2014), 58.4 of the population aged 6 years and above have attained primary education, 18.8% completing secondary school and only 4.3% completing tertiary education. At National level, about 72 percent of the population were literate, higher than about 70 percent in 2002. Literacy among females was lower (68 percent) than for males (77 percent).

The manufacturing industry has struggled to find qualified workers for decades. The need to requires new digital skills and abilities from employees requires a need to change teaching and educational techniques in all types of schools in Uganda.

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#### 5.3.5 Health

Malaria is the leading cause of morbidity among children and pregnant women and death among children. According to the Uganda Demographic and Health Survey (UDHS, 2022), the percentage of children under age 5 with a fever in the 2 weeks before the survey decreased from 40% in 2011 to 31% in 2014-15, then increased to 33% in 2016, and decreased again to 26% in 2018-19 and 23% in 2022. Diarrhoea is another major cause of morbidity in children. The prevalence of diarrhoea rises after age 6 months, from 16% among children under age 6 months to 32% among those age 6-11 months, when complementary foods and other liquids are introduced. The prevalence remains high (30%) at age 12-23 months, which is the time when children begin to walk and are at an increased risk of contamination from the environment and declines thereafter.

Although the Uganda government has been at the forefront of developing and implementing innovative public health strategies that address the HIV/AIDS epidemic, in 2023, an estimated 1.4 million adults and children were living with HIV in Uganda. The Spectrum model estimated that there were approximately 54,000 new HIV infections and 17,000 HIV-related deaths during that year.

According to the Uganda Demographic and Health Survey (UDHS, 2022), Uganda is undergoing a significant shift in the types of diseases affecting its population, moving from predominantly

communicable diseases to a notable increase in non-communicable diseases (NCDs) that contributed to 36% of deaths in the country in 2019 with the four major NCDs being; cardiovascular diseases (CVDs), cancers, diabetes, and chronic respiratory diseases. The major four common risk factors for NCDs include: tobacco use, harmful use of alcohol, physical inactivity, and unhealthy diets. Other risk factors include environmental pollutants, as well as overweight and obesity.

Health conditions will be relevant for implementation the project since a number of workers are expected to be employed the manufacturing and industrial sector. The risk of accidents in manufacturing units means that easy and quick access to health care units is essential. This also requires the workers to be provided with appropriate Personal Protective Equipment (PPE), proper job training, carrying out job hazard risk assessments and ensuring a safe working environment. Most of the industries are characterised of having poor working conditions for their labour and paying less attention to health and safety requirements. Many of them have no emergency response plans, site clinics or even first aiders, lack potable water and food for workers.

*Table 7.2 provides examples of Health risks for each Window.*

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### 5.3.6 Refugees in Uganda

All 13 refugee hosting districts have designated settlements that are densely populated, which has resulted in significant challenges, such as limited land resources to settle refugee populations, sometimes leading to conflict with host communities (ILO, 2023). Uganda is subject to both protracted and ongoing refugee situations. The country is currently estimated to host over 1.5 million refugees, the national leader on the African continent, and the third largest globally (UNHCR, 2021).

The government provides refugees with freedom of movement and allocated land in designated areas for shelter and agricultural use. These designated areas are composed of settlements and are home to about 95 percent of refugees who live alongside host communities. Some of the poorest and most underdeveloped areas of the country are among those designated areas (UNHCR, 2021).

In general, Uganda has progressive refugee and asylum policies. At the policy level, there is no apparent discrimination against refugee groups. However, the large and growing refugee population presents a significant burden on host communities that require support in the face of their own economic, environmental, and developmental challenges. Meeting the tripartite goal of sustaining a peaceful coexistence, mitigating shocks, and alleviating pressure on the existing basic service systems requires both communities to receive equitable attention (ILO, 2021).

The presence of refugees has on some occasions created tensions and conflicts with host communities which is manifest in areas such as increased pressure on natural resources, especially wood and construction materials and conflicts over access to water. Given isolated locations of the settlements, access to clean water is still a challenge for the women and children and in some instances, refugee women have fallen victims to rape in the search for water over long distances. There are also allegations of thefts of crops by refugees, and conflicts over the delivery of social services occasioned by the huge influx of refugee populations into the refugee hosting areas, thereby putting major strains on services in those areas which were already quite overburdened and/or lacked proper investment. Other sources of conflict include sexual and gender-based violence (SGBV), which is among the most serious protection concerns and priorities in Uganda refugee operations, and is manifested in various forms including rape, sexual assault, domestic violence, early and forced marriages, denial of resources, and harassment (UNHCR, 2017).

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### 5.3.7 Gender

Gender disparities in almost all areas of development continue to exist in Uganda due to patriarchal and traditional perceptions and practices. Women continue to face constraints related to access to, control over, and ownership of businesses and productive resources such as land and credit. The National Development Plan (NDPII) shows that only 27% of registered land is owned by women. Although 70% of the women are engaged in agriculture, less than 20% control outputs from their efforts. Women comprise the majority of the labour force in the Agricultural Sector while men form the majority of the labour force in the Industry and Service Sectors. Female-headed households comprise 80.5% of the agricultural subsistence workers compared to 67.5% of the male-headed households. However, plots managed by women produce 17% less per acre on average than plots managed by men or jointly by other family members.

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### 5.3.8 Gender-Based Violence

GBV in Uganda is high. Sexual violence is higher among women, with 56% of women citing having experienced physical violence by the age of 15 years, while 28 percent of women aged 15-49 having experienced sexual violence compared to 9 percent of men in the same age group (NDPII -2016). The perpetrators of both physical and sexual violence are the current husband/ wife/ partner. Uganda Bureau of Statistics (UBOS), 2019 maintains that the leading causes of GBV are poverty, alcoholism, cultural practices like early marriages, bride price, limited counselling, peer pressure, and drug abuse.

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### 5.3.9 Employment

While Uganda's economy has grown significantly over recent years and will continue to do so into the future, presently a significant proportion of the country's population are not benefiting optimally from this growth. Rather, the vast majority of Uganda's labour force remains employed in low productivity activities. This is largely because the most productive, rapidly expanding economic sectors are often more capital intensive than labour-intensive and employ only a small proportion of the workforce. In particular, the bulk of the population continues to work in the agricultural sector, often engaged in subsistence activities, with only a small proportion of agricultural workers engaged in the cultivation of high-value, commercialized crops. In the urban areas, a significant proportion of the population works in the informal sector, which faces particular constraints that prevent it from achieving high levels of productivity, including limited access to capital, limited support and recognition by the authorities, and limited access to workspaces and other facilities (World Bank, 2024).

Uganda will also need to take steps to avoid the pool of unemployed or underemployed becoming larger. The economy needs to generate demand for at least 600,000 new jobs each year between 2020 and 2030.<sup>5</sup> Small and young firms in Uganda play a key role in employment creation – registered firms, five years and younger, account for over 50 percent of formal employment. In addition, 3.1 million household enterprises provide self-employment and employment for family members, the majority (56.2 percent) of which operate a service business (trade, construction, and so on), with a substantial proportion (20.3 percent) engaged in manufacturing activities and agro-processing activities. Businesses in agricultural production (excluding smallholder farm families working on their farms), food and beverage processing, and food and beverage services retail accounted for more than a quarter of all formal business employment in 2010.<sup>6</sup>

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<sup>5</sup> Uganda Jobs Strategy for Inclusive Growth 2019.

<sup>6</sup> Uganda Jobs Strategy for Inclusive Growth, 2019, pages, 26, 28, and 22.

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### 5.3.10 Household Income and Expenditure

It is estimated that that 21.4% of Ugandans (representing 8 million persons) are poor. UBOS has estimated a new poverty line using consumer basket from 2016/17 year. The new poverty rate is still lower than the international poverty line of 2.15 USD (2017 PPP), which is based on the median of the national poverty lines of 28 of the world's poorest countries, expressed in 2017 PPPs (World Bank, 2023)<sup>7</sup>. The poor in the rural areas represent 25% of the population compared to 10% in the urban areas. Incidence of poverty by region highlights significant variations: the 2016/2017 national rankings show the Eastern region (36%) with the highest incidence of poverty. Income inequality as measured by the Gini coefficient stood at 0.42 in 2016/17. Uganda's average household monthly expenditure stood at UGX 325,800 in 2016/17. Kampala and Northern regions realized increases in the monthly consumption expenditure. The increase in per capita consumption expenditure in northern Uganda was observed for both rural (8%) and urban (10%) residents. The share of food and non-alcoholic beverages in total household expenditure was the highest (46%), followed by expenditure on housing, water, electricity, gas, and other fuels (16%) and there was an increase in the budget share of households was registered in education from five percent in 2012/13 to eight percent in 2016/17 (UBOS, 2016).

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### 5.3.11 Land Tenure in Uganda

The Constitution and the Land Act (1998) recognize customary, freehold, mailo (system of owning land in which there is an owner of the land, called a landlord, and there are recognized occupants on the land, called tenants), and leasehold tenure systems under Article 237. This provision is re-enacted in Section 3 of the Land Act.

Customary tenure systems regulate 75 percent of the total land and are still the most common form of tenure in the country. Customary tenure applies to former public land that has not been registered. In West Nile, for example, most of the land is communal and customarily held. Such land is not titled and is passed to family members from generation to generation. In some cases, customary land has been converted into freehold where individuals or families acquire their land titles from government authorities.

Under the current land tenure system, women often have low land holdings because customary inheritance arrangements normally favour men. Women rely on conjugal co-ownership of land as long as the couple stays married. The mailo land tenure system is similar to the freehold except that for the former, the occupants are obliged to pay an annual nominal ground rent. Although Uganda's statutory laws grant men and women equal rights to land and other property regardless of their marital status, the application of these laws has not supported equitable distribution and benefits. This is partly due to the weak institutional capacity of the legal system, particularly in rural areas, that hampers effective enforcement and administration of the laws (ICRW, 2011). Practices around marital property and inheritance, in particular, continue to be dominated by customs that impose serious constraints on women's ability to own and control land resources. These customs limit the women's user rights of land to their relationships with the male family members (heads), thereby making their user rights secondary to those of the men (heads) who tend to have rights to land at birth.

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<sup>7</sup> World Bank (2023). Poverty & Equity Brief Uganda.  
[https://databankfiles.worldbank.org/public/ddpext\\_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global\\_POVEQ\\_UGA.pdf](https://databankfiles.worldbank.org/public/ddpext_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global_POVEQ_UGA.pdf)

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### 5.3.12 Land use

The people of Uganda depend on land and its resources to sustain their livelihoods. Land and its resources enable people to provide food, build homes, undertake several services, engage in several trades, and maintain biodiversity. Land utilization in Uganda is divided into three components i.e., agriculture (crops and livestock), the built areas, and land reserved for conservation, which are not exclusive of one another. In all the six hubs, a combination of agricultural land, built and conservation areas exist. According to the National Land Use Policy (2006), land availability, productivity potential, and sustainability for agriculture are not adequately known: soil maps are outdated; in heavily settled areas there is land fragmentation which leads to land degradation; there are extensive occurrences of soil rill and sheet erosion even in relatively flat areas of the country; farmers practice cultivation on marginal lands and in fragile ecosystems especially wetlands, riverbanks, shorelines and hilly areas; and in some districts, farmers and pastoralists invade areas gazetted for national parks, game reserves, forest reserves. Population pressure has triggered the expansion of land under agriculture, resulting in loss of vegetation, and other districts, especially the cattle corridor, continue to experience extensive clearance of woodlands and bush lands.

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### 5.3.13 Economic Impact of COVID-19

The low economic activity caused by COVID-19 also affected Uganda's ability to generate jobs for those living in vulnerable situations, including refugees and host communities. Despite the concerted efforts to integrate refugees into the ecosystems of their host communities, Refugee-Hosting Districts (RHDs) remain less developed areas. Low levels of disposable incomes have resulted in low demand and limited access to labour markets, leaving those residents with some access to land with no alternative but to live off subsistence agriculture.

COVID-19 disrupted incomes and livelihoods, with the poorest wealth quintiles most adversely affected. Since the COVID-19 outbreak, 91 percent of households have reported reduced income (or losses) from at least one of their sources of livelihood. Service, transport, and commerce are the sectors that were most affected by the COVID-19 restrictions, having lost the highest share of workers. On average, 30 percent of people remained out of work, even with COVID-19 restrictions being relaxed<sup>8</sup>. Socio-economically depressed districts, such as those hosting refugees, are negatively impacted. The poorest quintiles and vulnerable communities, including refugees, are already showing significant income reductions and increased food insecurity.

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### 5.3.14 Commercial Banking and Microfinance

As of April 2018, Uganda had 26 licensed commercial banks, with about 544 branches and 5.5 million accounts. The commercial banks hold about 80% of the total assets of the financial system.<sup>9</sup> SACCOs and MFIs are still experiencing weaknesses with their sustainability, due to the low mobilization of savings from the public, over-dependence on Government through the Uganda Micro Finance Support Centre, lack of regulation and fraudulent activities that are a vice to the people's savings. Combined with the high cost of financial transactions in Uganda, real interest rates charged by the

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<sup>8</sup>Uganda Bureau of Statistics and World Bank (July 2020). Source: Uganda Investment Authority (UIA) Database, July 2019

<sup>9</sup> Fitch Ratings-London-01 July 2024. <https://www.fitchratings.com/research/banks/ugandas-smaller-banks-strengthened-by-new-paid-up-capital-requirement-01-07-2024#:~:text=This%20was%20to%20enhance%20financial,Download%20project%20as%20an%20image>.

banks are very high. It is quite common for commercial banks to charge interest rates in the range of 19 to 23 percent for investment projects.

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### 5.3.15 Access to Credit

Uganda Census of Agricultural survey data shows that, at the national level, only 11.3 percent of the total 3.9 million agricultural households accessed credit. Of these, 61% accessed credit through informal means, 29% semi-informal, and 10% through formal financial institutions<sup>10</sup>. Access to agricultural credit by smallholder farmers remains low. This is because supply factors include a weak institutional framework, policy inconsistencies on agricultural financing, high interest rates, and limited financial literacy. And demand side factors include a lack of collateral, lack of bankable projects, and high risk of agricultural credit to farmers. Regional data shows that Western Uganda had the highest proportion of households reporting access to financial institutions at about 16%, Eastern 11%, Central, 9%, and Northern 7%. Informal sources of credit dominated.

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### 5.3.16 Agricultural sector

The Uganda Vision 2040 identifies agriculture as one of the key sectors in the delivery of the 10% annual economic growth rate envisaged under the economic pillar. This will be achieved through an innovative, commercially oriented, and modern agriculture, livestock, and fisheries sector. The agriculture sector development strategy aims at transforming agriculture into a modern and commercially viable sector.

According to the UN's Food and Agriculture Organization, Uganda's fertile agricultural land has the potential to feed 200 million people. Eighty percent of Uganda's land is arable but only 35% is being cultivated. In FY 2022/23, agriculture accounted for about 24% of GDP, and 35% of export earnings. The UBOS estimates that about 68% of Uganda's working population is employed in agriculture. Uganda produces a wide range of agricultural products including coffee, tea, sugar, livestock, fish, edible oils, cotton, tobacco, plantains, corn, beans, cassava, sweet potatoes, millet, sorghum, and groundnuts. Commercialization of the sector is impeded by farmers' limited use of fertilizer and quality seeds and a lack of irrigation infrastructure – rendering production vulnerable to climatic extremes and pest infestations. Sector growth is also impaired by the lack of quality packaging capabilities, insufficient storage facilities, poor post-harvest handling practices, shortage of agricultural credit, high freight costs, the lack of all-weather feeder roads in rural areas, a complicated and inefficient land tenure system, and limited knowledge of modern production practices. Ugandan producers often find it difficult to meet sanitary and phytosanitary standards required to export goods to Europe and the United States<sup>11</sup>.

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### 5.3.17 Industrial Sector

Uganda's economy is recognized as having already begun the transition towards an industrialized economy, with associated higher living standards. Ugandan manufacturing has been dominated by last stage (end-product) assembly and raw materials processing, a high share of which is food processing. The industrial sector, which includes mining and quarrying, construction, and manufacturing, accounted for 20.6 percent of the national economy in 2012/13.

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<sup>10</sup> The Economic Policy Research Centre (EPRC). Access and Use of Credit in Uganda: Unlocking the Dilemma of Financing Small Holder Farmers. EPRC POLICY BRIEF No. 25, November 2012.

<sup>11</sup> International Trade Administration (2023). Uganda - Country Commercial Guide. <https://www.trade.gov/country-commercial-guides/uganda-agricultural-sector>

There are over 2,000 registered enterprises engaged in: Agro-processing (63 percent), Metal fabrication, furniture, bricks and tiles (12 percent), Pharmaceuticals and other chemicals (6 percent), Paper, plastics, and cosmetics (6 percent), Confectioneries (3 percent), Electricals and electronics (3 percent) and others (10 percent). A move towards greater industrialization is a key objective of Vision 2040 and is recognized as essential for national development. Almost half of Uganda's manufacturing businesses are located in Kampala, but there is good potential for increased decentralization to other regions.

Existing manufacturing is running at about 50% of installed capacity with much of the inefficiency attributed to poor supporting infrastructure including a lack of reliable power. Significant planned hydro and geo-thermal power production along with strengthened transport networks in all the regions will make all the regions attractive for greater investment.

It is difficult to make a sweeping generalization on the type and quality of technology being employed in the agro-processing industry in Uganda. This is because some factories are using state-of-the-art modern technology while others are using old technologies. In other situations, although the technology being used by some may appear old, it may be the most appropriate technology under the prevailing conditions of market size, labour, business, and raw materials. However, such industries have to contend with the problems often associated with high maintenance costs of old machinery and equipment. Since the cost of labour is rather low, many agro-processing factories appear to have opted for labour-intensive and semi- automated technologies. In general, the more recently commissioned factories, especially large-scale industries (such as the Cassava Plant), have installed modern automated systems.

In some factories/old establishments, there are on-going rehabilitation activities and/or expansion of facilities. Some of the private processing facilities commissioned more recently, may have installed reconditioned processing lines. Asbestos has been used in many industries due to its resistance to heat, fire, chemicals, and electricity. However, exposure to asbestos can cause serious health problems, including lung cancer and malignant mesothelioma.

## 6 STAKEHOLDER CONSULTATIONS, ENGAGEMENT AND DISCLOSURE

### 6.1 OVERVIEW

Stakeholder engagement is an inclusive process that will be conducted throughout all the different stages of the INVITE project. It will be aimed at supporting the development of strong, constructive, and responsive relationships which are important for the sustainability and acceptability of the project. Stakeholder engagement is most effective when initiated at an early stage of the project development process and is an integral part of early project decisions and the due diligence assessment, management, and monitoring of the project's environmental and social risks and impacts.

As seen under the ESS10, Stakeholder Engagement, and Information Disclosure, the ESF recognizes the importance of open and transparent engagements with project stakeholders. The success of any project is hinged on the level and quality of stakeholder engagement.

### 6.2 OBJECTIVES OF STAKEHOLDER AND COMMUNITY CONSULTATIONS AND ENGAGEMENT

The consultations with stakeholders were carried out to achieve the following objectives:

- a. Build and maintain a constructive relationship with stakeholders, in particular, project host communities and beneficiaries;
- b. Provide information about the project to stakeholders;
- c. Solicit the stakeholders' views on the project and discuss their involvement in the various project activities;
- d. Assess the interest of the stakeholder in the project and discern the attitudes of the community and their leaders towards the project so that their views and proposals are taken into consideration in the formulation of mitigation and benefit enhancement measures;
- e. Identify specific interests of and enhance the participation of the poor and vulnerable groups;
- f. Inform the process of developing appropriate management measures as well as institutional arrangements for effective implementation of the Project;
- g. Provide opportunities to stakeholders and project beneficiary communities including refugees, VMGs and other vulnerable or marginalized individuals or groups to discuss their opinions and concerns respectively; and
- h. Identify specific interests of and to enhance the participation of vulnerable and marginalized individuals or groups.

### 6.3 ENGAGEMENT WITH STAKEHOLDERS

In 2022, Consultations were undertaken as part of preparation of the ESMF which combined both components of PSFU and INVITE Trust. Additional consultations were conducted in June and July of 2024 to inform the preparation of the INVITE Trust ESMF this targeted regulators and associations of the targeted beneficiaries who have a countrywide representation. Once the project beneficiaries have been identified, additional Stakeholder Engagement (SE) shall be undertaken as part of preparation of individual investments and throughout their implementation.

Table 6.1 below provides a summary of stakeholders consulted in 2022 and 2024 during the preparation of the Environmental & Social Management Framework (ESMF). Stakeholder

engagement is a continuous process that will be carried out throughout project implementation. The MSMEs/LEs shall be required to undertake stakeholder engagement as applicable.

**Table 6.1: Summary of project stakeholders consulted**

S/N	Date	Meeting Location	Stakeholder category	Stakeholder Group	Number of participants	Role
1	08/11/2022	Goboro, Yumbe	The Refugee Host Communities	Business Communities/MSMEs/Firms/Local Leaders	Male 01 Female 08	Likely project beneficiary
2	04/11/2022 to 11/11/2022	Rhino Camp, Arua; Bidibidi Camp, Yumbe	The Refugee Communities	Business owners/SMEs/Firms/Local Leaders	Male 08 Female 23	Likely project beneficiary
3	04/11/2022	Yumbe	The Manufacturing and Exporting firms	Micro, Small and Medium Enterprises (MSMEs),	Male 01 Female 0	Likely project beneficiary
4	08/11/2022	Yumbe	The Financial Institutions such as tier III and IV in the country	FIs (SACCOs, MFI, Commercial Banks)	Male 01 Female 0	Likely project beneficiary
5	04/11/2022 to 16/11/2022	Mbarara, Kikuube, Arua, Lira, Hoima, Gulu	The Local Governments	District, and Sub County Political and Civic Leadership	Male 28 Female 09	Mandated role in monitoring compliance
8	25/06/2024	Kampala	National	Ministry of Gender Labour and Social Development (MoGLSD)	Male 01 Female 00	Mandated role in monitoring compliance
9	25/06/2024	Kampala	Association	Uganda Small Scale Industries Association (USSIA)	Male 02 Female 00	Represent interests of members of USSIA who are the likely beneficiaries
10	26/06/2024	Kampala	Association	Uganda Manufacturers' Association (UMA)	Male 02 Female 00	Represent interests of members of UMA who are the likely beneficiaries
11	28/06/2024	Kampala	Association	Federation of Small Medium Enterprises (FSMEs)	Male 02 Female 01	Represent interests of members of FSMEs who

S/N	Date	Meeting Location	Stakeholder category	Stakeholder Group	Number of participants	Role
						are the likely beneficiaries
12	01/07/2024	Kampala	National	Uganda Microfinance Regulatory Authority (UMRA)	Male 03 Female 02	Mandated to Regulate microfinance institutions
13	01/07/2024	Kampala	National	Microfinance Support Centre (MSC)	Male 00 Female 01	Likely beneficiary
14	05/07/2024	Kampala	National	Uganda Bankers Association (UBA)	Male 01 Female 01	Represent interests of members of UBA who are the likely beneficiaries

During implementation, the INVITE Trust, PFIs and the MSMEs/LEs will allocate adequate resources to undertake continuous and meaningful stakeholder engagements throughout the life cycle of the project. The additional stakeholder engagement be undertaken during preparation of individual investments and throughout implementation and the planned SE are included in Table Below.

*Table 6.2:Planned Stakeholder Engagements*

No.	Stakeholder	Role
1.	The Refugee Host Communities	Likely project beneficiary
2.	The Refugee Communities	Likely project beneficiary
3.	Micro, Small and Medium Enterprises (MSMEs)	Likely project beneficiary
4.	Large Enterprises (Les)	Likely project beneficiary
5.	Participating Financial Institutions (PFI)	Likely project beneficiary
6.	District, and Sub County Political and Civic Leadership	Mandated role in monitoring compliance
7.	Ministry of Gender Labour and Social Development (MoGLSD)	Mandated role in monitoring compliance
8.	Uganda Small Scale Industries Association (USSIA)	Represent interests of members of USSIA who are the likely beneficiaries
9.	Uganda Manufacturers' Association (UMA)	Represent interests of members of UMA who are the likely beneficiaries
10.	Federation of Small Medium Enterprises (FSMEs)	Represent interests of members of FSMEs who are the likely beneficiaries
11.	Uganda Microfinance Regulatory Authority (UMRA)	Mandated to Regulate microfinance institutions

No.	Stakeholder	Role
12.	Microfinance Support Centre (MSC)	Likely beneficiary
13.	Uganda Bankers Association (UBA)	Represent interests of members of UBA who are the likely beneficiaries
14.	Office of the Prime Minister (OPM)	The office of the OPM is very key in the INVITE project and has been involved with the World Bank as part of the preparation appraisal document.  In line with function vi, OPM will be helpful in the coordination and implementation of component 2 of the INVITE Project.
15.	Ministry of Trade, Industry and Cooperatives (MTIC)	Some of these institutions under the ministry will be instrumental in the implementation of the project.
16.	The Ministry of Water and Environment (MWE)	To regulate water resources utilization and wetlands management through DWRM and Department of Environmental Affairs (DEA) respectively.
17.	National Environment Management Authority (NEMA)	Responsible for reviewing and approving ESIA's, compliance audits, and monitoring of approved project activities.
18.	The Association of Microfinance Institutions of Uganda (AMFIU)	The Association of Microfinance Institutions of Uganda (AMFIU) is an umbrella organization of microfinance institutions (MFIs) in Uganda. The main reasons for its establishment were the needs for MFIs to have a common voice; to lobby government for favorable policies; to share information and experiences; and to link up and network with both local and international actors.
19.	Development Partners	The project is funded by the World Bank. The project has to comply with the requirements of the World Bank. The MDTF obtained as support from the Netherlands, the United Kingdom, and Sweden will support component 3 of the INVITE Project.

More stakeholders will be identified and consulted on confirmation of the project activities and investments.

#### 6.4 ISSUES OF FOCUS DURING STAKEHOLDER ENGAGEMENT

The stakeholders were invited to respond to specific questions relating to the proposed INVITE project and were also encouraged to make additional comments after the consultation. Some of the issues discussed with stakeholders regarding the project are summarized below:

- Provision of information on the project to the stakeholders i.e. development objective, key components, and activities to be undertaken;
- Target beneficiaries of the project (section 2.4);
- Likely E&S impacts of project activities, including health and safety during the implementation phase;
- Suggestions on how best the project could be implemented while ensuring sustainability; and
- Any other suggestions to improve project design, plans, and implementation.

## 6.5 CONSULTATIONS AND ISSUES RAISED ABOUT INVITE

The Consultant conducted face-to-face engagements, especially with stakeholder Government Ministries, Agencies, Departments, selected districts (Yumbe, Gulu, Lira, Arua, Adjuman, Mbarara, Hoima, Kikuube) refugees, and refugee host communities. Additional online (zoom) and physical meetings were conducted with National stakeholders that included Ministry of Gender Labour and Social Development (MoGLSD), Uganda Small Scale Industries Association (USSIA), Uganda Manufacturers Association (UMA), Federation of Small Medium Enterprises (FSME), Uganda Microfinance Regulatory Authority (UMRA), Microfinance Support Centre (MSC) among others.

The stakeholders raised some concerns summarized in the Table 6.3 and details of the meetings are annexed as annexes 8 and 9.

**Table 6.3: Summary of key issues/concerns raised by stakeholders and the recommendations**

Issue	Recommendation/response
1. Stakeholders prefer low/ NO interest loans – such stakeholders can explore the possibility of applying for grants.	INVITE Trust will offer low interest loans to applicants that will qualify. The project will set a selection criterion for the loans.
2. Many SACCOs and PFIs exist and offer loans in different sectors; these should be considered as entry points;	Under components implemented by the INVITE Trust, loans will be offered through the PFIs.
3. Need for continued sensitization and mobilization of the communities.	The project has developed a stakeholder Engagement Plan that will guide continuous stakeholder mapping, identification, analysis and engagement.
4. Most of the manufacturing sector investments generate E&S impacts especially waste (both solid and effluent) and on workers' health and safety, and yet they do not have required statutory approvals.	Loan applicants will be required to have the required statutory approvals and implement mitigation measures to E&S impacts generated.  The ESMF has simplified guidelines for developing an ESMS (section 8.2). The MSMEs in manufacturing sector that do not have E&S systems will be assisted to develop and customize their ESMS. Further engagement will be done to allay their concern.
5. Infrastructure development should be approved by relevant authorities according to the OSH Act.	Loan application will be required to comply with OSH Act.
6. MoGLSD has a mandate to register all workspaces in the country; therefore, all SMEs employing people by law are supposed to register their work spaces according to section 40&41 of the OSH Act.	MSMEs will be required to comply with the OSH Act if they are to benefit from the INVITE Trust funds.
7. The National Employment Policy requires all firms including SMEs to provide Contracts for all employees to safeguard their rights.	Project will require all employers to provide contracts to their employees.
8. All employees of firms should be allowed to join any Union of their choice.	Well noted, the project will be notifying the firms funded under INVITE accordingly.
9. Clear terms of engagement with employees should well stipulated in the employee contracts such as emoluments, working hours, shifts etc.	Project will require all employers to provide contracts to their employees with clear terms.

Issue	Recommendation/response
10. All firms/SMEs employing migrant workers should be well documented and registered with Govt of Uganda.	Well noted, the project will be notifying the firms funded under INVITE accordingly.
11. Protection of children at workplaces (below 18years), children should be engaged with authorization of an adult.	Employment of children will not be allowed under INVITE.
12. Gender equality should be exercised during employment in all workspaces; amenities should be gender balanced with urinals for males and washrooms for female.	Well noted, the project will be notifying the firms funded under INVITE accordingly.
13. Put in place policies that guard against sexual harassment, Gender Based Violence at work places.	Well noted, the project will be notifying the firms funded under INVITE accordingly.
14. Permanent employees should be registered with NSSF especially those with 2year contracts and above.	Well noted, the project will be notifying the firms funded under INVITE accordingly.
15. All firms should put in place policies that prevent HIV/AIDS.	Well noted, the project will be notifying the firms funded under INVITE accordingly.
16. Pre-employment medical examination is very important to determine the health status of employees.	Well noted, the project will be notifying the firms funded under INVITE accordingly.
17. Persons with Disabilities should be considered for employment and should also be assigned with activities that fit their abilities.	Project will promote non-discrimination of all forms during employment.
18. Firms/SMEs should provide adequate welfare to their employees including food, water according to section 49 – 54 of the OSH Act. Also, employment of local personnel should be encouraged.	Well noted, the project will be notifying the firms funded under INVITE accordingly.
19. According to section 19, 91&92 of the OSH Act, all employees should be provided with adequate and appropriate PPE.	Project will promote and enforce use of appropriate PPE.
20. All firms/factories/SMEs should have an emergency preparedness plan in place in reference to section 57 of the OSH Act. Provide a First Aid Kit, Fire Alarms, Fire Extinguishers, Fire Assembly Points at all workplaces.	As part of the ESMF, an emergency preparedness plan has been prepared that will be used as guide for PFIs and MSMEs to prepare customised ERPs of their own.
21. Hazardous Chemicals used by manufacturing firms should be used following the laws in place; chemical wastes should be disposed in a gazetted area like Nakasongola.	A waste management Plan will be required from any firm dealing with hazardous chemicals.
22. Safety signage should be installed in all workstations especially at the manufacturing areas.	Well noted, the project will be notifying the firms funded under INVITE accordingly.
23. Consider cultural backgrounds during involuntary resettlement; let people sharing same cultural values be resettled in the same areas.	Project activity requiring involuntary resettlement will not be eligible for project financing.
24. Investments should not be a source of conflicts in the community but rather improve their livelihoods.	Well noted, project is designed to improve livelihood.

Issue	Recommendation/response
25. Investments should have grievance Redress committees to handle all conflicts.	The ESMF has provided a Grievance Redress Mechanism (GRM) that will be followed and rolled out.
26. Small scale industries do not have capacity to implement environment and social requirements, majority look at them as a waste of resources. For example, reporting of accidents at workplaces is mostly informal.	Compliance to environmental and social requirements will be part of the eligibility for loan applicants to qualify and non-compliance can result in cancellation of support provided to the subproject. The ESMF has simplified guidelines for developing an ESMS (section 8.2). The SSIs that do not have E&S systems will be assisted to develop and customize their ESMS. Further engagement will be done to allay their concern.
27. Many small-scale industries (SSI) operate from homes, therefore compliance to environment and social requirements may not be possible due to little capital and supervision by government.	Compliance to environmental and social requirements will be part of the eligibility for loan applicants to qualify and non-compliance can result in cancellation of support provided to the subproject. Further engagement will be done to allay their concern.
28. Good manufacturing practices are still a challenge to SMEs due to capacity challenges in human resource. Many SSI cannot pay the wages of a Safety Technical personnel.	Capacity to implement E&S requirements will be assessed before a loan is disbursed to the loan applicants.  The ESMF has simplified guidelines for developing an ESMS (section 8.2). The PFIs and MSMES that do not have E&S systems will be assisted to develop and customize their ESMS. Further engagement will be done to allay their concern.
29. Small scale industries employ more people than the bigger manufacturers, therefore government needs to put in place strategies to develop the small manufacturers.	Well noted, the project is designed to support small scale industries that will be eligible and qualify to get the project financing.
30. Put in place a policy to allow local (small industries) benefit from their area of locality especially the upcountry manufacturers.	INVITE Trust components have a nationwide coverage. All applicants will have a chance to receive the funding no matter the location as long as they meet requirements.
31. Many of the USSIA members do not implement environment and social requirements due to inadequate resources at hand.	Compliance with E&S requirements is a prerequisite to receive the project financing.  The ESMF has simplified guidelines for developing an ESMS (section 8.2). The PFIs and MSMES that do not have E&S systems will be assisted to develop and customize their ESMS. Further engagement will be done to allay their concern.
32. How does UMA fit into the INVITE Project?	The project target manufactures and exporters some of which are members of UMA. UMA is expected to mobilise their members to apply for the financing.

Issue	Recommendation/response
33. Manufacturers may not willing to spend their money on implementing the INVITE project.	The project funds will be available to support applicants with financing gaps and those that need to be supported.
34. Some of the UMA members especially big manufacturers may not be willing to take up the INVITE loans due to availability of many credit sources. The loan interest rates should be friendly to the manufacturers.	The project provides alternative financing and targets entities that were affected by COVID-19 and those with cashflow issues or need more funds for investment.
35. BoU follows a stringent bureaucratic process which limits SMEs from getting loans from such projects like INVITE.	INVITE Trust has been established to implement the components that were to be implemented by BoU.
36. GoU and World Bank if possible should redesign the project to suit the needs of SMEs because the same model has failed with Agricultural Credit Facility (ACF), Recovery Fund and others. The PFIs frustrate SMEs applying for such loans so that they can go for the high interest loans offered by the Commercial Banks.	<p>The Trust will work closely with PFIs while implementing the project to promote the project products (services). The concerns of the stakeholders are addressed in the design of the INVITE windows whose processing criteria is different from other models like ACF, Recovery Fund.</p> <p>All windows have parameters that govern access to the loan. For example, under ACF the funds were kept by BoU and accessed through the commercial Bank with a lot of bureaucracy. While as under INVITE Trust, the funds are disbursed by the PFIs for Windows 1.1, 1.2, 2.1 and 2.2, for Window 1.3 the funds will be disbursed by the factoring facility as presented in section 2.3. Further under the INVITE Trust, applicants who do not meet E&amp;S requirements shall be supported to build and develop their capacity as provided in sections 8.10.4 and 8.10.6.</p> <p>The Trust will work closely with PFIs while implementing the project to promote the project products (services).</p> <p>These concerns are addressed in the design of the INVITE windows whose processing criteria is different from other models like ACF, Recovery Fund.</p>
37. The INVITE Trust should designate representatives on the Credit Committees of PFIs assessing loan application for SMEs requiring loans from the INVITE project.	The INVITE Trust will have the Investment Committee (IC) that will be the governance organ overseeing the implementation and operations of the Trust. The IC will appoint/employ a Trust Manager, who will be responsible for day-to-day management of the Trust funds, business, administration and all operations including drafting strategies, plans, reporting, administration and all related aspects. The trust Manager will work closely with the PFIs the loan

Issue	Recommendation/response
	applications are processed in accordance to the set criteria.
38. Many SMEs cannot comprehend environment and social issues, and most of them do not give priority to environment and social requirements, occupational health and safety therefore need capacity building in that sector.	Compliance with E&S requirements is a prerequisite to receive the project financing. Where necessary and possible the INVITE trust and PFIs will provide the required capacity building.
39. Most PFIs don't have capacity to assess environment and social issues, this therefore requires an independent committee to scrutinize these during loan application.	Compliance with E&S requirements is a prerequisite to receive the project financing. PFIs will adopt the screening tool (Annex 1) in this ESMF to assess E&S issues.
40. Most women entrepreneurs run microenterprises due to the need of balancing business and family.	Well noted. Project is designed to support women entrepreneurs as well.
41. Access to finance for women is limited as many don't own assets like land and also skill levels for women are very low.	Project is designed to support women entrepreneurs as well but they can also benefit from other interventions and projects like GROW.
42. Technical assistance/capacity building for SMEs should be tailored through organisations like FSME, USSIA, UMA during the implementation of the INVITE project, so that there is continuation even after closure of the project.	This well noted but the project will follow the procurement processes.
43. A small budget for UMRA is allocated environment for climate change and social issues like HIV/AIDS prevention in the Ministerial Policy.	Noted.
44. UMRA needs technical assistance in preparing guidelines or inclusive lending.	UMRA can request for the technical Assistance through component 3 implemented by PSFU.
45. Some SMEs cannot be funded due to their activities e.g. Artisanal Miners cannot receive loans because they engage in environment destruction.	Compliance with E&S requirements is a prerequisite to receive the project financing.
46. Child labour – MSC is not in position to monitor child labour by SMEs due confusion in the definition as parents consider child labour as mentoring.	Child labour is prohibited for any project activity supported by the INVITE funds.
47. Gender aspects – some husbands take away Group money and use it for unintended purposes.	The project funds will only be used for the intended purpose.
48. Most SME/Groups are highly informal and may not be in position to access INVITE money through commercial banks.	Informal businesses will be required to formalise before they stand a chance qualify to get the project funds.
49. Many SMEs operated by Refugees may not meet INVITE requirements.	Only SMEs that meet the requirements will qualify to get the project funds.
50. Refugees are mobile therefore should be given Grants instead of loans because recovery may be difficult.	Under component 2.3 implemented by PSFU, grants will be available for investors who willing to invest in the Refugee Hosting Districts.
51. The project should focus on simple trainings to enlighten Groups and SACCOs on environment and social issues.	Compliance with E&S requirements is a prerequisite to receive the project financing. Where necessary and possible the INVITE trust and PFIs will provide the required capacity building.
52. Appraisal stage for loans should be strengthened to avoid issues of loan diversion.	Noted.

Issue	Recommendation/response
53. Encouraging farmer groups to adopt Climate Smart Agriculture to reduce production of methane.	Noted.
54. At loan appraisal stage special consideration should be given to vulnerable groups like women, youth, Albinos and PWDs. These a special exclusion list with less loan requirements.	Noted

## 6.6 DISCLOSURE

Consistent with the requirements of the ESF (ESS-10), and Uganda's NEA 2019; the environmental and social risk management instruments and reports shall be disclosed, at host communities' level, municipal and/or district level. Disclosure of documents shall be undertaken through the INVITE project web portal, and for PFIs. Disclosure at the district and community level shall be undertaken by the District Environment Officers and Community Development Officers, by displaying hard copies of project reports for public access at the district Offices, or Municipal/Town Council Offices. Comments shall be compiled by the respective local governments and passed on to PFIs, MSMEs/LEs for consideration and incorporation into project activity design, as much as possible. The timeline for disclosure and consultation must allow time for collecting relevant feedback from the persons or groups who have accessed these documents. When major revisions to the key documents (ESIA, ESMP) are required during the implementation of a subproject, the PFIs will also be encouraged to disclose updates in the district and on their respective web portals and INVITE project web portal.

## 7 ASSESSMENT OF GENERIC ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS, AND MITIGATION MEASURES

This Section presents a summary of the generic environmental and social impacts, and the measures or good practices to prevent, mitigate, and compensate for the negative impacts.

### 7.1 POSITIVE IMPACTS

This Section presents a summary of the generic positive impacts as a result of implementing the INVITE Trust Components.

The list of potential positive impacts is presented in [Table 7.1](#) below.

**Table 7.1: Potential Positive Impacts of the components under INVITE Trust**

Component	Impact
Component 1 (Window 1.1, 1.2 and 1.3): Mitigating the Impact of COVID-19 with a Focus on the Manufacturing and Exporting Sectors Driving Economic Transformation, including Refugee and Host Districts (RHD).	<ul style="list-style-type: none"> <li>• Ease liquidity constraints on MSMEs, including women led and refugee MSMEs.</li> <li>• Connect lower income regions, like RHDs with more viable and sustainable markets.</li> <li>• Ease the cost of finance and the availability of liquidity by working with PFIs to reach the MSMEs.</li> <li>• Reduce the MSMEs' incremental cost or debt servicing liability.</li> <li>• Enable micro firms to restart or continue their operations as critical units in funding links between producers and aggregators, processors, and distributors.</li> <li>• Enable MFDs, MFIs and SACCOs to offer a "Restart Discount Loan" to those of their clients (existing or new) who have been negatively impacted by COVID-19, especially women-led firms.</li> <li>• Finance MSMEs based on security in the form of their receivables to reduce delay of paying invoices.</li> </ul>
Component 2 (Window 2.1 and 2.2): Creating New Productive and Transformative Assets including in RHD.	<ul style="list-style-type: none"> <li>• Enable new financing to restart and bolster economic growth.</li> <li>• Provide risk coverage for new lending to MSMEs, extends local currency liquidity on a long-term basis to larger investment projects.</li> <li>• Support manufacturing and export supply chains, by setting up a Credit Guarantee Facility (CGF) to share the risks associated with new lending on a proposed 50/50 basis with PFIs.</li> <li>• Provide long-term financing in the form of subordinated/convertible long-term local currency loans.</li> <li>• Finance critical projects led by the public sector or the private sector, such as grain storage facilities or collection centers, cold storage, laboratories, SME Centers, industry and manufacturing hubs, etc.</li> </ul>
Component 4(a).	<ul style="list-style-type: none"> <li>• Establishment of the project implementation framework.</li> <li>• Support implementation, capacity development, monitoring and evaluation.</li> <li>• Support the establishment of operations systems in the BoU including the legal advice to set up the INVITE Trust, the environmental and social systems, a management information system, the technical and financial design, risk management framework, and the operational support for the financing of components 1 and 2.</li> </ul>

## 7.2 NEGATIVE IMPACTS

This Section presents a summary of the generic negative impacts, and the measures or good practices to prevent, mitigate, and compensate for the negative impacts.

### 7.2.1 Sources of Negative Environmental and Social Impacts

The project will among other activities support MSMEs, LEs, manufacturing and export supply chains, providing short term and long-term financing to critical projects led by the public sector or the private sector, such as grain storage facilities or collection centers, cold storage, laboratories, MSME Centers, industry and manufacturing hubs, etc.

The following sectors listed in the PAD (Annex 4) will be supported by the INVITE project.

- Manufacturing, all sectors.
- Agro-processing and marketing.
- Digital/ICT (that is, telecommunications).
- Warehouse and logistics (that is, land [road and rail] transport), Manufacturing Hubs, Incubators, Accelerators, Industrial Parks (IPs), SME Centers, etc.
- Involvement in medical and pharmaceutical supply chains.
- Involvement in export supply chains.
- Involvement in Public Investment Management for Agro-industry (PIMA) strategic commodity supply chains (cassava, maize, cotton, tea, coffee, beef, dairy, fish, oil palm).

The extent of the risks posed by investment activities financed under the INVITE Trust will depend on the individual investments supported. Also, the extent of risks will depend on the specific sectors, nature and scale of supported investments and their respective operations, which are yet to be fully defined. The sectors listed above among others, have been considered as potential sources negative E&S risks and impacts.

### 7.2.2 Description of the Potential Environmental and Social Impacts and proposed Mitigation

Some of the Investments that will be supported by the INVITE Trust will be in existence and operation within Uganda. However, it is also anticipated that some investment activities may be new and the existing ones may wish to expand their production lines and activities and this may entail infrastructure-related developments, and expansion of manufacturing facilities and export supply chains. This Section presents generic guidance for the management of E&S impacts of typical project activities, which shall be identified and taken care of by the MSMEs/LEs. The identified impacts and mitigation measures will be adopted and customized to specific investments during the implementation phase. The list of potential sectors specific EHS impacts and risks are presented in [Table 7.2](#) below.

Table 7.2: Generic Potential Sector EHS Impacts and Risks of INVITE Trust Windows<sup>12</sup>

Window	Impact
<p>Window 1.1: Amortization Extension</p> <p><b>Sectors:</b> Prioritization of Manufacturing and Exports supply chains</p>	<ul style="list-style-type: none"> <li>• Proliferation of waste.</li> <li>• Occupational Health and Safety Risks.</li> <li>• Traffic Impacts.</li> <li>• Security risks.</li> <li>• Poor labour and working conditions.</li> <li>• Increased risk of HIV/AIDS spread.</li> <li>• Risk of Contracting and Spreading COVID-19 and Ebola virus.</li> <li>• Risk of Child labour and school dropout.</li> <li>• Gender-based violence, sexual exploitation and abuse/sexual harassment (SEA/SH).</li> <li>• Fire Risks.</li> <li>• Impact on Community Health, and Safety.</li> </ul>
<p>Window 1.2: Restart Discount</p> <p><b>Sectors:</b> Not specified</p>	<ul style="list-style-type: none"> <li>• Risk of exclusion and non-compliance of the informal refugee businesses.</li> <li>• Proliferation of waste.</li> <li>• Occupational Health and Safety Risks.</li> <li>• Traffic Impacts.</li> <li>• Security risks.</li> <li>• Poor labour and working conditions.</li> <li>• Social tensions between host and refugees.</li> <li>• Increased risk of HIV/AIDS spread.</li> <li>• Risk of Contracting and Spreading COVID-19 and Ebola virus.</li> <li>• Risk of Child labour and school dropout.</li> <li>• Gender-based violence, sexual exploitation and abuse/sexual harassment (SEA/SH).</li> <li>• Fire Risks.</li> <li>• Land uptake and physical and economic displacement/land uptake</li> <li>• Exclusion and non-discrimination in access to employment opportunities.</li> <li>• Impact on Community Health, and Safety.</li> </ul>

<sup>12</sup> The table provides a preliminary list of potential EHS impacts and risks, and the specific EHS impacts and risks for a specific MSME considered for financial support will be defined as part of the PFI application of its ESME such as request for information, ES due diligence, etc.

Window	Impact
<p>Window 1.3: Receivables financing/Factoring Facility</p> <p><b>Sectors:</b> Manufacturing and Exports supply chains</p>	<ul style="list-style-type: none"> <li>• Risk of exclusion and non-compliance of the informal refugee businesses.</li> <li>• Proliferation of waste.</li> <li>• Occupational Health and Safety Risks.</li> <li>• Traffic Impacts.</li> <li>• Security risks.</li> <li>• Poor labour and working conditions.</li> <li>• Increased risk of HIV/AIDS spread.</li> <li>• Risk of Contracting and Spreading COVID-19 and Ebola virus.</li> <li>• Risk of Child labour and school dropout.</li> <li>• Gender-based violence, sexual exploitation and abuse/sexual harassment (SEA/SH).</li> <li>• Fire Risks.</li> <li>• Land uptake and physical and economic displacement/land uptake.</li> <li>• Exclusion and non-discrimination in access to employment opportunities.</li> <li>• Impact on Community Health, and Safety.</li> </ul>
<p>Window 2.1: Credit Guarantee Facility</p> <p><b>Sectors:</b> Manufacturing and Exports supply chains</p>	<ul style="list-style-type: none"> <li>• Pollution Water Resources.</li> <li>• Air pollution.</li> <li>• Land Contamination.</li> <li>• Proliferation of waste.</li> <li>• Noise pollution.</li> <li>• Increased demand for energy e.g., high demand for electricity, fuel wood, biogas etc.</li> <li>• Occupational Health and Safety Risks.</li> <li>• Traffic Impacts.</li> <li>• Security risks.</li> <li>• Labour influx.</li> <li>• Poor labour and working conditions.</li> <li>• Social tensions between host and refugees.</li> <li>• Increased risk of HIV/AIDS spread.</li> <li>• Risk of Contracting and Spreading COVID-19 and Ebola virus.</li> <li>• Risk of Child labour and school dropout.</li> <li>• Gender-based violence, sexual exploitation and abuse/sexual harassment (SEA/SH).</li> <li>• Fire Risks.</li> <li>• Land uptake and physical and economic displacement/land uptake</li> <li>• Exclusion and non-discrimination in access to employment opportunities.</li> <li>• Impact on Community Health, and Safety.</li> </ul>
<p>Window 2.2: Long Term Subordinated local currency loan</p> <p><b>Sectors:</b> Manufacturing and Exports supply chains</p>	<ul style="list-style-type: none"> <li>• Vegetation clearance.</li> <li>• Potential loss of fauna.</li> <li>• Invasive Species.</li> <li>• Impacts on Physical Cultural Resources.</li> <li>• Soil erosion and Sedimentation.</li> <li>• Risk of exclusion and non-compliance of the informal refugee businesses.</li> <li>• Pollution Water Resources.</li> <li>• Air pollution.</li> <li>• Land Contamination.</li> </ul>

Window	Impact
	<ul style="list-style-type: none"> <li>• Proliferation of waste.</li> <li>• Noise pollution.</li> <li>• Increased demand for energy e.g. high demand for electricity, fuel wood, biogas etc.</li> <li>• Occupational Health and Safety Risks.</li> <li>• Traffic Impacts.</li> <li>• Security risks.</li> <li>• Labour influx.</li> <li>• Poor labour and working conditions.</li> <li>• Social tensions between host and refugees.</li> <li>• Increased risk of HIV/AIDS spread.</li> <li>• Risk of Contracting and Spreading COVID-19 and Ebola virus.</li> <li>• Risk of Child labour and school dropout.</li> <li>• Gender-based violence, sexual exploitation and abuse/sexual harassment (SEA/SH).</li> <li>• Fire Risks.</li> <li>• Land uptake and physical and economic displacement/land uptake.</li> <li>• Exclusion and non-discrimination in access to employment opportunities.</li> <li>• Impact on Community Health, and Safety.</li> </ul>
Component 4(a)	<ul style="list-style-type: none"> <li>• Occupational Health and Safety Risks.</li> <li>• Security risks.</li> <li>• Poor labour and working conditions.</li> <li>• Sexual exploitation and abuse/sexual harassment (SEA/SH).</li> <li>• Fire Risks.</li> <li>• Exclusion and non-discrimination in access to employment opportunities.</li> </ul>

*Table 7.3: Indicative Sector specific EHS impacts and risks*

Sector	Impacts/ Risks
Annual Crop Production	<ul style="list-style-type: none"> <li>• Soil Conservation and Management.</li> <li>• Nutrient Management.</li> <li>• Crop Residue and Solid Waste Management.</li> <li>• Water Management.</li> <li>• Pest Management.</li> <li>• Use and Management of Pesticides.</li> <li>• Fertilizers &amp; Biodiversity and Ecosystems.</li> <li>• Genetically Modified Crops (GM Crops).</li> <li>• Energy Use.</li> <li>• Air Quality.</li> <li>• Occupational Health and Safety.</li> <li>• Community Health and Safety.</li> </ul>
Aquaculture	<ul style="list-style-type: none"> <li>• Threats to biodiversity.</li> <li>• Contamination of aquatic systems.</li> <li>• Hazardous Materials.</li> <li>• Occupational Health and Safety.</li> <li>• Community Health and Safety.</li> </ul>
Diary Processing	<ul style="list-style-type: none"> <li>• Wastewater.</li> <li>• Solid waste.</li> </ul>

	<ul style="list-style-type: none"> <li>• Emissions to air.</li> <li>• Energy consumption.</li> <li>• Occupational Health and Safety.</li> <li>• Community Health and Safety.</li> </ul>
Fish Processing	<ul style="list-style-type: none"> <li>• Solid waste and by-products.</li> <li>• Wastewater.</li> <li>• Water consumption and management.</li> <li>• Emissions to air and energy consumption.</li> <li>• Occupational Health and Safety.</li> <li>• Community Health and Safety.</li> </ul>
Food and Beverage Processing	<ul style="list-style-type: none"> <li>• Solid waste.</li> <li>• Wastewater.</li> <li>• Energy consumption.</li> <li>• Emissions to air.</li> <li>• Occupational Health and Safety.</li> <li>• Community Health and Safety.</li> </ul>
Mammalian Livestock Production	<ul style="list-style-type: none"> <li>• Waste management.</li> <li>• Wastewater.</li> <li>• Air emissions.</li> <li>• Hazardous Materials Management.</li> <li>• Ecological impacts.</li> <li>• Animal diseases Occupational Health and Safety.</li> <li>• Community Health and Safety.</li> </ul>
Meat Processing	<ul style="list-style-type: none"> <li>• Solid waste and by-products.</li> <li>• Wastewater.</li> <li>• Emissions to air.</li> <li>• Resource consumption Occupational Health and Safety.</li> <li>• Community Health and Safety.</li> </ul>
Perennial Crop Production	<ul style="list-style-type: none"> <li>• Soil Conservation and Management.</li> <li>• Nutrient Management.</li> <li>• Crop Residue and Solid Waste Management.</li> <li>• Water Management.</li> <li>• Pest Management.</li> <li>• Use and Management of Pesticides.</li> <li>• Fertilizers.</li> <li>• Biodiversity and Ecosystems.</li> <li>• Genetically Modified Crops (GM Crops).</li> <li>• Energy Use.</li> <li>• Air Quality.</li> <li>• Greenhouse Gas (GHG) Emissions.</li> <li>• Occupational Health and Safety.</li> <li>• Community Health and Safety.</li> </ul>
Poultry Processing	<ul style="list-style-type: none"> <li>• Solid organic wastes and by-products.</li> <li>• Wastewater.</li> <li>• Emissions to air.</li> <li>• Energy consumption.</li> <li>• Occupational Health and Safety.</li> <li>• Community Health and Safety.</li> </ul>
Sugar Manufacturing	<ul style="list-style-type: none"> <li>• Solid waste and by-products.</li> <li>• Wastewater.</li> <li>• Emissions to air.</li> </ul>

	<ul style="list-style-type: none"> <li>• Occupational Health and Safety.</li> <li>• Community Health and Safety.</li> </ul>
Vegetable Oil Production and Processing	<ul style="list-style-type: none"> <li>• Solid waste and by-products.</li> <li>• Water consumption and management.</li> <li>• Energy consumption and management.</li> <li>• Atmospheric emissions.</li> <li>• Greenhouse gas emissions.</li> <li>• Hazardous materials.</li> <li>• Occupational Health and Safety.</li> <li>• Community Health and Safety.</li> </ul>

Table 7.4 below presents generic impacts and mitigation measures. The site-specific measures will be defined as part of investments' respective assessments.

Table 7.4: Anticipated Negative impacts and Mitigation measures– Generic covering indicative Sectors supported under INVITE Trust

Indicative Impact	Impact Mitigation Measures to be adopted by PFIs, and MSMEs/LEs, where applicable
<b>Construction phase</b>	
Vegetation clearance	<ul style="list-style-type: none"> <li>Careful siting of all activities, to minimize the extent of vegetation clearance during construction for project activities supported.</li> <li>Rehabilitation of cleared areas with native species, and ecosystem restoration in habitats of conservation value, using specialist advice and input to maintain the integrity of the habitat, backed up by a long-term monitoring programme and corrective actions as necessary.</li> </ul>
Potential loss of fauna	<ul style="list-style-type: none"> <li>Careful site selection and siting of all project activities, with approval of authorities for project activities supported.</li> <li>Demarcation and avoidance of areas of conservation interest as stipulated in the list of E&amp;S excluded activities.</li> <li>Awareness creation amongst the workforce on biodiversity conservation.</li> <li>Every effort should be made to save and release any animals encountered during site clearance.</li> </ul>
Invasive Species	<ul style="list-style-type: none"> <li>Staff training and awareness raising in communities.</li> <li>No introduction of exotic species (e.g. for site rehabilitation) as stipulated in the E&amp;S list of excluded activities.</li> </ul>
Loss of biodiversity	<ul style="list-style-type: none"> <li>Careful siting of all activities, to minimize the extent of vegetation clearance during construction for project activities supported.</li> <li>Rehabilitation of cleared areas with native species, and ecosystem restoration in habitats of conservation value, using specialist advice and input to maintain the integrity of the habitat, backed up by a long-term monitoring programme and corrective actions as necessary.</li> <li>Demarcation and avoidance of areas of conservation interest as stipulated in the list of E&amp;S excluded activities.</li> <li>Awareness creation amongst the workforce on biodiversity conservation.</li> <li>Every effort should be made to save and release any animals encountered during site clearance.</li> <li>No introduction of exotic species (e.g. for site rehabilitation) as stipulated in the E&amp;S list of excluded activities.</li> </ul>
Water Resource use and conservation	<ul style="list-style-type: none"> <li>No abstraction without prior approval of relevant authorities at all locations.</li> <li>Promotion of water efficiency (including leak detection, and preventative maintenance of equipment) and water recycling.</li> <li>Provision of adequate potable water.</li> </ul>
Wastewater and Ambient Water Quality	<ul style="list-style-type: none"> <li>Promote use of sanitation facilities.</li> <li>Get approval from the Authority for any discharge of wastewater or waste in the water sources.</li> <li>Segregation of waste water streams to ensure compatibility with selected treatment options.</li> <li>Segregation of oil and grease containing effluents e.g. use of grease trap/ oil interceptors.</li> <li>Treatment of waste water before discharge to meet national water for sanitary water discharge.</li> <li>Proper application and management of agrochemicals.</li> </ul>
Contaminated Land	<ul style="list-style-type: none"> <li>Get approval from authority before dumping construction wastes on land.</li> <li>Where possible treatment of wastes before dumped on land.</li> <li>Promote segregation of biodegradable wastes from nonbiodegradable.</li> <li>Promote recycling of construction wastes.</li> </ul>

Indicative Impact	Impact Mitigation Measures to be adopted by PFIs, and MSMEs/LEs, where applicable
	<ul style="list-style-type: none"> <li>• Proper application and management of agrochemicals.</li> </ul>
Impacts on Physical Cultural Resources	<ul style="list-style-type: none"> <li>• INVITE to exclude all activities that are likely to damage or impact areas with physical cultural property attributes.</li> <li>• For projects that will establish new supply chains under Window 2.2, there should be careful site selection and siting of all the projects' components, taking account of the list of excluded activities. This shall be achieved through community consultations/specialist surveys.</li> <li>• Preparation and Implementation of a site specific "Chance Finds" procedure (refer to Annex IV for CFP framework guidance), should be undertaken for project activities entailing earthworks/excavations. In case unknown PCR is encountered.</li> </ul>
Soil erosion and Sedimentation	<ul style="list-style-type: none"> <li>• Early installation and regular maintenance of drainage and diversion structures, silt traps, etc; drainage outlets to discharge into vegetated areas if possible; vegetation along watercourses and drainage lines to be retained if possible.</li> <li>• Retention of topsoil for restoration (including tilling and revegetation) as soon as practicable.</li> <li>• Minimization of cleared areas and soil disturbance, with revegetation as soon as feasible (with native species if not crops).</li> <li>• The project site should be cordoned off during the project activities' implementation phases.</li> <li>• If possible, site clearance should be undertaken during the dry season, with watering down of surfaces to avoid dust nuisance.</li> <li>• Need to attend to storm water drainage on project activity sites, to prevent flooding.</li> </ul>
Impacts relating to construction materials extraction and transport	<ul style="list-style-type: none"> <li>• Sourcing materials from sites operating in compliance with national environmental and social requirements e.g. having the NEMA EIA Certificate, having undertaken mandatory Annual E&amp;S Audits, clearance from the Local Authorities, having operational &amp; effective GRM in place, etc.</li> <li>• Adequate and appropriate road signs should be erected to warn road users of the construction activities. For example, reduced speed near project activity sites' access roads.</li> <li>• Raw materials such as stones and sand should be adequately covered within the trucks to prevent any escaping into the air and along the roadway.</li> </ul>
Proliferation of construction waste	<ul style="list-style-type: none"> <li>• Prepare a waste management plan before the commencement of work following the waste hierarchy, including appropriate waste storage areas, and collection &amp; disposal schedule, supported by staff training. All applicable waste licenses shall be obtained from NEMA (Storage, Transportation).</li> <li>• Burning of waste on-site or in waste containers should be prohibited.</li> <li>• For new supply chains, construction, and demolition wastes should be sorted and separated to encourage the recycling of reusable wastes to reduce the waste volumes for disposal.</li> <li>• Waste management measures should be observed to ensure that all solid waste, fuels, and solvents are stored in bunded areas.</li> <li>• Excavated materials shall not be stockpiled or deposited near or on-stream banks, lake shorelines, or other watercourse perimeters where they can be washed away by high water or storm runoff or can in any way encroach upon the watercourse itself.</li> </ul>

Indicative Impact	Impact Mitigation Measures to be adopted by PFIs, and MSMEs/LEs, where applicable
	<ul style="list-style-type: none"> <li>• Install signage/labels indicating the nature of the stored waste materials on waste storage containers or facilities. Waste storage areas shall be sheltered, paved, and banded for oil containment.</li> <li>• Licensed vehicles and waste handlers to transport waste.</li> <li>• Hazardous wastes should be measured, stored and transported separately without mixing with non-hazardous wastes.</li> </ul>
Air Emissions and Ambient Air Quality	<ul style="list-style-type: none"> <li>• Dust control and suppression measures, such as dampening, and use of vegetation hedges.</li> <li>• Ensure appropriate manufacturer silencers and baffles are fitted for the specific project machinery.</li> <li>• Switch off all machinery when not in use.</li> <li>• Hoarding of sites and use of dust screens.</li> <li>• Cover and/or maintain appropriate freeboard on trucks hauling any loose material such as sand, cement, and bricks that could produce dust during the haulage process.</li> <li>• Provide appropriate PPEs (dust masks) to construction workers to mitigate exposure to dust nuisance.</li> </ul>
Noise and ground vibration generation	<ul style="list-style-type: none"> <li>• Sensitise workers on the effects of noise and vibrations through toolbox meetings.</li> <li>• Truck drivers and equipment operators to switch off vehicle engines while offloading materials and when not in use.</li> <li>• Install silencers on heavy-duty equipment such as generators, and compactors among others to reduce the generated noise levels.</li> <li>• Provide earplugs or earmuffs to workers working in noisy conditions.</li> </ul>
Energy Conservation	<ul style="list-style-type: none"> <li>• Project should promote use efficient and energy conserving equipment.</li> <li>• Switch off equipment that use energy while not in use e.g., engines, lights, generators etc.</li> <li>• Continuous and timely servicing of construction equipment and other tools relevant to the project.</li> </ul>
Occupational Health and Safety Risks	<ul style="list-style-type: none"> <li>• Employment practices and working conditions should comply with ESS 2 and national regulations.</li> <li>• Rest and recreational facilities and time should be provided, and rules on alcohol and drugs defined and communicated to workers.</li> <li>• Clear and comprehensive health and safety reporting and grievance procedure systems should be established and freely available to all of the workforce.</li> <li>• PFIs and MSMEs/LEs to undertake training of workers on how to use PPEs and why they must use them.</li> <li>• Health surveillance – the PFIs and MSMEs/LEs to carry out Health surveillance for all workers to monitor their health status.</li> <li>• PFIs and MSMEs/LEs to develop emergency plans before construction commences and also carry out awareness programs like fire outbreaks among the workers especially on aspects of what to do in case of an emergency.</li> <li>• PFIs and MSMEs/LEs to have a human resource policy and Labour force management plans to guide the recruitment and terms of employment/contracts for all workers on the project.</li> <li>• Undertake a risk assessment of all tasks before commencement.</li> <li>• Maintain an incidents/accidents log/register and undertake reporting of serious/severe cases to INVITE Trust within 24 hours of occurrence.</li> <li>• Undertake root cause analysis (RCA) of all incidents/accidents within 10 days after occurrence, develop and implement safeguards corrective action plan (SCAP) to avoid or minimize repeat.</li> </ul>

Indicative Impact	Impact Mitigation Measures to be adopted by PFIs, and MSMEs/LEs, where applicable
	<ul style="list-style-type: none"> <li>• Removal of asbestos from buildings.</li> </ul>
Traffic Impacts	<ul style="list-style-type: none"> <li>• The PFIs and MSMEs/LEs' vehicles and equipment must be in proper working condition and have registration plates and numbering.</li> <li>• The project drivers and operators shall ensure proper driving discipline through the signing of a Special Code of Conduct for Drivers and Operators and sanction those in breach.</li> <li>• Maintain a log detailing every violation and accident on site or associated with the construction activities.</li> </ul>
Security	<ul style="list-style-type: none"> <li>• Require Security personnel to act within the applicable law and any requirements set out in the ESCP.</li> <li>• All security personnel should be trained on how to handle crowds and use appropriate force where necessary.</li> <li>• Hoarding/Fencing of the project sites to limit access and keep-off wrong elements.</li> <li>• The local leaders will also be expected to provide introductory letters to persons seeking employment for non-skilled labour (casual workers).</li> <li>• Develop a Code of conduct for security guards, and workers.</li> </ul>
Labour influx	<ul style="list-style-type: none"> <li>• Prioritise local communities when hiring workers.</li> <li>• Provide training to local communities to create a skilful labour force.</li> <li>• Strictly enforce the workers code of conduct.</li> <li>• Recruitment of workers after due diligence by the local leaders.</li> </ul>
Poor labour and working conditions	<ul style="list-style-type: none"> <li>• Provide contracts to workers providing clear terms and conditions under the Employment Act, 2006, including their rights related to hours of work, wages, overtime, compensation and benefits.</li> <li>• Establish and operationalise workers GRM.</li> <li>• Provide workers with appropriate and adequate work amenities including gender segregated sanitary facilities, rest areas, clean &amp; safe drinking water, meals.</li> </ul>
Increased risk of HIV/AIDS spread	<ul style="list-style-type: none"> <li>• Develop and rollout an HIV/AIDS action plan.</li> <li>• Information campaigns on STDs among the workers and host and refugee communities.</li> <li>• Education about the transmission of diseases.</li> <li>• Provision of condoms.</li> <li>• Conduct regular HIV/AIDs sensitizations/ outreaches.</li> </ul>
Risk of Contracting and Spreading COVID-19 and Ebola virus disease	<ul style="list-style-type: none"> <li>• Sensitize all project workers about the signs and symptoms of COVID-19 and Ebola VD as well as the ways to control their spread.</li> <li>• Wear masks.</li> <li>• Practice social distancing.</li> <li>• Prioritize sanitation.</li> <li>• Limit physical contact.</li> <li>• Continuously sensitize the workers and pass on any new guidelines by Ministry of Health (MoH).</li> <li>• Avoid travelling to places with suspected cases of outbreaks.</li> <li>• Practice personal hygiene especially after visiting a patient.</li> </ul>

Indicative Impact	Impact Mitigation Measures to be adopted by PFIs, and MSMEs/LEs, where applicable
	<ul style="list-style-type: none"> <li>• Handle the infected animals with utmost care using gloves.</li> <li>• Cook animal products thoroughly before consuming.</li> <li>• Hand dead, infected person's body carefully to avoid direct contact with fluid or skin.</li> </ul>
Risk of Child labour and school dropout	<ul style="list-style-type: none"> <li>• Ensuring that children and minors are not employed directly or indirectly on the project activities.</li> <li>• Communication on hiring criteria, minimum age, and applicable laws, including requiring all workers to present a valid National ID to be used to verify their age before employment.</li> </ul>
Gender-based violence, sexual exploitation and abuse/sexual harassment (SEA/SH),	<ul style="list-style-type: none"> <li>• Ensuring women's equitable participation in project-related public consultations and information dissemination sessions.</li> <li>• Paying special attention to access to the range of sanitation solutions and the affordability of services.</li> <li>• Strengthening the implementing agencies' institutional capacities for gender mainstreaming.</li> <li>• Mandatory and regular training for wage workers on required lawful conduct in the host community and legal consequences for failure to comply with laws.</li> <li>• Policy commitment to cooperate with law enforcement agencies investigating perpetrators of gender-based violence.</li> <li>• Operationalisation of GBV/SEA/SH referral pathways.</li> <li>• Provision of opportunities for workers to regularly return to their families.</li> </ul>
Fire Risks	<ul style="list-style-type: none"> <li>• Periodic training of production line workers and wage workers in emergency response and allocation of a fire assembly point outside the project sites.</li> <li>• All electrical systems must undergo regular checks.</li> <li>• Incorporate a robust firefighting system such as hydrants and extinguishers depending on nature of project activity supported.</li> <li>• Work closely with the Uganda Police Fire Brigade and ensure the unit contacts are displayed in strategic areas.</li> <li>• Ensure routine maintenance of power systems at the project activities' sites, especially the generator.</li> </ul>
Geology/Hydrogeology	<ul style="list-style-type: none"> <li>• Minimize the loss of water caused by leaks, evaporation, and infiltration through canals and reservoirs (e.g. maintain vegetation along water canals).</li> </ul>
Pollution of Soils and Water	<ul style="list-style-type: none"> <li>• Ensure that drainage water complies with discharge standards and treat wastewater accordingly.</li> <li>• Implementation of standard good wastewater management procedures.</li> </ul>
Land uptake and physical and economic displacement/land uptake	<ul style="list-style-type: none"> <li>• Land acquisition and involuntary restriction of access to land use that may result in involuntary resettlement/physical displacement/relocation or loss of shelter falls under the excluded activities as stipulated in INVITE ESCP.<sup>13</sup></li> <li>• Acquire the legal land ownership documentation including titles.</li> <li>• The loan applicants will be required to present proof of land availability and ownership without encumbrances. INVITE Trust and PFIs will undertake due diligence for land acquired.</li> <li>• A Grievance Redress Mechanism will be implemented.</li> </ul>

<sup>13</sup> Land acquisition and/or restrictions on land use that may result in the physical displacement of people (involuntary resettlement/ relocation or loss of shelter) as well as their economic displacement (as loss of assets or access to assets and/or means of livelihood, regardless of whether or not the affected people must move to another location). This includes the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons. Land must be acquired on willing-seller willing-buyer basis.

Indicative Impact	Impact Mitigation Measures to be adopted by PFIs, and MSMEs/LEs, where applicable
Exclusion and non-discrimination in access to employment opportunities	<ul style="list-style-type: none"> <li>• Transparent and culturally appropriate communication with communities regarding employment opportunities.</li> <li>• Fair and transparent hiring and staff management procedures.</li> <li>• Employment requirements and vocational training plans are to be agreed upon with local institutions so that local people can be trained to meet the project's needs in a timely fashion.</li> <li>• Disclose information about the INVITE project through media, district local governments and through project stakeholder engagement activities.</li> </ul>
Community Health, and Safety,	<ul style="list-style-type: none"> <li>• Project activity Infrastructure and Equipment Design and Safety; should be in accordance to national legal requirement, the EHSs and other Good International Industry Practices (GIIP), taking into consideration safety risks to third parties and affected communities.</li> <li>• Safety of services; the project activity should establish and implement appropriate quality management systems to anticipate and minimise risks and impacts that such services might have on community health and safety.</li> <li>• Management and Safety of Hazardous Materials; the project activities should avoid or minimise the potential for community exposure to hazardous materials and substances that may be released by the project activities.</li> <li>• Emergency Preparedness and Response; the project activity should identify and implement measures to address emergency events such as fire, explosions, leaks, spills.</li> <li>• Implementation of a health management system for the construction workforce, to ensure it is fit for work and that it will not introduce disease into local communities.</li> <li>• Training and awareness raising for workforce and their dependents on HIV/AIDS and other STDs, and communicable diseases; health awareness raising campaigns for communities on similar topics.</li> <li>• Provide information, education, and communication about community safety concerning project activities.</li> <li>• Facilitate programmes/measures to ensure appropriate sanitary and medical facilities are available.</li> <li>• Implement environmental management measures for vector control: e.g. monitoring for key vectors; contact avoidance via site selection; focal insecticide and molluscicide application.</li> <li>• Adoption of a Stakeholder Engagement Plan, as a framework for early and ongoing community consultation.</li> <li>• Implementation of a Grievance Procedure (see Grievance Procedure and Redress Mechanisms guidance note Section in the ESMF).</li> <li>• Works procedures, defining a Code of Appropriate Conduct for all workers, including acceptable behaviour concerning community interactions.</li> <li>• Careful design: e.g. alignment, minimal diversion, timing of works (overall duration and seasonality).</li> <li>• Speed controls and other traffic calming measures to reduce excessive acceleration around settlements/sensitive receptors.</li> </ul>
<b>Operational and Maintenance Phase</b>	
Risk of exclusion and non-compliance of the informal refugee businesses	<ul style="list-style-type: none"> <li>• Support refugees to register and formalize their businesses and companies.</li> <li>• Provide relevant information to refugees on how to apply for business registration.</li> </ul>

Indicative Impact	Impact Mitigation Measures to be adopted by PFIs, and MSMEs/LEs, where applicable
Water Resource use and conservation	<ul style="list-style-type: none"> <li>• No abstraction without prior approval of relevant authorities at all locations.</li> <li>• Promotion of water efficiency (including leak detection, and preventative maintenance of equipment) and water recycling.</li> <li>• Provision of adequate potable water.</li> </ul>
Wastewater and Ambient Water Quality	<ul style="list-style-type: none"> <li>• Promote use of sanitation facilities.</li> <li>• Get approval from the Authority for any discharge of wastewater or waste in the water sources.</li> <li>• Segregation of waste water streams to ensure compatibility with selected treatment options.</li> <li>• Segregation of oil and grease containing effluents e.g. use of grease trap/ oil interceptors.</li> <li>• Treatment of waste water before discharge to meet national water for sanitary water discharge.</li> </ul>
Contaminated Land	<ul style="list-style-type: none"> <li>• Get approval from authority before dumping wastes on land.</li> <li>• Where possible Treatment of wastes before dumped on land.</li> <li>• Promote segregation of biodegradable wastes from nonbiodegradable.</li> <li>• Promote recycling of nonbiodegradable wastes.</li> </ul>
Proliferation of waste	<ul style="list-style-type: none"> <li>• Burning of waste on-site or in waste containers should be prohibited.</li> <li>• Wastes should be sorted and separated to encourage the recycling of reusable wastes to reduce the waste volumes for disposal.</li> <li>• Waste management measures should be observed to ensure that all solid waste, fuels, and solvents are stored in bunded areas.</li> <li>• Install signage/labels indicating the nature of the stored waste materials on waste storage containers or facilities. Waste storage areas shall be sheltered, paved, and banded for oil containment.</li> <li>• Licensed vehicles and waste handlers to transport waste.</li> <li>• Hazardous wastes should be measured, stored and transported separately without mixing with non-hazardous wastes.</li> </ul>
Air Emissions and Ambient Air Quality	<ul style="list-style-type: none"> <li>• Dust control and suppression measures, such as dampening, and use of vegetation hedges.</li> <li>• Ensure appropriate manufacturer silencers and baffles are fitted for the specific project machinery.</li> <li>• Switch off all machinery when not in use.</li> <li>• Cover and/or maintain appropriate freeboard on trucks hauling any loose material such as sand, cement, and bricks that could produce dust during the haulage process.</li> <li>• Provide appropriate PPEs (dust masks) to workers to mitigate exposure to air emissions.</li> </ul>
Noise and ground vibration generation	<ul style="list-style-type: none"> <li>• Sensitise workers on the effects of noise and vibrations through toolbox meetings.</li> <li>• Truck drivers and equipment operators to switch off vehicle engines while offloading materials and when not in use.</li> <li>• Install silencers on heavy-duty equipment like generators, among others to reduce the generated noise levels.</li> <li>• Provide earplugs or earmuffs to workers working in noisy conditions.</li> </ul>
Energy Conservation	<ul style="list-style-type: none"> <li>• Project should promote use efficient and energy conserving equipment.</li> <li>• Truck drivers and equipment operators to switch off vehicle engines while offloading materials and when not in use.</li> <li>• Continuous and timely servicing of equipment.</li> </ul>

Indicative Impact	Impact Mitigation Measures to be adopted by PFIs, and MSMEs/LEs, where applicable
Occupational Health and Safety Risks	<ul style="list-style-type: none"> <li>• Employment practices and working conditions should comply with ESS 2 and national regulations.</li> <li>• Rest and recreational facilities and time should be provided, and rules on alcohol and drugs defined and communicated to workers.</li> <li>• The basis for differences in the standard of accommodation should be non-discriminatory; it should be documented and communicated transparently to the workforce.</li> <li>• Clear and comprehensive health and safety reporting and grievance procedure systems should be established and freely available to all of the workforce.</li> <li>• PFIs and MSMEs/LEs to undertake training of workers on how to use PPEs and why they must use them.</li> <li>• MSMEs/LEs should enforce the use of PPEs as well as undertake regular sensitization.</li> <li>• PFIs and MSMEs/LEs to carry out pre-employment medical examinations of workers to assess their fitness to work based on the hazards they are exposed to (i.e., hazard-based medical examination).</li> <li>• Health surveillance – the Lead investors to carry out Health surveillance for all workers to monitor their health status.</li> <li>• Undertake a risk assessment of all tasks before commencement.</li> <li>• Maintain an incidents/accidents log/register and undertake reporting of serious/severe cases to PFIs and INVITE Trust within 24 hours of occurrence.</li> <li>• Undertake root cause analysis (RCA) of all incidents/accidents within 10 days after occurrence, develop and implement safeguards corrective action plan (SCAP) to avoid or minimize repeat.</li> <li>• Removal of asbestos from buildings.</li> </ul>
Traffic Impacts	<ul style="list-style-type: none"> <li>• The PFIs and MSMEs/LEs' vehicles and equipment must be in proper working condition and have registration plates and numbering.</li> <li>• The project drivers and operators shall ensure proper driving discipline through the signing of a Special Code of Conduct for Drivers and Operators and sanction those in breach.</li> <li>• Maintain a log detailing every violation and accident on site.</li> </ul>
Security	<ul style="list-style-type: none"> <li>• Require Security personnel to act within the applicable law and any requirements set out in the ESCP.</li> <li>• All security personnel should be trained on how to handle crowds and use appropriate force where necessary.</li> <li>• Hoarding/Fencing of the project sites to limit access and keep-off wrong elements.</li> <li>• The local leaders will also be expected to provide introductory letters to persons seeking employment for non-skilled labour (casual workers).</li> <li>• Develop a Code of conduct for security guards, and workers.</li> </ul>
Labour influx	<ul style="list-style-type: none"> <li>• Prioritise local communities when hiring workers.</li> <li>• Provide training to local communities to create a skilful labour force.</li> <li>• Strictly enforce the workers code of conduct.</li> </ul>
Poor labour and working conditions	<ul style="list-style-type: none"> <li>• Provide contracts to workers providing clear terms and conditions under the Employment Act, 2006, including their rights related to hours of work, wages, overtime, compensation and benefits.</li> <li>• Establish and operationalise workers GRM.</li> </ul>

Indicative Impact	Impact Mitigation Measures to be adopted by PFIs, and MSMEs/LEs, where applicable
	<ul style="list-style-type: none"> <li>• Provide workers with appropriate and adequate work amenities including gender segregated sanitary facilities, rest areas, clean &amp; safe drinking water, meals.</li> </ul>
Social tensions between host and refugees	<ul style="list-style-type: none"> <li>• Ensure equal employment opportunities for host communities and refugees.</li> <li>• Enforce local content policy by giving priority to host communities when employing wage laborers.</li> <li>• Undertake targeted and balanced stakeholder engagement to support social cohesion between the refugees and host communities.</li> </ul>
Increased risk of HIV/AIDS spread	<ul style="list-style-type: none"> <li>• Develop and rollout an HIV/AIDS action plan.</li> <li>• Information campaigns on STDs among the workers and host and refugee communities.</li> <li>• Education about the transmission of diseases.</li> <li>• Provision of condoms.</li> <li>• Conduct regular HIV/AIDs sensitizations/ outreaches.</li> </ul>
Risk of Contracting and Spreading COVID-19 and Ebola virus	<ul style="list-style-type: none"> <li>• Sensitize all project workers about the signs and symptoms of COVID-19 and Ebola VD as well as the ways to control their spread.</li> <li>• Wear masks.</li> <li>• Practice social distancing.</li> <li>• Prioritize sanitation.</li> <li>• Limit physical contact.</li> <li>• Continuously sensitize the workers and pass on any new guidelines by MoH.</li> <li>• Avoid travelling to places with suspected cases of outbreaks.</li> <li>• Practice personal hygiene especially after visiting a patient.</li> <li>• Handle the infected animals with utmost care using gloves.</li> <li>• Cook animal products thoroughly before consuming.</li> <li>• Hand dead, infected person's body carefully to avoid direct contact with fluid or skin.</li> </ul>
Risk of Child labour and school dropout	<ul style="list-style-type: none"> <li>• Ensuring that children and minors are not employed directly or indirectly on the project activities.</li> <li>• Communication on hiring criteria, minimum age, and applicable laws, including requiring all workers to present a valid. National ID to be used to verify their age before employment.</li> </ul>
Gender-based violence, sexual exploitation and abuse/sexual harassment (SEA/SH)	<ul style="list-style-type: none"> <li>• Ensuring women's equitable participation in project-related public consultations and information dissemination sessions.</li> <li>• Paying special attention to access to the range of sanitation solutions and the affordability of services.</li> <li>• Strengthening the implementing agencies' institutional capacities for gender mainstreaming.</li> <li>• Mandatory and regular training for wage workers on required lawful conduct in the host community and legal consequences for failure to comply with laws.</li> <li>• Policy commitment to cooperate with law enforcement agencies investigating perpetrators of gender-based violence.</li> <li>• Operationalisation of GBV/SEA/SH referral pathways.</li> <li>• Provision of opportunities for workers to regularly return to their families.</li> </ul>

Indicative Impact	Impact Mitigation Measures to be adopted by PFIs, and MSMEs/LEs, where applicable
Fire Risks	<ul style="list-style-type: none"> <li>• Periodic training of production line workers and wage workers in emergency response and allocation of a fire assembly point outside the project sites.</li> <li>• All electrical systems must undergo regular checks.</li> <li>• Incorporate a robust firefighting system such as hydrants and extinguishers within the proposed project designs.</li> <li>• Work closely with the Uganda Police Fire Brigade and ensure the unit contacts are displayed in strategic areas.</li> <li>• Ensure routine maintenance of power systems at the project' sites, especially the generator.</li> </ul>
Land uptake and physical and economic displacement/land uptake	<ul style="list-style-type: none"> <li>• Land acquisition and involuntary restriction of access to land use that may result in involuntary resettlement/physical displacement/relocation or loss of shelter falls under the excluded activities as stipulated in INVITE ESCP.<sup>14</sup></li> <li>• Acquire the legal land ownership documentation including titles.</li> <li>• The MSMEs/LEs will be required to present proof of land availability and ownership without encumbrances. INVITE Trust and PFIs will undertake due diligence for land acquired.</li> <li>• A Grievance Redress Mechanism will be implemented.</li> </ul>
<p>Exclusion and non-discrimination in access to employment opportunities</p> <p>There is also likelihood of excluding certain categories of potential beneficiaries</p>	<ul style="list-style-type: none"> <li>• Development of an Employment Plan in line with the project LMP, with clear employment requirements and procedures for the operational/ maintenance workforce.</li> <li>• Transparent and culturally appropriate communication with communities regarding employment opportunities.</li> <li>• Fair and transparent hiring and staff management procedures.</li> <li>• Employment requirements and vocational training plans are to be agreed upon with local institutions so that local people can be trained to meet the project's needs in a timely fashion.</li> <li>• Disclose information about the INVITE project through media, district local governments and through project stakeholder engagement activities.</li> </ul>
Community Health, and Safety,	<ul style="list-style-type: none"> <li>• Safety of services; the project should establish and implement appropriate quality management systems to anticipate and minimise risks and impacts that such services might have on community health and safety.</li> <li>• Management and Safety of Hazardous Materials; the project activities should avoid or minimise the potential for community exposure to hazardous materials and substances that may be released by the project activities.</li> <li>• Emergency Preparedness and Response; the project should identify and implement measures to address emergency events such as fire, explosions, leaks, spills.</li> <li>• Implementation of a health management system for the operation and maintenance workforce, to ensure it is fit for work and that it will not introduce disease into local communities.</li> <li>• Training and awareness raising for workforce and their dependents on HIV/AIDS and other STDs, and communicable diseases; health awareness raising campaigns for communities on similar topics.</li> </ul>

<sup>14</sup> Land acquisition and/or restrictions on land use that may result in the physical displacement of people (involuntary resettlement/ relocation or loss of shelter) as well as their economic displacement (as loss of assets or access to assets and/or means of livelihood, regardless of whether or not the affected people must move to another location). This includes the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons. Land must be acquired on willing-seller willing-buyer basis.

Indicative Impact	Impact Mitigation Measures to be adopted by PFIs, and MSMEs/LEs, where applicable
	<ul style="list-style-type: none"> <li>• Provide information, education, and communication about community safety concerning project activities.</li> <li>• Facilitate programmes/measures to ensure appropriate sanitary and medical facilities are available.</li> <li>• Implement environmental management measures for vector control: e.g. monitoring for key vectors; contact avoidance via site selection; focal insecticide and molluscicide application.</li> <li>• Adoption of a Stakeholder Engagement Plan, as a framework for early and ongoing community consultation.</li> <li>• Implementation of a Grievance Procedure (see Grievance Procedure and Redress Mechanisms guidance note Section in the ESMF).</li> <li>• Works procedures, defining a Code of Appropriate Conduct for all workers, including acceptable behaviour concerning community interactions.</li> <li>• Careful design: e.g. alignment, minimal diversion, timing of works (overall duration and seasonality).</li> <li>• Speed controls and other traffic calming measures to reduce excessive acceleration around settlements/sensitive receptors.</li> </ul>
<b>Decommissioning: This applies to facilities to be constructed under Window 2.2 and investment activities for PFIs/ MSMEs/LEs, which entail:</b> <b>- Equipment dismantling and disposal.</b> <b>- Removal of obsolete structures</b> <b>-Guidelines for managing environmental and social impacts during decommissioning shall be detailed out in site specific decommissioning plans to be developed by PFIs/ MSMEs/LEs as part of ESIs or standalone document submitted to NEMA for approval (Section 116 of NEA 2019)</b>	
Contaminated Land	<ul style="list-style-type: none"> <li>• Get approval from authority before dumping wastes on land.</li> <li>• Where possible Treatment of wastes before dumped on land.</li> <li>• Promote segregation of biodegradable wastes from nonbiodegradable.</li> <li>• Promote recycling of nonbiodegradable wastes.</li> <li>• Ensure that drainage water complies with discharge standards and treat wastewater accordingly.</li> <li>• Materials handling and control procedures, use of storage and containment equipment meeting international standards.</li> </ul>
Proliferation of waste	<ul style="list-style-type: none"> <li>• Burning of waste on-site or in waste containers should be prohibited.</li> <li>• Wastes should be sorted and separated to encourage the recycling of reusable wastes to reduce the waste volumes for disposal.</li> <li>• Waste management measures should be observed to ensure that all solid waste, fuels, and solvents are stored in banded areas.</li> <li>• Install signage/labels indicating the nature of the stored waste materials on waste storage containers or facilities. Waste storage areas shall be sheltered, paved, and banded for oil containment.</li> <li>• Licensed vehicles and waste handlers to transport waste.</li> <li>• Hazardous wastes should be measured, stored and transported separately without mixing with non-hazardous wastes.</li> </ul>
Air Emissions and Ambient Air Quality	<ul style="list-style-type: none"> <li>• Ensure appropriate manufacturer silencers and baffles are fitted for the specific project machinery.</li> <li>• Switch off all machinery when not in use.</li> </ul>

Indicative Impact	Impact Mitigation Measures to be adopted by PFIs, and MSMEs/LEs, where applicable
	<ul style="list-style-type: none"> <li>• Cover and/or maintain appropriate freeboard on trucks hauling any loose material such as sand, cement, and bricks that could produce dust during the haulage process.</li> <li>• Provide appropriate PPEs (dust masks) to workers to mitigate exposure to air emissions.</li> </ul>
Noise and ground vibration generation	<ul style="list-style-type: none"> <li>• Sensitise workers on the effects of noise and vibrations through toolbox meetings.</li> <li>• Truck drivers and equipment operators to switch off vehicle engines while offloading materials and when not in use.</li> <li>• Install silencers on heavy-duty equipment like generators, among others to reduce the generated noise levels.</li> <li>• Provide earplugs or earmuffs to workers working in noisy conditions.</li> </ul>
Occupational Health and Safety Risks	<ul style="list-style-type: none"> <li>• Employment practices and working conditions should comply with ESS 2 and national regulations.</li> <li>• PFIs and MSMEs/LEs to undertake training of workers on how to use PPEs and why they must use them.</li> <li>• Health surveillance – PFIs and MSMEs/LEs to carry out Health surveillance for all workers to monitor their health status.</li> <li>• Undertake a risk assessment of all tasks before commencement.</li> <li>• Maintain an incidents/accidents log/register and undertake reporting of serious/severe cases to PFIs and INVITE Trust within 24 hours of occurrence.</li> <li>• Removal of asbestos from buildings</li> </ul>
Traffic Impacts	<ul style="list-style-type: none"> <li>• The PFIs and MSMEs/LEs' vehicles and equipment must be in proper working condition and have registration plates and numbering.</li> <li>• The project drivers and operators shall ensure proper driving discipline through the signing of a Special Code of Conduct for Drivers and Operators and sanction those in breach.</li> <li>• Maintain a log detailing every violation and accident on site.</li> </ul>
Security	<ul style="list-style-type: none"> <li>• Adequately train security personnel (or determine that they are properly trained) in the use of force (and where applicable, firearms), and appropriate conduct toward workers and affected communities.</li> <li>• Require Security personnel to act within the applicable law and any requirements set out in the ESCP.</li> </ul>
Community Health, and Safety,	<ul style="list-style-type: none"> <li>• Emergency Preparedness and Response; the project activity should identify and implement measures to address emergency events such as fire, explosions, leaks, spills.</li> <li>• Implementation of a Grievance Procedure (see Grievance Procedure and Redress Mechanisms guidance note Section in the ESMF).</li> <li>• Works procedures, defining a Code of Appropriate Conduct for all workers, including acceptable behaviour concerning community interactions.</li> <li>• Speed controls and other traffic calming measures to reduce excessive acceleration around settlements/sensitive receptors.</li> </ul>

### 7.2.3 Cumulative impacts

The manufacturing and export industry can have significant environmental and social impacts. Manufacturing processes in various industries, especially the food processing, chemical, and pulp and paper industries, produce adverse environmental impacts such as waste generation, energy

consumption, and the release of hazardous substances to the environment. Manufacturing has a large impact on countrywide energy use and resource consumption. Another cumulative impact scenario is when a PFI supports numerous MSMEs within a limited geographic area or within a specific sector. The society and consumers become increasingly aware that environmental and social impacts of manufacturing need to be better controlled and reduced. Some of the cumulative environmental and social impacts/risks are highlighted Table 7.4

Table 7.5: Potential Cumulative EHS impacts and risks of the components under INVITE Trust

Component	Impact
Component 1 (Window 1.1, 1.2 and 1.3): Mitigating the Impact of COVID-19 with a Focus on the Manufacturing and Exporting Sectors Driving Economic Transformation, including Refugee and Host Districts (RHD).	<ul style="list-style-type: none"> <li>• Proliferation of waste.</li> <li>• Traffic Impacts.</li> <li>• Security risks.</li> <li>• Increased risk of HIV/AIDS spread.</li> <li>• Risk of Contracting and Spreading COVID-19 and Ebola virus.</li> <li>• Risk of Child labour and school dropout.</li> <li>• Gender-based violence, sexual exploitation and abuse/sexual harassment (SEA/SH).</li> <li>• Fire Risks.</li> <li>• Land uptake and physical and economic displacement/land uptake.</li> <li>• Impact on Community Health, and Safety.</li> </ul>
Component 2 (Window 2.1 and 2.2): Creating New Productive and Transformative Assets including in RHD	<ul style="list-style-type: none"> <li>• Pollution Water Resources.</li> <li>• Air pollution.</li> <li>• Land Contamination.</li> <li>• Proliferation of waste.</li> <li>• Noise pollution.</li> <li>• Increased demand for energy e.g. high demand for electricity, fuel wood, biogas etc.</li> <li>• Traffic Impacts.</li> <li>• Security risks.</li> <li>• Labour influx.</li> <li>• Increased risk of HIV/AIDS spread.</li> <li>• Risk of Contracting and Spreading COVID-19 and Ebola virus.</li> <li>• Risk of Child labour and school dropout.</li> <li>• Gender-based violence, sexual exploitation and abuse/sexual harassment (SEA/SH).</li> <li>• Fire Risks.</li> <li>• Land uptake and physical and economic displacement/land uptake.</li> <li>• Exclusion and non-discrimination in access to employment opportunities.</li> <li>• Impact on Community Health, and Safety.</li> </ul>
Component 4(a)	<ul style="list-style-type: none"> <li>• Increased risk of HIV/AIDS spread.</li> </ul>

Component	Impact
	<ul style="list-style-type: none"> <li>• Risk of Contracting and Spreading COVID-19 and Ebola virus.</li> <li>• Sexual exploitation and abuse/sexual harassment (SEA/SH).</li> <li>• Fire Risks</li> </ul>

## **8 PROCEDURES TO ADDRESS ENVIRONMENTAL AND SOCIAL ASSESSMENT ISSUES**

This section defines steps, actions, and responsibilities for screening potential environmental and social (E&S) issues, classifying risk levels, and undertaking the appropriate Environmental and Social Assessment, including applicable E&S instruments. The classification of each project activity under the appropriate environmental and social risk category will be based on the provisions of the World Bank ESS1, Assessment and Management of Environmental and Social Risks and Impacts. The screening will also be compliant with Uganda's National Environment Act N<sup>o</sup>.5 of 2019, Sections 112, 113, which provide for determination of level of assessment, type of E&S instrument and Projects Categorization.

### **8.1 KEY STEPS IN THE ENVIRONMENTAL AND SOCIAL ASSESSMENT PROCESS FOR INVITE TRUST ACTIVITIES**

This section and Annex 2 illustrate the steps involved that the PFIs, and MSMEs/LEs will undertake for project activities supported by the INVITE trust during environmental and social assessment. It also includes E&S management processes as per Ugandan E&S requirements, World Bank ESF, and Project ESCP. This section will also guide in the review and approval of environmental and social assessments for the INVITE Trust projects' activities.

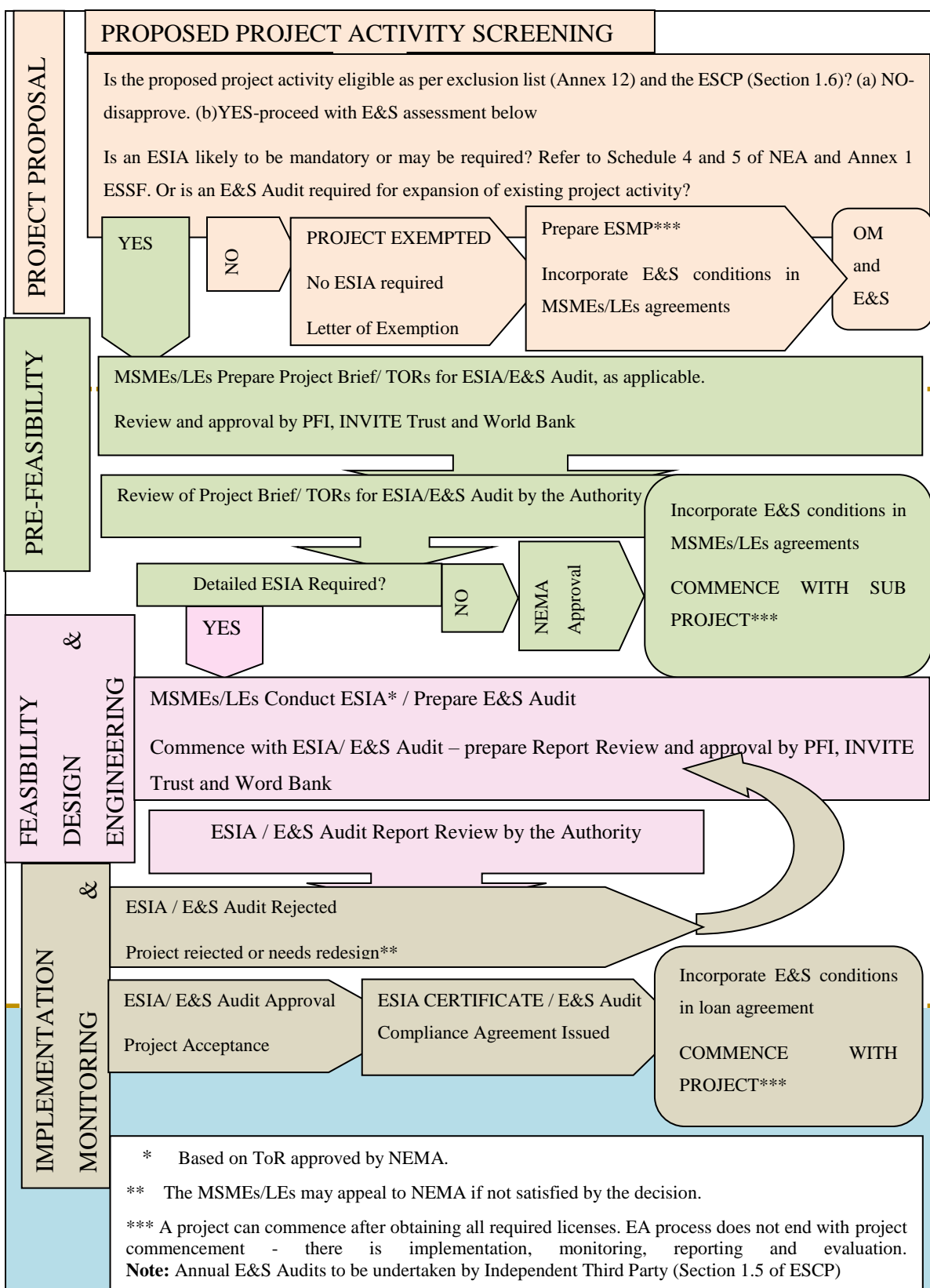


Figure 8.1: Illustration of the Environmental and Social Assessment Process

### 8.1.1 Screening of Project Activities and Sites

Environmental and social screening will be undertaken by INVITE Trust and PFIs to anticipate the likely E&S risks and to facilitate early identification of potential impacts and consequently guide on the needed level and form of assessment commensurate with the importance of possible impacts.

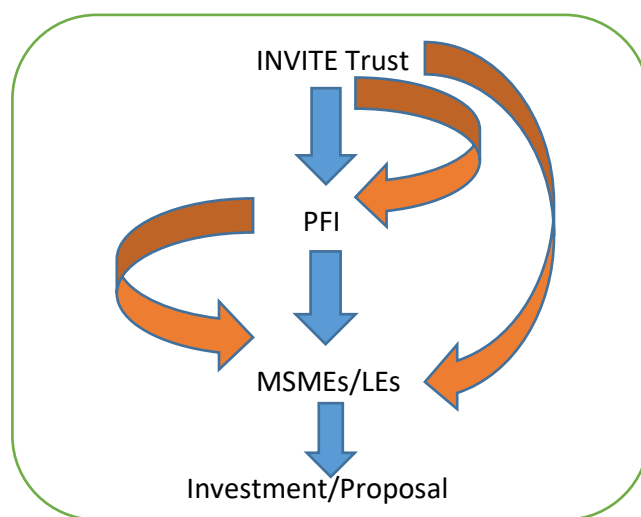
E&S Screening will be done at three levels:

- a) Screening of potential interested PFIs;
- b) Screening by PFIs of specific investments/proposals; and
- c) Screening by INVITE Trust of potential MSMEs/LEs and their Investments.

*Table 8.1: E&S Screening Levels*

No.	E&S Screening Level	Applicable Window	Responsibility
1.	Screening of potential interested PFIs	Window 1.1, 1.2, 2.1. and 2.2	INVITE Trust
2.	Screening of potential investments/proposals	Window 1.1, 1.2, 2.1. and 2.2	PFIs
3.	Screening of potential MSMEs/LEs and their Investments	Window 1.3, 2.1 and 2.2	INVITE Trust

The first screening will be done by the INVITE Trust, screening potential interested PFIs using Annex 19. The second screening will be done by the PFI on the investments/proposals using Annex 1 and 12. And the third screening will be done by INVITE Trust as applicable Screening of investments/proposals using Annex 1 and 12. Figure 8.2 below illustrates the 3 screening levels described above.



*Figure 8.2: Illustration of screening levels*

The initial screening shall be based on the Eligibility Criteria spelled out under section 2.3 and following the List of Excluded Activities under Annex 12. Any project activity listed under Annex 12 will be considered ineligible for project financing and will be rejected at this stage. Further E&S screening shall be conducted during the project eligibility screening of project activities that pass the initial Eligibility Criteria screening using the E&S screening form in Annex 1. The E&S screening form

establishes a Project's Environmental and Social Risk Classification, form and level of assessment required for project activities, and establishes the existing E&S Capacity and past performance of the MSME/LE. This covers all the windows under the INVITE Trust (Windows 1.1, 1.2, 1.3, 2.1 and 2.2).

*Table 8.2: Project activity E&S screening process*

Step	Screening process	Window
1.	Assessment of the ESMS of PFIs using Annex 19.	Window 1.1, 1.2, 2.1 and 2.2
2.	Consideration and shortlisting respective loan applications against the E&S exclusion list (annex 12) and Section 1.6 of the ESCP.	All Windows
3.	Subjecting the project activity to the project eligibility criteria for E&S Risks and Impacts using the E&S screening form (annex 1)	All Windows
4.	Assigning environmental categories and the required level of E&S assessment to the respective loan application using the World Bank ESF and NEA-2019 schedules 4 & 5	All Windows

Preparation, review and approval of required E&S instruments including ESIAs, project briefs, ESMPs and E&S Audits shall be done based on the recommended instruments after E&S screening. Technical review and clearance shall be undertaken by PFIs, INVITE Trust and/or World Bank depending on the Window and risk category of the activity. Statutory approval of the required E&S instruments will be done by the regulatory bodies and respective district local governments. The E&S assessments/verification shall be undertaken as part of project application process.

For the majority of MSMEs and LEs applying for financial support via Windows in Component 1 and 2, they would need to provide appropriate information on their existing EHS conditions (compliance, performance, liabilities). This would be regardless of EIA or Env Audit per Uganda regulations and some of the MSMEs will not be required to prepare such per Uganda regulations.

### 8.1.2 Assigning Appropriate Environmental and Social Risk Classification

The ESF classifies all projects into one of four classifications of Environmental and Social Risk Categorization (ESRC): *High Risk, Substantial Risk, Moderate Risk or Low Risk*. In determining appropriate risk classification, the ESF considers relevant issues, such as the type, location, sensitivity, and scale of the project; the nature and magnitude of the potential environmental and social risks and impacts; and the capacity and commitment of the Borrower (including any other entity responsible for the implementation of the project) to manage environmental and social risks and impacts in a manner consistent with the ESSs. The categorization also takes into consideration context issues which could be relevant to the delivery of E&S mitigation measures and outcomes depending on the specific project. Context issues may include legal and institutional considerations, the nature of the mitigation and technology being proposed, governance structures and legislation, issues relating to stability, conflict, and security. Similarly, The NEA 2019 considers project type, location, sensitivity, scale and nature of E&S risks and impacts, and this in turn is used to determine the level of E&S Assessment to be undertaken, ranging from E&S Screening (*Low Risk*), Project Brief/ ESMP (*Moderate Risk*) and/ or detailed ESIA (*Substantial/ High Risk*). The following guidance shall be used to screen and determine ESRC of investments in-line with WB ESF and NEA, 2019. The NEA, 2019 classification is provided in brackets of Table 8.2 following the typology of the instrument to be prepared.

*Table 8.3: Summary of project categorization based on the ESF (NEA 2019)*

Aspect	High Risk (Full ESIA)	Substantial Risk (Full ESIA)	Moderate Risk (Project Brief/ESMP)	Low Risk (screening checklist)
Project type, location, sensitivity, scale.	Complex large to very large scale in sensitive location(s).	Not as complex; large to medium scale not such sensitive location.	No activities with high potential for harming people or environment; located away from sensitive areas.	Few or no adverse risks and impacts.
Nature and magnitude of risks & impacts, available mitigation.	Mitigation unproven: unable to entirely address significant risk; high residual value.	Mitigation more reliable: significant risks but possible to avoid or address.	Easily mitigated: site specific, low magnitude risks.	Nothing to mitigate- no further assessment after screening.
Borrower capacity and commitment.	Challenges and concerns about track record regarding E&S issues, significant stakeholder engagement capacity, commitment, track record concerns.	Some concerns about borrower track record, engagement capacity but readily addressed.	Sufficient borrower experience, track record, stakeholder engagement capacity.	Minimal or negligible risks to and impacts on human populations and/or the environment.
Context of risk relevant to ES measures.	Significant effects on ability to mitigate risk - significant contextual risks outside project control impacting on E&S performance and outcomes.	Some effects on ability to mitigate risk - known and reliable mechanisms to prevent or minimize, enforcement is weak in some respects, some stakeholder engagement concerns but readily addressed.	No effects on ability to mitigate risk-no contextual risks with effects on E&S performance.	Negligible risk.

**Substantial ESRC:** *The proposed INVITE project falls under this risk category of Substantial ESRC since the nature of the project is not expected to be complex, the scope and scale of activities are expected to be large to medium and shall not be undertaken at sensitive locations, and the likely E&S risks are significant but can be avoided and/ or site specific and readily mitigated.*

*Most of the INVITE Trust windows qualify to be under the Moderate ESRC given their moderate-impact nature of investments to be supported with enhanced Environmental and Social Risk Management (ESRM) implementation capacity at PSFU.*

The MSMEs and LEs, PFIs, INVITE Trust will assign the appropriate environmental and social category to the project activity based on WB E&S classification criteria and the national (NEA, 2019) criteria for categorization.

#### **The screening based on the GoU requirements results in the following levels of assessments**

- A high-risk project requires full ESIA or a Comprehensive Compliance E&S Audit undertaken by NEMA Registered E&S Practitioners, with multisectoral monitoring by government agencies;
- A substantial Risk project requires a full ESIA or Independent E&S Compliance Audit both undertaken by NEMA-registered E&S practitioners;
- Moderate Risk project requires a simplified ESIA called a Project Brief/ ESMP or an E&S Self Compliance Audit undertaken by Registered E&S Practitioners;
- A low-risk project requires no ESIA but compliance with General Procedures of Good International Practice in Environmental Management in the form of an environmental management plan.

Each proposed investment activity will be screened to determine its individual E&S risk classification and accordingly determine the form and level of E&S assessment and instrument/s, as outlined above.

The high-risk Investment activities are excluded based on the exclusion list (Annex 12 and section 1.6 of the ESCP). Investment activities categorized as moderate risk, the MSMEs/LEs will be required to undertake a Project Brief/ ESMP or an E&S Compliance Audit for the expansion of facility consistent with the NEA (2019) and ESF requirements. These shall be undertaken by registered NEMA practitioners and facilitated by the MSMEs/LEs. This shall be reviewed and approved by PFI, INVITE Trust and to some extent WB. For Investment activities categorized as low-risk, the MSMEs/LEs will not be required to undertake an ESIA but will be required to carry out E&S screening and where necessary adopt specific mitigation measures.

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#### **8.1.3 Carrying Out Environmental and Social Assessment**

The Investment activities which fall under *MODERATE* risk classification will be required to prepare ESMPs/ Project Briefs during Implementation by registered NEMA practitioners, following the Format/Content provided under Regulation 6 of the ESIA Regs (2020) <https://www.nema.go.ug> and consistent with the requirements of relevant WB ESSs. SUBSTANTIAL risk classification Investment activities will be required to undertake a detailed/Full ESIA in line with ESS1 and Regulation 12 of the ESIA Regs (2020) under NEA 2019 (Schedule 5). Uganda ESIA Regs (2020) refer to the full ESIA as the Environmental and Social Impact Statement (ESIS) under Regulation 15. Preparation of an ESIS starts with E&S Scoping in line with Regulation 13 and consistent with ESS1. The Scoping Exercise is used to develop TORs which shall be submitted to PFI, INVITE Trust and NEMA for review and approval before commencement of the ESIA process. Annex 6 provides a sample of generic TORs that can be customized to specific Investment activities of ESIA during the implementation stage in line with Regulation 14 of ESIA Regs (2020). Existing facilities shall be required to undertake Environmental and Social Audits as part of their Application Package/s. Annex 13 provides the Generic Content of an E&S Audit report based on the Uganda National Environment (Audit) Regulations 2020.

The MSMEs/LEs will be responsible for the preparation of their respective project's ESIA/PB/ESMPs and E&S Audits. PFIs and INVITE Trust will review in consultation with the WB before submission to NEMA for approval and this is only applicable for Investments under Window 2.2. For Investment activities with already approved ESIAs/PBs and ESMPs, they will have to be updated in line with the

developed INVITE Trust E&S instruments including ESMF, Labour Management Procedures, and Stakeholder Engagement Plan.

ESMPs and work plans developed by the MSMEs/LEs for Investment activities shall have to integrate E&S instruments to demonstrate efficiency in managing E&S risks and impacts of activities financed under the INVITE Trust funding. Implementation of the ESMPs and work plans will be the responsibility of the MSME/LE. PFIs and INVITE Trust will be responsible for monitoring E&S compliance during the implementation of Investment activities.

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#### 8.1.4 Carrying Out Public Consultations and Disclosure

The INVITE Trust, PFIs, and MSMEs/LEs shall undertake consultations as part of the E&S assessment and/or audit process and the views of stakeholders (communities, general public and ministries, departments, and agencies) shall have to be included in the ESIA and/or E&S Audit report and/or Project Brief (ESMP). The MSMEs/LEs will interact closely with beneficiary communities, Districts Local Governments, PFIs and INVITE Trust, and development partners right from the early stages of the Investment activities' eligibility review and screening on a continuous and periodic basis for developing and implementing the respective project ESIA, ESMPs or E&S Audit Compliance Agreements. For this purpose, public consultations shall be organized by MSMEs/LEs in close collaboration with PFIs and, and respective local governments within the Investment activities' sites. During the public consultations, the MSMEs/LEs will ensure that accurate information is given about the Investment activities and their possible environmental and social impacts and mitigation measures to address them. The opinions/views of host communities, and district authorities, development partners, and MDAs shall be incorporated in the respective ESIA and ESMPs, E&S Audits, and subsequently implemented.

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#### 8.1.5 Review and Approval

Upon preparation of the E&S instrument (ESIA, PB/ESMP, or E&S Audit, work place permit, wetland use permits, water abstraction permit, demolition and building permits, waste management permit etc) by the respective MSME/LE, the instrument will be internally reviewed by the PFIs, and INVITE Trust and WB where necessary, before forwarded to NEMA and/or other government regulatory Agencies such as MoGLSD, MWE, Local Governments, etc) for final review and decision -approval or disapproval, (please see tables 9.1 and 9.2 below for further details on the roles and table 4.4 above for the required documents). If the NEMA Executive Director is satisfied that the Investment activity will have no significant impact on the environment and society, or that the assessment discloses sufficient mitigation measures to cope with the anticipated impacts, s/he may approve the Investment, by issuance of an ESIA Certificate of Approval or an E&S Audit Compliance Agreement and Schedule for the project in line with NEA (2019). The EIA review and approval process are summarised in Annex 2.

Upon approval, the conditions of ESIA certificate, recommendations in the ESMP, E&S Audit/ compliance agreements should be incorporated as part of E&S terms and conditions in the loan/transaction agreements.

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#### 8.1.6 Environmental and Social Monitoring

Environmental and social monitoring aims at checking the effectiveness and relevance of the implementation of the proposed mitigation measures and/or E&S Compliance Schedule (E&S Corrective Action Plan). Monitoring exercises shall be undertaken in sequences and frequencies stipulated in the ESCP, ESIA, PBs/ESMPs, Compliance Agreements, and Schedules. The PFIs, INVITE

Trust and the Local Governments will undertake quarterly monitoring missions as required by INVITE ESCP and the National Environmental Act (Section 122). It is critical to note that NEMA and other Government Agencies have a regulatory and coordinating role in monitoring compliance with permits, standards, regulations, and all approval conditions. The PFI ESMS should also state the frequency of monitoring of the INVITE Trust portfolio.

If engaged, E&S management plans shall be prepared by the respective MSMEs/LEs, building upon ESMP/s or E&S Audit reports prepared for each Investment activity as part of respective designs that shall be drawn for implementation. In addition, the existing Investment activities shall be required to update their Operational ESMPs or Compliance Schedules to incorporate applicable E&S mitigation measures.

INVITE Trust shall identify independent individual or firm to undertake Environmental and Social Audit(s) under the Project. The independent consultant shall undertake annual Environmental and Social Audits, intended to complement and verify the monitoring of environmental and social risks and impacts of the Investments as applicable.

The Environment and Social Management Plans (ESMP) developed in accordance with this ESMF will contain specific provisions on the management of non-discrimination for vulnerable or marginalized individuals or groups. These provisions are consistent with recent GoU measures to ensure nondiscrimination and inclusion in accordance with Article 21, including circulars issued by the GoU included in Annex 10.

The purpose and objective of these provisions is to ensure that in accordance with World Bank policies and the Article 21 of the Ugandan Constitution: (i) Investment impacts do not fall disproportionately on individuals and groups who, because of their particular circumstances, may be vulnerable or marginalized; (ii) there is no prejudice or discrimination toward individuals or groups in providing access to development resources and project benefits, particularly in the case of those who may be vulnerable or marginalized; (iii) Bank financed operations are implemented through their respective life cycles in a manner that is aligned with the inclusion and non-discrimination principles embedded in applicable Bank requirements including the Environmental and Social Standards in line with WB Policy paragraph 4 (b) ESF paragraph 28 (b) of ESS1 on Assessment and Management Environment and Social Risk and Impacts.

#### **Project Implementation Manual (PIM)**

To facilitate the implementation of the provisions for inclusion and non-discrimination that cover vulnerable or marginalized individuals or groups, the Project Implementation Manual (PIM) will be updated to specify how the mitigation measures will be implemented. The Project Implementation Manual will clearly lay out how the project will ensure inclusion of Vulnerable or Marginalized Individuals or groups (VMIGs).

The Project Implementation Manual will provide details of how the mitigation measures will be implemented. Furthermore, it will specify the timelines and roles and responsibilities to implement the different mitigation measures. The Project Implementation Manual will also provide detailed information on how exactly the project will support and interact with the World Bank Enhanced Implementation Support and Monitoring. The Project Implementation Manual will be developed or

updated no later than two months after the redisclosure of the project's instruments or before the Enhanced Implementation Support and Monitoring mitigation measures are agreed to and in place.

### **World Bank Enhanced implementation support and monitoring**

The World Bank will provide enhanced implementation support and monitoring to all World Bank operations on inclusion and non-discrimination to Vulnerable or Marginalized Individuals or groups (VMIGs) in Uganda. The World Bank together with IFC will hire a renowned independent entity with a strong knowledge of the Ugandan context and a track record of enhanced third-party implementation support and performance monitoring. The entity will in turn hire NGO/CSOs with expertise and experience in inclusion and non-discrimination issues related to VMIGs in Uganda. Reporting templates are included in Annexes 14 and 17.

### **Objectives of enhanced implementation support and monitoring**

The hired entity by the World Bank to support the PIU will primarily focus on:

- Enhancing implementation support in addressing grievances and concerns from beneficiaries, communities, and workers relating to discrimination or exclusion from project benefits.
- Enhancing existing project level grievance mechanisms and developing and operating an independent mechanism that would monitor and manage issues of discrimination or exclusion raised directly through this mechanism or some other channel.
- Assisting the World Bank in strengthening capacity of Project Implementation Units, workers, and contractors to address inclusion and non-discrimination, including conducting consultations on inclusion and non-discrimination with VMIGs.
- Developing a strong IT system and process that secures personal data and information in a manner that is safe, ethical and confidential to ensure that it can't be used to discriminate against VMIGs.

Where cases of discrimination or exclusion of VMIGs are reported, the entity will report the grievances to the World Bank and PIU and follow up on agreed actions to resolve the case. In addition, the entity will monitor the efficacy and effectiveness of the implementation of the mitigation measures at ensuring inclusion and non-discrimination of VMIGs and allow recourse where incidents of exclusion or discrimination is reported. The scope, detailed activities as well as roles and responsibilities of the Enhanced Implementation Support and Monitoring are contained in Annex 11.

## **8.2 REQUIREMENTS FOR ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)**

The implementation of INVITE Trust components will be largely through the PFIs, MSMEs and Large Enterprises (LEs). These will be required to monitor and manage the environmental and social risks and impacts of the Investment activities, and monitor portfolio risk, as appropriate to the nature of investment. The INVITE Trust, PFIs and LEs will be required to develop and maintain an Environmental and Social Management System (ESMS) that is proportionate to the nature and scale of investment activities financed through them to identify, assess, manage, and monitor the environmental and social risks and impacts. This requirement stems from ESS9 (Financial Intermediaries) and NEA 2019 Section 49, which requires project developers to establish, maintain and implement an Environment Management System. The ESMSs must reflect the specific type of financial instrument for Window 1.1, 1.2, 2.1 and 2.2. For detailed guidance on applicable national regulations, World Bank ESS requirements and excluded activities, see sections 4.1, 4.4 and Annex 12 respectively. The PFIs and LEs that do not have E&S systems will be supported by INVITE Trust E&S team to establish, maintain and implement their own ESMS. For PFIs and LEs that have ESMS in place, INVITE Trust shall

undertake an assessment of the existing system with a view of identifying gaps, if any, for capacity enhancement (using a Due Diligence Checklist for assessment of existing ESMS provided in Annex 19). INVITE Trust has the responsibility to review, approve, monitor the ESMSs, and submit quarterly progress reports to WB as part of ESCP compliance.

### 8.2.1 ESMS Readiness Assessment Methodology

The methodology will include:

- i) Document review – copies of policy and other documents will be submitted by INVITE Trust, PFIs and LEs or disclosed on INVITE Trust/PFI/LE's website, etc.
- ii) Conduct Focus Group Discussion (FGD) with the INVITE Trust/PFIs/LEs.
- iii) Conduct Key Informant Interviews (KIIs).
- iv) Observations (this will include, for example, evidence of E & S materials at strategic points at INVITE Trust/PFI/LEs' offices and branches, suggestion box, etc).
- v) A due diligence checklist (Annex 19) will be used to assess the ESMS.

Table 8.2 below provides description of components of an ESMS that will be used by the INVITE Trust, PFIs, and LEs to establish, maintain and implement an Environmental and Social Management System in a manner consistent with the requirements of ESS9 and NEA (2019). The ESMS shall include, inter alia, the following elements:

- i) Identification of the INVITE Trust/PFI/LE investment activities that may receive support from the project funding.
- ii) An environmental and social policy endorsed by the INVITE Trust/PFI/LE' senior management specifying any details on the E&S policy that may be relevant.
- iii) Clearly defined procedures for the identification, assessment and management of the environmental and social risks and impacts of INVITE Trust/PFI/LE investment activities, in accordance with ESS9, including, inter alia, stakeholder engagement and disclosure requirements.
- iv) Exclusion list with the activities that are not eligible for financing.
- v) An organizational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities detailing specific details, as needed, including a Designated senior management representative to have overall accountability for environmental and social performance of INVITE Trust/PFI/LE investment activities that receive support from the Project.
- vi) Monitoring and reporting of environmental and performance of INVITE Trust/PFI/LE investment activities and the effectiveness of the ESMS (Appendix 19).
- vii) Incidents and accidents notification and subsequent reporting requirements.
- viii) An external communications mechanism, including measures to respond to public enquiries and concerns in a timely manner.
- ix) Comply with Project Labour Management Procedures (LMP)

*Table 8.4: Components for ESMS*

SN	ESMS Components	Description of ESMS Components
1	Environmental and Social Policy	<p>The environmental and social policy of the INVITE Trust/PFI/LE will be endorsed by the INVITE Trust/PFI/LE's senior management and will include organizational commitments, objectives, and metrics with regard to the INVITE Trust/PFI/LE's environmental and social risk management. The policy will clearly state applicable requirements for investments, and will include the following:</p> <ul style="list-style-type: none"> <li>a) All Investments activities will be prepared and implemented in accordance with relevant environmental and social national laws and regulations;</li> <li>b) All Investments activities will be screened against exclusions in the legal agreement;</li> <li>c) All Investment activities will be screened for environmental and social risks and impacts; and</li> <li>d) All Investments which involve resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage will apply relevant requirements of ESSs.</li> </ul>
2	Environmental and Social Procedures	<p>The INVITE Trust, PFIs and Large LEs will put in place and maintain clearly defined environmental and social procedures which reflect and implement the INVITE Trust/PFI/LE's Environmental and Social Policy. The procedures will be proportionate to the nature of the INVITE Trust/PFI/ Enterprise and the level of potential environmental and social risks and impacts associated with the Investment activities.</p> <p>The INVITE Trust/PFI/LE'S environmental and social procedures will include measures to:</p> <ul style="list-style-type: none"> <li>a) Screen all INVITE Trust/PFI/LE investments against any exclusions in the legal agreement;</li> <li>b) Screen, review, and categorize the INVITE Trust/PFI/LE investments according to their potential environmental and social risks and impacts following procedures in Section 8.1 and Section 7 of this ESMF;</li> <li>c) Require that all INVITE Trust/PFI/LE investments are assessed, prepared, and implemented to meet national law and, in addition, where INVITE Trust/PFI/LE investment involves resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage, the relevant requirements of the ESSs are applied;</li> <li>d) Ensure that the measures needed to satisfy the requirements of (c) above are set out in the legal agreement between the INVITE Trust/PFI/LE and the sub-borrower;</li> <li>e) Monitor, keep, and regularly update environmental and social information on FI subprojects;</li> <li>f) If the risk profile of an INVITE Trust/PFI/LE investments increases significantly, apply relevant requirements of the ESSs and document these appropriately; and</li> </ul>

SN	ESMS Components	Description of ESMS Components
		<p>g) Monitor the environmental and social risk of the INVITE Trust/PFI/ LE investments portfolio.</p> <p>As part of the environmental and social procedures, the INVITE Trust/PFI/ LE will develop and adopt a categorization system for Investments with clearly defined risk categories. The categorization system will consider</p> <ul style="list-style-type: none"> <li>(i) the nature and magnitude of environmental and social risks and impacts of subprojects;</li> <li>(ii) sectoral and geographical context; and</li> <li>(iii) type of financing. The risk categorization will inform the scope and nature of the INVITE Trust/PFI/LE's environmental and social due diligence and risk management of its Investments. Such a categorization system will allow for a systematic aggregation and analysis of risk at the portfolio level.</li> </ul>
3	Organizational capacity and competency	<p>The INVITE Trust/PFI/LE will develop and maintain organizational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities. The INVITE Trust/PFI/LE will designate a representative of the INVITE Trust/PFI/LE's senior management to have overall accountability for environmental and social performance of the Investment, including the implementation of this ESS and ESS2 and resources necessary to support such implementation. The representative will:</p> <ul style="list-style-type: none"> <li>a) designate a staff member to be responsible for day to-day implementation of the ESMS, including the environmental and social procedures;</li> <li>b) ensure that adequate resources are available for management of and training in environmental and social issues; and</li> <li>c) ensure that adequate technical expertise, either in-house or external expert support, is available to carry out due diligence and manage the environmental and social risks of the INVITE Trust/PFI/LE subprojects, including providing implementation support as required.</li> </ul> <p>The INVITE Trust/PFI/LE will ensure that the requirements of this ESS and ESS2 are clearly communicated to all relevant INVITE Trust/PFI/ LE personnel, and to ensure that relevant personnel have the necessary knowledge and capabilities for managing environmental and social risks in accordance with the INVITE Trust/PFI/LE'S ESMS.</p>
4	Monitoring and Reporting	<p>The INVITE Trust/PFI/LE will monitor the environmental and social performance of the Investment in a manner proportionate to the risks and impacts of the investment activities, and provide regular progress reports to the INVITE Trust/PFI/LE's senior management. This will include periodic review of the effectiveness of the INVITE Trust/PFI/LE's, ESMS.</p> <p>The PFI/LE will promptly notify the INVITE Trust who will notify the World Bank of any significant accidents or incidents associated with investment activities. If the risk profile of an investment activity increases significantly, the PFI/LE will notify the INVITE Trust who will also notify the World Bank and will apply relevant requirements of the ESSs in a manner agreed upon with the World Bank, as set out in the ESMS. The INVITE Trust/PFI/ LE will monitor the measures and actions agreed upon, and report to the World Bank as appropriate.</p>

SN	ESMS Components	Description of ESMS Components
		The PFI/LE will submit to the INVITE Trust who will also submit to the World Bank an Annual Environmental and Social Report on the implementation of its ESMS, including its environmental and social procedures, in line with NEA (2019), and World Bank ESSs. The annual report will include details of how the National and World Bank E&S requirements are being met, the nature of the investments financed through the INVITE Trust, and the overall portfolio risk.
5	Stakeholder Engagement	<p>The INVITE Trust/PFI/LE will conduct stakeholder engagement in a manner proportionate to the risks and impacts of the investment activities, and which reflects the type of activities financed. The relevant provisions of ESS10 will be included in the INVITE Trust/PFI/LE's environmental and social procedures. Depending on the type and risks and impacts of the investment activities financed, the World Bank may require the INVITE Trust/PFI/LE to be engaged in stakeholder engagement.</p> <p>As part of the stakeholder engagement process, the INVITE Trust/PFI/ LE, will provide to stakeholders the following project information:</p> <ul style="list-style-type: none"> <li>a) The purpose, nature, and scale of the investment;</li> <li>b) The duration of the proposed investment activities;</li> <li>c) Potential risks and impacts of the investment on local communities, and proposals for mitigating these, highlighting potential risks and impacts that might disproportionately affect VMIGs and describing the differentiated measures taken to avoid and minimize them;</li> <li>d) Environmental and social monitoring reports;</li> <li>e) The proposed stakeholder engagement process highlighting the ways in which stakeholders can participate;</li> <li>f) The time and venue of any proposed public consultation meetings, and the process by which meetings will be notified, summarized, and reported;</li> <li>g) The process and means by which grievances can be raised and will be addressed.</li> </ul> <p>The INVITE Trust/PFI/LE will put in place procedures for external communications on environmental and social matters proportionate to the risks and impacts of the investment activities. The INVITE Trust/PFI/ LE will respond to public enquiries and concerns in a timely manner.</p> <p>The PFI/LE will disclose through their website, and permit, in writing to the INVITE Trust and World Bank to disclose on their websites, a summary of each of the elements of the PFI/LE's ESMS.</p> <p>The INVITE Trust/PFI/LE will require its sub-borrowers/contractors to disclose, in relation to the financed investments, any related documents required (a) by the application of the ESSs; and (b) any environmental and social monitoring reports relating to (a).</p>

### 8.2.2 ESMS Operationalization Requirements

The INVITE Trust, PFIs and LEs shall comply with this ESMF, national legislation on environment and social risks and impacts of the Investments and the World Bank ESF. In this regard:

- a) INVITE Trust will incorporate appropriate environment and social clauses in all legal agreements between INVITE Trust and PFIs and LEs to ensure that PFIs and LEs adopt and implement the E&S tools and specific assessment instruments, as appropriate, as per the E&S Integration Plan and develop and/ or strengthen their ESMS, as appropriate.
- b) INVITE Trust will outline in detail its/their procedures for E&S due diligence on PFIs/LE's ESMS as well as specific activities financed under INVITE Trust, and procedures will:
  - i) Provide E&S Policy signed by the PFI/LE's Management, indicating their commitment to E&S due diligence and management PFIs/LE investment activities;
  - ii) state roles and responsibilities of the PFIs/LEs in E&S due diligence and monitoring of specific investment activities financed under the INVITE Trust;
  - iii) Contain reporting formats and requirements for PFIs/LEs to report at least quarterly to INVITE Trust on ESMS implementation as well as screening and monitoring outcomes of specific investment activities financed under the INVITE Trust.
- c) The ESMS shall be a disbursement condition from INVITE Trust to PFIs/LEs for INVITE funding.
- d) INVITE Trust monitoring requirements will need to demonstrate how they will review the project activities being selected by the PFIs to ensure they are following the agreed screening approaches, exclusion criteria and management of E&S risks during implementation and ensuring there is the required level of management oversight.
- e) INVITE Trust, PFIs and LEs will develop, maintain, and implement an ESMS to identify, assess, manage, and monitor the environmental and social risks and impacts of investment activities.
- f) The INVITE Trust, PFIs and LEs shall maintain and implement the ESMS throughout Project implementation and monitor compliance.
- g) ESMSs will comply with the Project Labour Management Procedures (LMP).

### 8.3 STAKEHOLDER ENGAGEMENT PLAN

A separate SEP has been prepared to guide stakeholder engagement during project preparation and throughout implementation. Please refer to the said SEP for details. Section 6 has provided a summary of stakeholder consultations undertaken as part of the preparation of the ESMF.

### 8.4 LABOUR MANAGEMENT PROCEDURES

The Labour Management Procedure has been developed to set how project's workers will be managed under the requirements of Uganda Labour and Employment Laws and the World Bank's Environmental and Social Standard 2 (ESS2) – Labour and Working Conditions. The Labour Management Procedures (LMP) apply to project workers including full-time, part-time, temporary, etc. LMP will address workers in the PFIs, MSMEs and LEs supported under Component 1 and 2. The LMP is applicable, per ESS2 to the project in the following manner:

- a. People employed or engaged directly by the Government (including the project proponent i.e., and the project implementing agencies) to work specifically concerning the project (*direct workers*);
- b. People employed or engaged through third parties to perform work related to core functions of the project, regardless of location (*contracted workers*). 'Third parties may include lead investors among others;
- c. People employed or engaged to provide community labour (*community workers*) as that term is identified in paragraphs 34-38 of ESS2; and
- d. People employed or engaged by the Government's primary suppliers (*primary supply workers*) – are those suppliers who, on an ongoing basis, provide directly to the project goods

or materials essential for the core functions of the project identified in paragraphs 39-42 of ESS2.

*The Labour management plan will be prepared to provide guidelines on management of labour during project implementation. Details of LMP are in Annex 3 herein.*

#### 8.5 CHANCE FINDS PROCEDURE

A Chance Finds Procedure to guide management of any accidental discoveries of historical-cultural resources in the process of implementing the project activity has been provided under Annex 4.

#### 8.6 GRIEVANCE REDRESS MECHANISM

This section provides guidance on the operation of a Grievance Redress Mechanism (GRM) for the project. GRM provides an avenue for expressing concerns and achieving remedies for communities, Refugees, MSMEs, LEs and PFIs. It promotes mutually constructive relationships and enhances achievement of the project development objective. It provides a grievance reporting platform for communities and individuals who believe they are adversely affected by the project.

In summary and consistent with international standards, the GRM includes the following five-step procedures that will be adopted at the different levels:

- Step 1: Receipt and Registration
- Step 2: Screening and Prioritization
- Step 3: Investigation
- Step 4: Resolution and Feedback
- Step 5: Closure, Monitoring and Evaluation

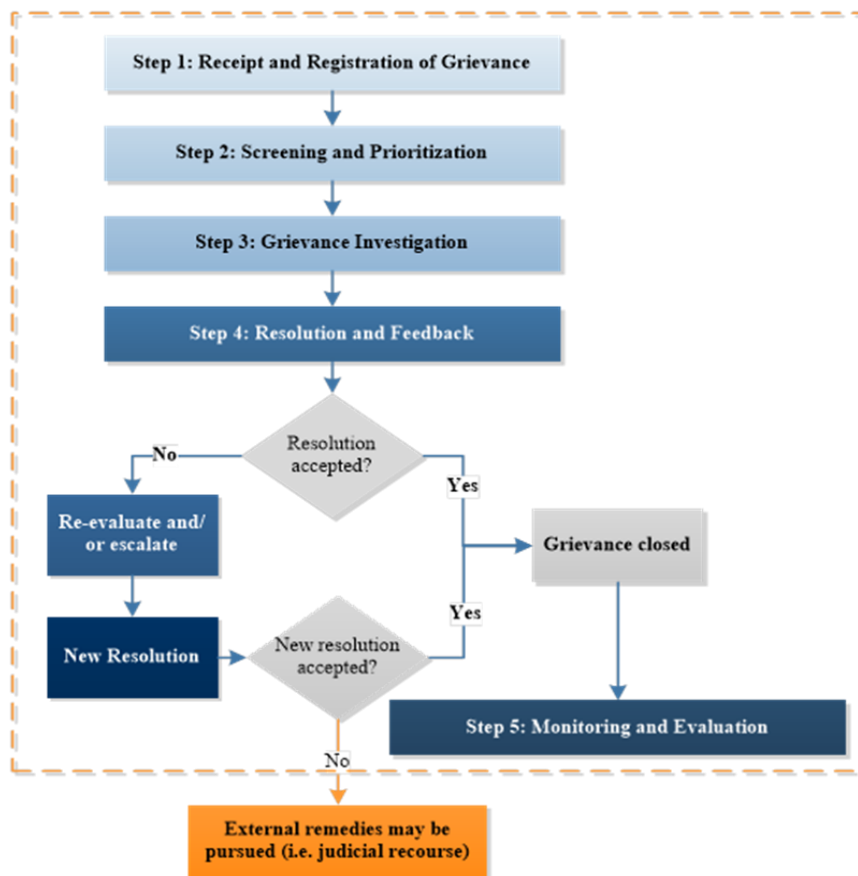


Figure 8.3: The Process Flow Chart of Community Grievance Redress Mechanism (GRM)

### 8.6.1 Grievance receipt and registration

Any Project Affect Person (PAP) from the affected communities can lodge a grievance or complaint verbally or in writing. Grievances will be logged with a designated Grievance focal person, an LC1 official or the District Community Development Officer at district and sub county levels right from the village or parish level by completing a written grievance registration form that will be available at Community GRC, Subcounty GRC, District GRC, project's website and in implementing agencies' offices. Details of grievances or complaints logged verbally will be captured as per the particulars of the grievance log.

The Grievance focal person will review the received grievances and record them in a Grievance Register. To simplify the process of lodging a grievance, a variety of grievance log-in-channels will be used such as a dedicated phone number, web sites, e-mails, in-person, anonymous, suggestion box, among others.

All the grievances received be recorded by the Grievance focal person on the grievance registration form and logged into the Grievance Register. A copy of the logged grievance will be signed by aggrieved person.

During Stakeholder Engagement exercises or meetings organised in project-affected area the Grievance Focal person will explain to local communities the alternative ways of lodging a grievance.

The GRM procedures will be disclosed through the Project's website. Information material on GRM will also be made available at the information desks in districts covered by the project.

To ensure that all grievances are captured, the implementing agency will explain how the grievances received by Community, subcounty and district GRC members may be channelled through the Project's GRM. Training will be conducted for all GRC members on their roles and responsibilities and the implementing agency shall regularly monitor to ensure no grievances are missed.

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#### 8.6.2 Grievance Screening and Prioritization

All grievances will be registered, reported and tracked by implementing agency in the Grievance Register by a Grievance Focal Point who is responsible for receiving, logging, referring and following up on grievances. Once a grievance is logged, the related event(s) that caused the grievance will be tracked to prevent similar grievances or occurrences. The status number and trends of grievances will be discussed during monthly E&S meetings during the project implementation.

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#### 8.6.3 Grievance Investigation

A local GRC will be established at village/parish, sub-counties and district levels. Once a grievance has been logged, the corresponding local GRC will be engaged to define a solution to the grievance. At this stage the grievance is reviewed in an informal (oral) way and the GRC members make and sign the minutes on the matter. If at Stage 1 the PAP's complaint is not resolved, the PAP is informed about grievance resolution procedures of Stage 2. The PAP has the right to use the procedures of Stage 2 without applying to Stage 1 procedures. Timeframe for resolving the stage 1 grievance is 30 days. Special provisions will be made for any complaints of a confidential nature. Complaints on GBV, SEA, SH and VAC shall be received and referred immediately to INVITE Trust. The GRC shall convene whenever necessary (but at least once a month) and shall include the 5-7 members as defined in sections below.

Members of the GRC will be invited in accordance with the types of complaints to be addressed. The meeting will start without the complainants by reviewing all PAP complaints received since the last GRC meeting, and to propose a solution to all grievances within the past one month. Then, the GRC will welcome the complainants whose grievances had been reviewed during the previous meeting to discuss proposed resolution.

For each grievance, the GRC will determine whether additional investigations are warranted. If so, additional information will be collected before the next GRC meeting and such information will be provided to the PAP before the meeting. The GRC will then inform the PAP about the date, time and place of its review meeting, and invite the affected persons accordingly.

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#### 8.6.4 Resolution and Feedback

The GRC will receive the complainant(s) and discuss with them the solution(s) to the grievance(s) that have been logged. The Committee shall draw up and sign the minutes of their discussion on the matter. If the grievance is satisfactorily resolved, the PAP will also sign the minutes in acknowledgement of the agreement. In cases where the project has agreed to put in place additional measures, the details will be specified, with a timetable for delivery, in the minutes of the meeting. If the grievance remains unresolved, the Stage 2, 3, 4 and 5 escalation process will be explained to the PAP. Stage 4 shall be handled by the INVITE Trust and Stage 5 by the National GRC which is the last stage of grievance handling within the project.

If the complainant is not satisfied, the PAPs will have the option of lodging their complaint to the Courts of Law

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#### 8.6.5 Closure, Monitoring and Evaluation

A grievance will be considered “resolved” or “closed” when a resolution satisfactory to both parties has been reached, and after corrective measures has been successfully implemented. When a proposed solution is agreed between the Project and the complainant, the time needed to implement it will depend on the nature of the solution. However, the actions to implement this solution will be undertaken within one month of the grievance being logged and will be tracked until completion. Once the solution is being implemented or has been implemented to the satisfaction of the complainant, a complaint closure form will be signed by both parties (Representative of the implementing agency/Grievance focal person and the complainant), stating that the complainant considers that his/her grievance is closed. The grievance will then be archived in the Project Grievance database. The INVITE Trust will monitor and evaluate the grievance redress processes with a view of identifying lessons learnt and issues that may need to be picked up.

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#### 8.6.6 Grievance Redress Committees

The INVITE GRM will be implemented at different levels including the following:

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##### A. Stage 1: Community-level Grievance Redress Committee (Host Communities)

The Community Level Grievances Redress Committee (CL-GRC) will be the first level GRC committee to handle grievances and concerns raised at the community level within the communities hosting the project activities. This committee shall be coordinated by the Parish Chiefs who will be opted for because they responsible for community mobilisation for Government development programs as stipulated under the Local Government Act - 1997. Other committee members will include the respective LCI Chairpersons as ex-officials, Parish Vice-chairpersons as secretaries to GRC and Parish Secretary for Women as representatives of women and vulnerable groups. The LCIs will be opted for because they are heads of the Village Executive Committees responsible for maintaining law, order and security and community mobilisation for Government programs. Community GRCs will also be comprised of the representatives of MSMEs/LEs/PFI, and Para social workers where they exist and INVITE Trust E&S Team as non-permanent members. The LCI chairpersons will be ex-officials while the parish chiefs will be permanent members and will be the committee chairperson. The committee will be set up at the parish level with cell/village representation by the LCI Chairpersons to allow easy channelling of grievances by the project beneficiaries including vulnerable groups. The composition of the community GRC will be as follows:

1. Parish Chief – Chairperson
2. LCI Chairpersons – ex-officials
3. Vice Chairpersons – secretaries to GRC
4. Secretary for Women (Representative women/vulnerable groups)
5. Para social worker.
6. Representatives of PFIs/ MSMEs/LEs
7. INVITE E&S team (non-permanent member).

The INVITE E&S team shall serve as non-permanent members but as Ex-Officials to the committee. At the community level, the GRC particularly the parish chiefs, representatives of PFI recipient, representatives of MSMEs/LEs, workers' representatives, and LCIs will be permanent on the host community GRC.

The roles of the community GRC will include the following;

- (a) Receiving and registering grievances
- (b) Screening of grievances to ensure that they are within project scope
- (c) Grievance investigation
- (d) Resolution and feedback
- (e) Grievance closure
- (f) Referral of grievances to appropriate entities.

The grievances associated with the INVITE Trust project activities may include the following;

***Social related grievances***

- a. Social tensions between host communities and refugees
- b. Discrimination against female-owned firms
- c. Discrimination based on gender, race, sexual orientation, age, socioeconomic class
- d. Inadequate stakeholder engagement
- e. Exclusion from the project due to vulnerability
- f. SEA/SH related risks
- g. GBV/VAC-related risks
- h. Child labour
- i. Work overload/overtime
- j. Unfair dismissal
- k. Delayed payment/missed payment period of wage workers
- l. Unfair competition/application process
- m. Unfair land transactions for willing seller/willing buyer
- n. Restriction from accessing private land/property
- o. Fraud/Corruption.

***Environmental related grievances***

- a. Noise/air pollution
- b. Poor waste management by investors' production facilities
- c. Health and safety at work
- d. Accidents.

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**B. Stage 2: Sub-county Level Grievance Redress Committee**

The Grievances Redress Committee (GRC) will be established at the sub-county level and will be the second-level referral committee to handle grievances and concerns referred from communities. Where the GRCs already exist, they will be opted for and strengthened. This committee shall be led by the sub-county Senior Assistant Secretary (SAS) and the CDO as the Secretary. Other opted members will include LCIII chairpersons as representatives of communities, production officers, commercial officers, natural resources officers, and probation & welfare officers among others.

The INVITE E&S team and representatives from the PFIs shall serve as non-permanent members but ex-officials to the sub-county committee. The structure of sub-county GRC will be as follows;

- a. Senior Assistant Secretary – Chairperson
- b. CDO – Secretary
- c. LCIII Chairperson (Member)
- d. Secretary Production (Member)
- e. Commercial Officer (Member)
- f. Natural Resources (Member)
- g. Probation and Welfare Officer (Member)
- h. Representatives from PFIs/ MSMEs/LEs (non-permanent members)
- i. INVITE E&S team (non-permanent members).

The sub-county GRC will be tasked with the following key tasks.

- a. Addressing grievances as either referred by community GRC or lodged by individuals, MSMEs or LEs;
- b. Sensitizing communities and their respective GRC committees on GRM;
- c. Hold meetings as and when grievances are referred;
- d. Handle grievances related to non-compliance to environmental and social standards, labour and working conditions, sexual exploitation and abuse, GBV/ child abuse;
- e. Ensure that handling of grievances is under the INVITE guidelines, national legal frameworks, and World Bank E&S procedures;
- f. Maintain a database of referred and registered grievances;
- g. Coordinate with relevant local government departments and civil society organizations in handling and resolving grievances/concerns and;
- h. Where necessary undertake investigations and site visits to assess issues.

Any of the above types of complaints that cannot be resolved at the sub-county level shall be compiled and forwarded to the district level GRC under the District Community Development Officer for further review and resolution within one month.

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### **C. Stage 3: District Level Grievance Redress Committee**

The third level GRC referral committee will be established at the district. Where they exist, they will be opted for and strengthened. This committee shall be led and chaired by the District Chief Administrative Officer (CAO) in the respective districts with various focal persons from the respective sectors and chairpersons of respective social protection and welfare committees at community levels.

The structure of GRC at the district level will be as follows;

- a. CDO -Secretary
- b. CAO -Chairperson
- c. Labour officer (Member)
- d. Commercial officer (Member)
- e. PFIs/ MSMEs/LEs representatives (Member)
- f. INVITE E&S team (non-permanent members).

The representative from the PFIs and INVITE E&S team shall serve as non-permanent members but ex-officio to the committee.

The district GRC will be tasked with the following tasks.

- a. Addressing grievances referred by sub-county or community GRCs or lodged by individuals, MSMEs or LEs;
- b. Handle grievances related to non-compliance to environmental and social standards, labour and working conditions, sexual exploitation and abuse, GBV/ child abuse;
- c. Make referrals to appropriate entities/authorities for grievances out of its scope.

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**D. Stage 4: The Uganda Bankers Association/ Uganda Microfinance Regulatory Authority**

UBA and UMRA will be integrated into the project GRM. The PFIs will be able to submit their grievances and concerns to UBA and UMRA where applicable. UBA and UMRA will in turn transmit the grievances to INVITE Trust PIU for processing and resolution. UBA and UMRA will also provide technical input where necessary in the resolution process. UBA and UMRA will appoint dedicated staff for the role of grievance handling and management. INVITE Trust E&S team will orient the appointed staff on the grievance handling and resolution procedures and on the use of the project web-based GRM for transmitting grievances and concerns directed to INVITE Trust PIU.

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**E. Stage 5: INVITE Trust GRC**

The INVITE Trust will form a grievance redress committee (INVITE Trust GRC) that will handle project related grievances at PCU level. Grievances from stage 1 to stage 3 can be escalated to the INVITE Trust GRC. Grievances that will not be resolved by the INVITE Trust will be escalated to the National GRC.

The INVITE Trust GRC will have the following members:

- a. Project Coordinator (Chairperson)
- b. Social Development Specialist (Secretary)
- c. Environmental Specialist (Member)
- d. M&E Specialist (Member)
- e. Communication Specialist (Member).

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**F. Stage 6: National Level GRC**

The Project will establish a GRC at National level. The National GRC will be composed of seven members drawn from National Steering Committee:

- a. Permanent Secretary/Secretary to Treasury (Chairperson)
- b. MoFPED/ Economic Development Policy and Research Department (Member)
- c. PSFU (Secretary)
- d. BOU/INVITE Trust (Co- Secretary)
- e. OPM (Member)
- f. MTIC (Member)
- g. MoGLSD (Member)

This is the last level grievance resolutions before referral to the National Courts of Law.

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#### 8.6.7 Workers' Grievances Redress Committees and Structure

In line with the provisions of ESS2 and ESS10, the INVITE Trust and implementing entities will establish an accessible and functional Worker Grievance Mechanism for all categories of workers for MSMEs and LEs described in the LMP (Annex 3). All workers will have the liberty to communicate their grievances to their direct employer, and/or to INVITE Trust and WB. Grievances shall be communicated by complainants verbally or using a telephone (Hotline to be established), email, or letter to either or all of the aforementioned entities. The Workers in their respective work functions/units will select members to represent them in the worker's council, then the elected members to the workers' council will form a Grievance Redress Committee (GRC) that will be composed of at least 5 members voted from workers' council. The Workers' GRC will be composed of;

- i. The chairperson
- ii. Vice-chairperson
- iii. Secretary
- iv. Women's representative
- v. Representatives from respective work unit

It will be the duty of the project-implementing agency to work closely with its PFIs/ MSMEs/LEs to ensure that their workers are briefed about the grievance mechanism after they have been hired but before they commence undertaking project activities. The mechanism will use an understandable and transparent process that provides feedback to those concerned, without any retribution. It will not impede access to other judicial or administrative remedies that might be available under law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective bargaining powers. Some of the avenues available to workers to raise their grievances will include; toolbox talk meetings, email, strategically located suggestion boxes, site emergency contact numbers, and designated persons among others.

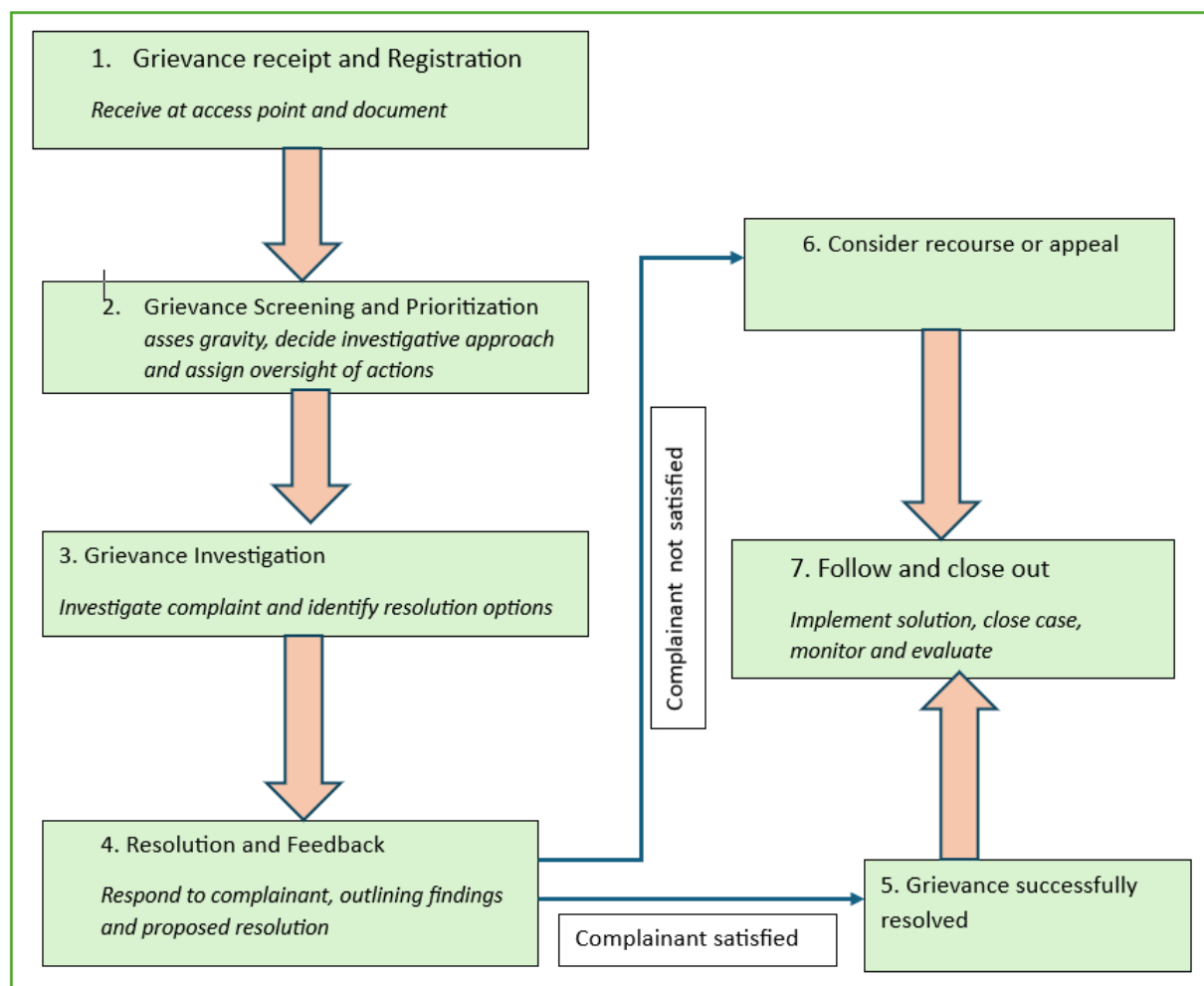


Figure 8.4: The Process Flow Chart of Workers' Grievance Redress Mechanism (GRM)

### 8.6.8 INVITE Web-based GRM

INVITE has developed a web portal that the project Grievance Redress Mechanism will utilize for the online submission of grievances, complaints, and concerns. INVITE web-based grievance/complaint submission will provide a drop-down menu for the type of grievance/complaint for easy capturing of the details about the user and complaint. It will also have a section on the details of the complainant or if they prefer to remain anonymous.

The system will have a grievance registration form (Annex 18) that has a similar outlook to the hard copy of the grievance/concern registration form to make input of relevant information easy for the users. In addition, the system will have an option allowing attachments where users fill in grievance forms or write on a paper and submit an attachment. All data entered/attached shall be received on the central dashboard and validated automatically by the system with a provision built into each of the data input controls. For instance, data on any grievance or concerns shall not be posted to future periods and data formats shall be coded in the format of dd/mm/yyyy. In addition, users shall be able to follow logically each of the grievance/concerns forms or attachments submitted. After centrally receiving the grievance form or an attachment, the users will be able to request feedback for purposes of checking whether the grievance/complaint/concern was received and for its

completeness. The web-based portal will embed guidelines to guide users on the online submission and tracking of grievances.

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#### 8.6.9 World Bank Grievance Redress Service

Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed to address project-related concerns. Project-affected communities and individuals may submit their complaints to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB's non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been allowed to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org)

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#### 8.6.10 Orientation of GRCs in grievance management

Before the Grievance Redress Committees undertake their roles and responsibilities, INVITE Trust E&S Team will undertake a capacity needs assessment of the new and existing GRCs at the community, sub-county, district, and PFIs/ MSMEs/LEs level to inform the training of the GRCs. The training will cover aspects of grievance handling and management related to INVITE Investments/activities and the use of the INVITE Project web-based grievance redress system.

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#### 8.6.11 Support supervision of established GRCs

To ensure the functionality of the project GRCs established at community, sub-county, district and PFIs and MSMEs/LEs, INVITE Trust E&S team will undertake quarterly support supervision missions to check on their performance regarding receiving and disposing of grievances related to project activities and investments including the status of the reported grievances and concerns. In addition, the project web-based GRM will have a provision for feedback on the functionality of the project GRM. The feedback will be utilized by INVITE Trust E&S team to improve on the functionality of GRCs at different levels.

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### 8.7 LAND ACQUISITION

Land take is not envisaged under the project. Loan applications that involve land acquisition and/or restriction on land use resulting in involuntary resettlement or economic displacement will not be eligible for funding, as stipulated in the INVITE ESCP<sup>15</sup>. The loan applicants will be required to present proof of land ownership and availability, without encumbrances, for purposes of project activities, and INVITE Trust and the PFIs will undertake due diligence based on ESS5.

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<sup>15</sup> Land acquisition and/or restrictions on land use that may result in the physical displacement of people (involuntary resettlement/ relocation or loss of shelter) as well as their economic displacement (as loss of assets or access to assets and/or means of livelihood, regardless of whether or not the affected people must move to another location). This includes the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons. Land must be acquired on willing-seller willing-buyer basis.

## 8.8 EMERGENCY PREPAREDNESS AND RESPONSE PLAN

The purpose of this plan is identification, assessment, and providing basic information and guidance for response to emergencies by the INVITE Trust, PFIs, and MSMEs/LEs. A more detailed Emergency Preparedness and Response Plan (EPRP) is provided under Annex 16. This provides generic guidance to be customised and adopted by the INVITE Trust, PFIs, and MSMEs/LEs. The EPRP will reflect the specific type of financial instrument for the windows a PFI or MSME/LE is participating in. The emergencies may include man-made events such as fires, spills, explosives, ground water poisoning etc.; or natural event/disaster - floods, earth quake, landslides, lightening etc.

While it is recognized that all situations cannot be covered, the overall guidance is for the project activities to provide documented systems, tailored for the type of anticipated emergencies specific to the activities to be undertaken, drills, and evacuation procedures as well as how to communicate them to the required people.

INVITE Trust will support the PFIs and PFIs in return support the MSMEs/LEs in drafting and setting up the Plan where applicable, but the ultimate responsibility for its development and enforcement lies with the respective PFIs/MSMEs/LEs. Any emergency, serious injury, or dangerous occurrence must be notified or reported immediately to the PFIs' management and to INVITE Trust PIU.

## 8.9 VULNERABLE AND MARGINALIZED GROUP FRAMEWORK (VMGF)

The INVITE Trust Component activities have a countrywide coverage. In rare case, the Vulnerable and Marginalized groups, maybe affected. Vulnerable Groups in the Project refer to those who are likely to be adversely affected by project activity impacts and/or are more limited than others in their ability to take advantage of project benefits. Such individuals or groups are susceptible to exclusion from, and/or are unable to fully participate in the implementation of projects' activities under the different supply/production chains and as such may require specific measures and assistance to ensure adequate inclusion in Program activities. In Uganda the vulnerable and marginalized groups include:

### 8.9.1 Batwa

Originally, Batwa were forest-dwelling hunter-gatherers based in the Great Lakes region of Central Africa, and are widely accepted as the original inhabitants of the region. As their traditional forest lands and territories fell under the control of agro-industries and conservation agencies, the Batwa became squatters living on the edges of society. The establishment of the Bwindi and Mgahinga National Parks for Mountain Gorillas in 1991 enabled the authorities to evict the Batwa definitively from the forest. As of 2014, the Uganda Bureau of Statistics estimates that there are approximately 6,700 Batwa people in Uganda, comprising 0.2% of the country's population.

### 8.9.2 Ik

The Ik people are an ethnic group or tribe native to northeastern Uganda, near the Kenyan border. Primarily subsistence farmers, most Ik live in small clan villages, or Odoks, in the area surrounding Mount Morungole in the Kaabong district. Their population is estimated between 10,000 and 15,000.

### 8.9.3 Tepeth

Tepeth, are a tribe in North-eastern Uganda on the slopes of Mount Moroto that is the highest mountain in the Karamoja region of northeast Uganda and located against the border of Kenya's Turkana region. There are about 33,000 ethnic Tepeth people in Uganda (Joshua Project, 2024). They

were historically hunter-gatherers, but have recently shifted to pastoralism and subsistence farming like their Nilotic and Bantu neighbors.

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#### 8.9.4 Benet

The Benet people also referred to as Ndorobo, have inhabited Mount Elgon for over 500 years. There are about 12,000 Benet people in Uganda (UNHCR, 2024).

Vulnerable stakeholders shall require an open and inclusive approach to engagement that provides them with suitable opportunities to participate and voice their concerns such as Focus Group Discussions (FGDs), home visits, Key Informant Interviews, emails, talk shows etc. Some vulnerable stakeholders will need targeted interventions due to the factors that define their vulnerability. Accordingly, appropriate engagement approaches may be applied to ensure effective participation and obtaining of relevant feedback from the vulnerable groups.

The project will exclude activities that would require FPIC – i.e. that would (i) have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation; (ii) cause relocation (or have caused relocation) of IP; or (iii) have significant impacts on IP cultural heritage that is material to their identity.

Identification of vulnerable groups by the PFIs will be a continuous process due to their disadvantaged status. The PFIs shall adopt specific and proactive engagement measures for these groups.

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### 8.10 INSTITUTIONAL CAPACITY ASSESSMENT AND CAPACITY BUILDING PLAN

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#### 8.10.1 E&S Capacity Building Plan Overview

Capacity building, the process of developing and strengthening the skills, abilities, processes, and resources that organizations and communities need to effectively discharge their mandated roles which in this case, is the effective management of environmental and Social issues.

The measures proposed under the project’s institutional capacity assessment will directly benefit the project implementation, ensuring that the INVITE Trust staff’s capacity for implementing the INVITE Project will be strong from the beginning of the project. This will include the integration of additional staff recruited under the project into the INVITE Trust’s PIU.

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#### 8.10.2 Capacity Assessment:

INVITE Trust has low capacity for the implementation of World Bank-funded projects and provision of overall coordination of project activities since the implementation team is just being recruited. The INVITE Trust Project Implementation Unit (PIU) shall be established and adequately staffed with qualified and experienced personnel to supervise, monitor, and report on all project activities. Details on how the capacity and resources for E&S management by PFIs and other implementing agencies will be assessed before the Capacity building Plan is enrolled to ensure all the capacity needs are covered.

Therefore, for effective implementation of the INVITE Trust Project activities, it is important for staff from the implementing agencies, PFIs, MSMEs and LEs to undertake capacity building and training on national laws and regulations on environmental and social risks and impacts management; environmental and social management systems; World Bank’s ESF and Environmental and Social

Management Systems (ESMSs) for World Bank projects. The PFIs, and MSMEs/LEs that do not have E&S systems will be supported by the INVITE Trust pool of E&S consultants to develop and customize their ESMS, commensurate to the E&S risk level posed by their individual investments (transaction/loan application).

A capacity assessment will be done for the PFIs, and MSMEs/LEs focusing on EHS training from the bottom up to address their training needs. First, the PFIs, and MSMEs/LEs will be assessed on how to be helped in establishing/strengthening/maintaining adequate EHS management and compliance. Secondly, how to help PFIs, and MSMEs/LEs establish/strengthen and implement an effective ESMS reflective of the specific types of financial instruments under the Windows of Components 1 and 2.

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### 8.10.3 Awareness Training

Awareness training will help the stakeholders to understand the environmental and social impacts/risks, their roles and responsibilities in managing E&S impacts/risks, and how to help eliminate, reduce, or compensate for the negative impacts. The target groups for the awareness training will include the INVITE Trust team, MoFPED, BoU, PFIs, MSMEs/LEs and other stakeholders mentioned in section 9.2. The awareness trainings will be delivered through workshops, webinars, print, and electronic media.

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### 8.10.4 One-on-One E&S Training and Capacity Development Support

Compliance to environmental and social requirements will be part of the eligibility for loan/grant applicants to qualify and non-compliance can result in failure to access investment financing from INVITE Trust. The INVITE Trust will ensure that all the PFIs engaged have the capacity to implement the E&S requirements and those with limited capacity are trained. The PFIs, MSMEs/LEs including small-scale industries (SSIs) that do not meet E&S requirements will be offered compliance assistance through a one-on-one E&S Capacity development support based on their individual E&S gaps. E&S capacity development will be undertaken by pre-qualified pool of E&S Consultants, procured by the INVITE Trust. E&S specialists are included in the core structure of the Trust Manager firm to support the INVITE Trust during and beyond the duration of the project phase.

One-on-one training of PFIs and MSMEs/LEs will be done on a case-by-case basis for PFIs and MSMEs/LEs that have met all the eligibility requirements except E&S. From E&S eligibility assessment in section 2.3 and/or ESMS readiness assessment highlighted in section 8.2.2, E&S gaps shall be identified. The identified gaps will be used to develop an E&S capacity-building action plan and Terms of Reference (ToRs) for engagement of E&S Consultants prequalified by INVITE Trust. After completion of E&S capacity development and implementation of E&S capacity action plan, the concerned PFI or MSME/LE will be requested to process and submit the missing E&S requirements to facilitate application processing. The one on one compliance assistance will be extended into the implementation stage for the first 6 months of operation and may be further extended beyond 6 months on a case by case basis.

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### 8.10.5 Capacity Building Plan Implementation Schedule

It is recommended that once the INVITE Trust PIU is instituted, a 3-5-day workshop is held in targeting INVITE Trust PIU, BoU, MoFPED, PSFU, and other MDAs closely associated with the project listed in Section 9.2. The workshop as detailed below will aim at providing attendees with the basic approach to implementing the guidelines provided in the ESMF combined with the use of appropriate tools,

such as the screening form, ESMP template, and ESMF Reporting Forms. Refresher courses should be held as needed during the course of the project implementation. The training will be organised by INVITE Trust with support from the World Bank.

The details of the capacity building plan and schedule and the Training Format of the ESMF are presented in Table 8.5 and Table 8.6 respectively.

*Table 8.5: Capacity Building Plan Implementation Schedule*

Aspect	Key issues to be addressed	Mode of engagement	Stakeholders	Responsible entity	Timing	Resources
World Bank ESF	World Bank Environment and Social Standards (ESSs)	Training workshop	Technical personnel from: INVITE Trust PIU and, PSFU INVITE PIU, BoU and MoFPED and other MDAs closely associated with INVITE Project.	INVITE Trust	Prior to commencement of project activities and once the relevant staff are in place.	Trainers Materials Budget
ESMF	ESMF Implementation	Training workshop	Technical personnel from: INVITE Trust PIU and, PSFU INVITE PIU, BoU and MoFPED and other MDAs closely associated with INVITE Project.	INVITE Trust	Prior to commencement of project activities and once the relevant staff are in place.	Trainers Materials Budget
ESMS	ESMS requirements	Training workshop	Participating Financial Institutions (PFIs) and LEs	INVITE Trust	Prior to disbursement of funds to PFIs.	Trainers Materials Budget
EHS	ESHS requirements, including those specified in ESMPs and project contracts	Training onsite	Service providers, Participating Financial Institutions (PFIs), MSMEs, LEs and supervision/ verification consultants	INVITE Trust	During project implementation	Trainers Materials Budget

Aspect	Key issues to be addressed	Mode of engagement	Stakeholders	Responsible entity	Timing	Resources
Good International Industry Practices (GIIPs)	Improve knowledge on GIIPs in ESHS requirements	Training workshop	Senior Managers of the INVITE Trust and PSFU PIUs and other staff of the PIUs	INVITE Trust/PSFU	During project Implementation	Trainers Materials Budget
E&S Staff	E&S awareness	Training workshop	Senior Managements of PIUs and other staff of the PIUs	INVITE Trust/PSFU	During project Implementation	Trainers Materials Budget

*Table 8.6: Proposed Training format for ESMF Implementation*

Module	Duration (Day)
Introduction <ul style="list-style-type: none"> <li>a. Objective of the ESMF</li> <li>b. Key stakeholders with a role in the ESMF</li> <li>c. Relevant legislative and regulatory acts and World Bank ESF</li> <li>d. Baseline Environmental and Social Conditions</li> <li>e. Structure and role of Project Implementation units and relevant governmental authorities</li> </ul>	1
Summary of guidelines for the project activities <ul style="list-style-type: none"> <li>a. Environmental and Social Screening and Impact Assessment</li> <li>b. Stakeholder Consultations and Engagement</li> <li>c. Environmental and Social Impacts and Mitigation Measures</li> <li>d. Monitoring and Reporting</li> <li>e. Grievance Redress Mechanism</li> <li>f. ESMP &amp; ESMS</li> </ul>	1
Capacity Building and Implementation Budgets <ul style="list-style-type: none"> <li>a. Capacity building requirements</li> <li>b. Budgeting for the implementation of ESMPs, ESMS, SEP and other E&amp;S management plans</li> <li>c. Q&amp;A session</li> </ul>	1
<b>Total</b>	<b>3 days</b>

#### 8.10.6 E&S Training of Service Providers, PFIs, MSMEs, LEs during Implementation

The training will cover the E&S areas of specific interest, including but not limited to: Development & Implementation of ESMP, Environmental and Social Management Systems (ESMS), Health and Safety Management Systems (both Occupational and Community Health and Safety), management and use of Auxiliary Facilities, environmental and social due diligence, Labour influx management and use of Code of Conduct, Child abuse/defilement, Grievance Redress Management, and so on.

A proposed E&S topic for a 3-day training is provided in Table 8.7 below.

*Table 8.7: E&S Training for Service Providers, PFIs, MSMEs, LEs*

Module/Topic	Duration (Day)
<ul style="list-style-type: none"> <li>a. Stakeholder mapping and engagement;</li> <li>b. Specific aspects of ESMF implementation, environmental and social assessment and monitoring of the ESMPs, development and implementation of ESMS;</li> <li>c. Occupational health and safety;</li> <li>d. Community Health and Safety;</li> <li>e. Codes of conduct for project workers;</li> <li>f. Traffic Management;</li> <li>g. Waste Management;</li> <li>h. Emergency preparedness and response;</li> <li>i. Gender mainstreaming in investment activities;</li> <li>j. Combatting, and monitoring of HIV/AIDS;</li> <li>k. Combat pandemic diseases such as COVID 19, M-pox, Ebola, as applicable;</li> <li>l. Contractor and Operator management on environment and social risks;</li> <li>m. Grievances management implementation and monitoring;</li> <li>n. Gender-based violence/Sexual Exploitation and Abuse;</li> <li>o. Labour and Working Conditions, including employer compliance with national labour laws, and combatting of child labour and forced/trafficked labour;</li> <li>p. Resettlement and Livelihood Restoration;</li> <li>q. Labour influx management and child abuse;</li> <li>r. Acquisition &amp; management of auxiliary facilities and construction materials sites Monitoring and Reporting.</li> </ul>	03
<b>Total</b>	<b>03</b>

#### 8.10.7 Training of E&S Staff

During the Implementation of the project and as part of capacity building for support towards the Implementation of this ESMF and its associated tools, it is recommended that the E&S specialists at the INVITE Trust PIU undergo the World Bank ESF training, through periodic (quarterly) refresher E&S training workshops and seminars, and the following internationally recognised E&S programs: -

- a. ISO 45001:2018 Occupational Health and Safety Management System (Lead implementers)
- b. ISO 14001: Environmental Management System (Lead Implementer).
- c. Quality Management System 9001 (Lead Implementer and Auditors).
- d. Labour Management practices by ILO.
- e. NEBOSH International General Certificate in Occupational Health & Safety
- f. Land acquisition and management related courses
- g. SEA, GBV and VAC training
- h. Stakeholder engagement related training.
- i. Attend international conferences on climate change, biodiversity, impact assessments to share and learn best practices for replication in the project implementation.

#### 8.11 ENVIRONMENTAL AND SOCIAL INTEGRATION PLAN

The E&S Integration Plan contains specific time-bound actions and practical steps for integrating E&S risk management into the activities supported by INVITE. The plan includes specific provisions for incorporating E&S due diligence, monitoring, and reporting under INVITE Trust project activities including application of ESMS at the PFI level. The E&S Integration Plan will be Integrated in the INVITE Project Implementation Manual.

*Table 8.8: Environmental and Social Integration Plan*

Key milestones	Timeline and Responsible Parties for E&S Integration		
	INVITE Trust	PFI	Loan Receipt
E&S Personnel deployment	Before disbursement	Included in agreement between INVITE Trust and PFI as condition for disbursement	Included in agreement between PFI and MSME/LE as condition for disbursement
Establishment of ESMS	INVITE Trust establish own ESMS  Ensure PFIs and LE have ESMS before disbursement	Establish ESMS before disbursement	Depending on risk level ESMS may be required as disbursement condition
Stakeholder engagement	Throughout the project implementation	Throughout the project implementation	Throughout the project implementation
Screening of subproject	Before implementation of project activities	Before implementation of project activities	Before implementation of project activities
Review and approval of project activity E&S Instruments	Before implementation of project activities	Before implementation of project activities	Seek approval from Authorities before implementation of project activities
E&S Monitoring and reporting	Quarterly report to World Bank  Incident reporting within 24 hrs. for serious and severe incidents	Quarterly report to INVITE Trust  Incident reporting within 24 hrs. for serious and severe incidents	Quarterly report to PFI  Incident reporting within 24 hrs. for serious and severe incidents

## 9 ESMF IMPLEMENTATION FRAMEWORK DETAILING PROJECT IMPLEMENTATION ARRANGEMENTS, RESPONSIBILITIES AND REPORTING

### 9.1 INSTITUTIONAL ARRANGEMENTS

The project will be overseen and coordinated by a Project Steering Committee (PSC) chaired by the Permanent Secretary/Secretary to the Treasury (PS/ST) of the Ministry of Finance, Planning and Economic Development (MoFPED). The core members of the committee will include high-level representatives or their delegates from all operating agencies of the project and the Office of the Prime Minister (OPM), the Bank of Uganda (BoU), the Ministry of Trade, Industry and Cooperatives (MTIC), the Ministry of Gender Labour and Social Development (MoGLSD), and the Private Sector Foundation Uganda (PSFU). Other MDAs may be invited to participate as needed by the PSC.

The PSC will have the following main roles: (a) coordinate policy actions among public institutions to maximize investment for jobs; (b) provide high-level guidance and support to the program management teams; (c) oversee the financial risks during implementation and suggest mitigating measures; (d) act as a final-stage of grievance committee for all E&S related complaints; and (e) act as the main focal point for interaction with development partners and other stakeholders on behalf of the project. Additionally, the PSC will host two annual meetings as part of the project implementation missions with the World Bank team and development partners of the MDTF to review the project results, discuss key issues, and agree on key milestones over the following six months. The review meeting will be based on a technical review conducted and led by the World Bank team. MoFPED will act as the secretariat for the biannual project review meeting and will also be responsible for organizing the meeting. The MoFPED will invite additional organizations or agencies to the meeting as may be deemed necessary.

The INVITE Project will be implemented through two subsidiary entities: Bank of Uganda (BoU) as custodian of the INVITE Trust. The INVITE Trust will implement Components 1 ((Windows 1.1, 1.2, and 1.3,) and Components 2 (Windows 2.1, and 2.2)).

The INVITE Trust and PSFU will operate Designated Accounts (DA) in the Bank of Uganda to manage the resources of the respective project components and sub-components. The INVITE Trust will manage the project activities according to rules, procedures, and protocols as established in the Project Operational Manual and Project Agreements, agreeable to IDA.

The INVITE Trust will implement all activities transparently and manage the risks associated with the implementation of the project activities. It will hold all of the project's financial assets and liabilities.

The Trustees of the INVITE Trust -BoU and MoFPED- will establish the independent majority Investment Committee (IC), running the operations and making the key decisions on the implementation of each one of the components. The Trustees will appoint, upon the IC recommendation, the Trust Manager, an Internal Auditor, and a Legal manager and Corporate Secretary.

The INVITE Trust will recruit Project and Risk Management, Financial and Procurement Management, Environment and Social Safeguards, IT, Monitoring Evaluation Specialist plus all the other support personnel as may be needed. The INVITE Trust IC and Trust Manager will manage the day-to-day engagement, ensure the social and environmental framework is applied to the components under its implementation, and manage monitoring and evaluation.

The INVITE Trust will monitor the financial risk of the components under its implementation and ensure that the project has made adequate provisions to cover such risk at all times over the project period.

In addition to implementing its responsible components, the PSFU will also provide implementation support to other components related to the INVITE trust as needed and in coordination with other implementing agencies. PSFU will recruit staff to implement the INVITE Project. The staff to be recruited will consist of at least the following: The Project Coordinator, Financial Management Specialist, Export and Firm Support Manager, Economist, Business Advisor Expert, Procurement Specialist, Social Development Specialist, Environment Specialist, Monitoring and Evaluation Specialist, Communication Specialist, IT officer, Accountant, Monitoring and Evaluation officer, Communication officer, Refugee Specialist; Internal Audit officer, and other support staff.

The dedicated project implementation team must be satisfactory to IDA for the duration of the project. The staff will be responsible for managing the day-to-day activities of project implementation of the sub-components: (i) project administration, reporting, monitoring, and evaluations, etc. (ii) procurement, leading procurement with other agencies, participating in contract management, etc.; (iii) Financial Management: accounting, internal controls, payments, etc.; (iv) environmental and social management framework for the components under supervision and providing relevant support to other collaborating institutions; and (v) Information Technology Management: operation, maintenance, and reporting associated with secure web platform.

The PSFU, in agreement with MoFPED, will establish a Project Advisory Committee on Refugees (PACR) consisting of OPM, UNHCR, and selected representatives of other implementing agencies. The purpose of the PACR is to ensure coordination and complementarity with other implementing agencies, taking lessons learned from other project and policy initiatives, and providing feedback in the implementation of programmed RHD activities.

IDA will provide oversight, guidance, and technical support for project implementation. Periodic project implementation support missions and reviews will be undertaken for the purpose at least on a bi-annual basis. IDA will review and provide clearances for submissions as defined in implementation arrangements. IDA will also monitor compliance with financial management, procurement, and E&S measures.

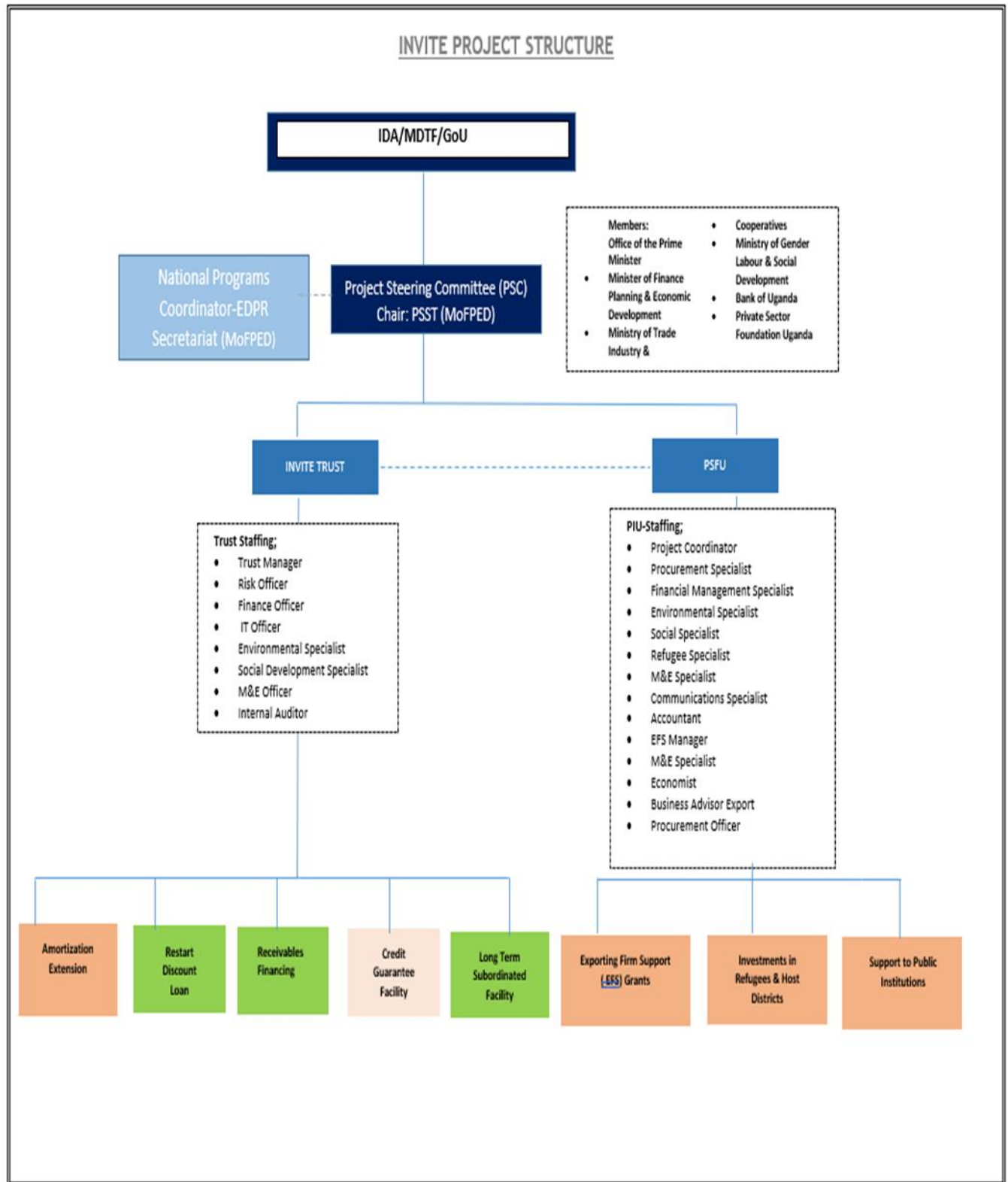


Figure 9.1: Project Implementation Structure

## 9.2 ROLES AND RESPONSIBILITIES IN THE IMPLEMENTATION OF THE ESMF

INVITE Trust, as appropriate, will undertake overall coordination of the E&S requirements for components under its implementation including engagement with implementing institutions, national statutory institutions, beneficiaries and development partners; such as MoFPED, BoU, PSFU, OPM, MTIC, MoGLSD, Ministry of Water & Environment (MWE), Ministry of Local Governments (MoLG), Uganda Microfinance Regulatory Authority (UMRA), Microfinance Support Centre (MSC), NEMA, Uganda Bankers' Association (UBA), The Association of Microfinance Institutions of Uganda (AMFIU), Microfinance Institutions (MFI), Microfinance Deposit-taking institutions (MDIs), Micro Small Medium Enterprises (MSMEs), Large Enterprises (LEs), Savings and Credit Cooperative Societies (SACCOs), and Development Partners among others. The roles and responsibilities of the above institutions are summarised in section 8 above and in Table 9.1.

Table 9.1: List of key stakeholders identified

No.	Stakeholders	Mandate/ Responsibility
	<b>Implementing Entities</b>	
1.	Ministry of Finance, Planning and Economic Development (MoFPED)	<p><b>Mandate:</b> The Ministry of Finance, Planning and Economic Development (MoFPED), mobilizes funds, allocates them to sectors, and coordinates development partner inputs. MoFPED reviews sector plans as a basis for allocation and release of funds, and reports on compliance with sector and national objectives.</p> <p><b>Implementation role:</b> Chair and coordinate the Project Steering Committee (PSC) i.e. by the Permanent Secretary/Secretary to the Treasury (PS/ST) of MoFPED. This ministry is the borrower on behalf of Government of Uganda. The ministry will have an oversight role on the implementation of the project and together with BoU are the trustees of the INVITE Trust.</p>
2.	Bank of Uganda (BoU)	<p><b>Mandate:</b> The functions of the bank are to formulate and implement monetary policy directed to economic objectives of achieving and maintaining economic stability. The bank is mandated to:</p> <ul style="list-style-type: none"> <li>• maintain monetary stability;</li> <li>• maintain an external assets reserve;</li> <li>• issue currency notes and coins;</li> <li>• be the banker to the Government;</li> <li>• act as financial adviser to the Government and manager of public debt;</li> <li>• advise the Government on monetary policy as is provided under section 32(3);</li> <li>• where appropriate, act as agent in financial matters for the Government;</li> <li>• be the banker to financial institutions;</li> <li>• be the clearing house for cheques and other financial instruments for financial institutions;</li> <li>• supervise, regulate, control and discipline all financial institutions.</li> </ul> <p><b>Implementation role:</b> MoFPED and BoU are the trustees of the INVITE Trust that will implement windows under Component 1, Window 2.1 and 2.2 under component 2 and Component 4a of the project.</p>
3.	Private Sector Foundation Uganda (PSFU)	<p><b>Mandate:</b> Private Sector Foundation Uganda (PSFU) is Uganda's apex body for the private sector. It is made up of business associations, corporate bodies, and the major public sector agencies that support private sector growth.</p> <p><b>Implementation role:</b> The PSFU will coordinate the implementation of Window 2.3 of component 2, Component 3, and component 4b of the project. PSFU will provide periodic implementation progress reports to WB. PSFU E&amp;S team will conduct quarterly monitoring and reporting on compliance of grant recipients with E&amp;S requirements and provide annual E&amp;S reports to the World Bank. PSFU is currently supporting the implementation of the INVITE Trust activities pending recruitment of the INVITE Trust Project Implementation Unit (PIU).</p>
	<b>Statutory Entities</b>	
4.	Office of the Prime Minister (OPM)	<p><b>Mandate:</b></p> <ul style="list-style-type: none"> <li>• Coordinate the Monitoring and Evaluation of the implementation of Government Policies and Programs.</li> <li>• Coordinate the implementation of Government Policies, Programs, and Projects.</li> <li>• Coordinate and provide public relations to ensure good Government image, effective coverage of national events, communication of policies/practices, and defining the ideal National Character and Values for Development.</li> <li>• Coordinate the development of capacities for prevention, preparedness, and response to natural and human-induced Disasters and Refugees.</li> </ul>

No.	Stakeholders	Mandate/ Responsibility
		<ul style="list-style-type: none"> <li>Coordinate and monitor the implementation of Special Government Policies and programs for Northern Uganda, Luwero-Rwenzori, Karamoja, Bunyoro, and Teso Affairs.</li> </ul> <p><b>Implementation role:</b> The office of the OPM is very key in the INVITE project and has been involved with the World Bank as part of the preparation appraisal document. In line with function vi, OPM will be helpful in the coordination and implementation of component 2 of the INVITE Project.</p>
5.	Ministry of Trade, Industry and Cooperatives (MTIC)	<p><b>Mandate:</b> Oversees the operations of the following semi-autonomous institutions:</p> <ul style="list-style-type: none"> <li>Uganda National Bureau of Standards – UNBS;</li> <li>Management Training and Advisory Centre – MTAC;</li> <li>Uganda Export Promotion Board – UEPB;</li> <li>Uganda Industrial Research Institute – UIRI;</li> <li>Uganda Commodity Exchange – UCE;</li> <li>Uganda Development Cooperation – UDC;</li> <li>Uganda Warehouse Receipt Authority – UWRSA;</li> <li>Uganda Cleaner Production – UCPC;</li> <li>Textile Development Agency – TEXDA.</li> </ul> <p><b>Implementation role:</b> Some of these institutions under the ministry will be instrumental in the implementation of the project.</p>
6.	Ministry of Gender, Labor and Social Development (MoGLSD)	<p><b>Mandate:</b> The mandate of the Ministry is to empower citizens to maximize their individual and collective potential by developing skills, increasing labor productivity, and cultural enrichment to achieve sustainable and gender-sensitive development.</p> <p><b>Implementation role:</b> Supervision mainstreaming issues of OHS, gender, HIV/AIDS, and issues of child labor as well as employment issues in the project through the Community Development Officers.</p>
7.	The Ministry of Water and Environment (MWE)	<p><b>Mandate:</b> To promote and ensure the rational and sustainable utilization, development, and effective management of water and environmental resources for the socio-economic development of the country.</p> <p><b>Implementation role:</b> To regulate water resources utilization and wetlands management through DWRM and Department of Environmental Affairs (DEA) respectively.</p>
8.	Ministry of Local Governments	<p><b>Mandate:</b> It is responsible for the "creation, supervision and guidance of sustainable, efficient and effective service delivery in the decentralized system of governance. The ministry is responsible for the harmonization and support of all local government functions, to cause positive socio-economic transformation of Uganda".</p> <p><b>Implementation role:</b> The Local Governments shall be involved in reviewing ESIA's and approve project briefs (NEA, 2019 Schedule 4 Part 2), monitoring &amp; supervising project activities and providing guidance on the implementation of mitigation measures, including reporting any event or activity, which has or is likely to have a significant impact on the environment. In addition, Local Governments also provide licenses/permits/authorizations e.g., demolition and building permits, tree cutting permits, hoarding permits etc.</p>
9.	Uganda Microfinance Regulatory Authority (UMRA)	<p><b>Mandate:</b> UMRA is expected to promote a sound and sustainable non-bank financial institution's sector (savings and credit cooperatives, village saving and loan associations, non-deposit taking microfinance institutions and moneylenders) to enhance financial inclusion, financial stability, and financial consumer protection among the clients. It also seeks to protect interests of members and beneficiaries of tier 4 microfinance institutions including the promotion of transparency and accountability by applying both prudential and non-prudential standards, promote stability and integrity of the financial sector through ensuring stability and security of Tier 4 microfinance institutions and other functions.</p>

No.	Stakeholders	Mandate/ Responsibility
		<b>Implementation role:</b> Microfinance institutions (MFI) are likely to be part of the implementation of the components under INVITE Trust and this authority regulates the activities of Tier 4 microfinance institutions.
10	Microfinance Support Centre (MSC)	<b>Mandate:</b> To extend affordable micro-credit funds to qualifying Ugandans with a focus on agriculture and the active poor; and offer business development services to build capacity in enterprise and financial management. <b>Implementation role:</b> Since MFIs will be used in the implementation of the project, it will be beneficial to engage MSC.
11	National Environment Management Authority (NEMA)	<b>Mandate:</b> To coordinate the input by all the different lead agencies and ensure compliance with the National Environmental Policy and Law. NEMA also plays a mandatory role in the coordination, supervision, and monitoring of environmental issues. Implementation of the different environmental issues is done through the relevant government institutions (Lead Agencies) within whose mandate the respective issues lie. <b>Implementation role:</b> Responsible for reviewing and approving ESIA's, compliance audits, and monitoring of approved project activities.
	<b>Beneficiaries</b>	
12	Uganda Banks' Association (UBA)	UBA is an umbrella organization for licensed commercial banks supervised by Bank of Uganda. UBA was established in 1981 and is currently made up of 35 members (All 25 licensed Commercial Banks + Uganda Development Bank+ East African Development Bank). Membership of UBA was extended to other supervised financial institutions (SFIs Tier 2&3) under the associate membership category and currently the following nine (9) SFIs are recognized associate members Since PFIs will be used in the implementation of the project, it will be beneficial to engage UBA and its members.
13	The Association of Microfinance Institutions of Uganda (AMFIU)	The Association of Microfinance Institutions of Uganda (AMFIU) is an umbrella organization of microfinance institutions (MFIs) in Uganda. The main reasons for its establishment were the needs for MFIs to have a common voice; to lobby government for favorable policies; to share information and experiences; and to link up and network with both local and international actors. Since MFIs will be used in the implementation of the project, it will be beneficial to engage AMFIU and its members.
14	Microfinance Institutions (MFI)	MFIs in compliance with the project's eligibility requirements, qualifying MFIs will be beneficiaries of the project.
15	Microfinance Deposit-taking institutions (MDIs)	MFDs in compliance with the project's eligibility requirements, qualifying MFDs will be beneficiaries of the project.
16	Micro Small Medium Enterprises (MSMEs)	MSMEs in compliance with the project's eligibility requirements, qualifying MSMEs will be beneficiaries of the project
17	Large Enterprises (LEs)	Large Enterprise in compliance with the project's eligibility requirements, qualifying LEs will be beneficiaries of the project.
18	Savings and Credit Cooperative	SACCOs in compliance with the project's eligibility requirements, qualifying SACCOs will be beneficiaries of the project.

No.	Stakeholders	Mandate/ Responsibility
	Societies (SACCOs)	
	Others	
19	Development Partners	The project is funded by the World Bank. The project has to comply with the requirements of the World Bank. The MDTF obtained as support from the Netherlands, the United Kingdom, and Sweden will support component 3 of the INVITE Project.

*Table 9.2: Summary of Roles and Responsibilities in E&S management, monitoring, and reporting*

No.	Entity	Roles and responsibility
1.	INVITE Trust	<p>The Trust will assume the overall implementation of its project components. It shall ensure that management of environmental and social risks and impacts of its project windows are mainstreamed. The trust will also carry out the following:</p> <ul style="list-style-type: none"> <li>• Overall E&amp;S due diligence and monitoring for its activities;</li> <li>• Report to Trustees and stakeholders on the implementation status of the project;</li> <li>• Advocate for a sound E&amp;S risk management across its portfolio;</li> <li>• When necessary, coordinate with PSFU PIU and beneficiary stakeholders in implementing the project to ensure compliance with E&amp;S requirements;</li> <li>• Where possible, support the development and implementation of all E&amp;S documents by the PFIs, MSMEs and LEs;</li> <li>• Ensure timely reporting of the ESHS aspects to the World Bank;</li> <li>• Monitoring and supervising of project activities to ensure compliance with the agreed environmental and social standards;</li> <li>• Handling all environmental, social and other grievances related to the project;</li> <li>• Invite Trust will report to WB per ES reporting in ESCP;</li> <li>• Identify a third-party monitor to undertake Environmental and Social Audit(s) under the Project.</li> </ul>
2.	PFIs	<p>The PFIs will be required to carry out the following:</p> <ul style="list-style-type: none"> <li>• Consistent with Project ESCP and before disbursement of IDA financing proceeds from INVITE Trust to corresponding PFI, each PFI will be required to designate E&amp;S staff and ensuring adequate resources to support implementation of the PFI's ESMS and, in particular, be responsible for E&amp;S screening of lending or other forms of financial support provided by the PFIs to their borrowers from the proceeds of the IDA funds under INVITE Trust.</li> <li>• Develop and implement the ESMS;</li> <li>• Carryout E&amp;S due diligence and monitoring of specific activities financed under INVITE;</li> <li>• Approval of loan applications;</li> <li>• Follow up with window beneficiary stakeholders in implementing the project to ensure compliance with E&amp;S requirements;</li> <li>• Coordinate with INVITE Trust in Project monitoring and reporting activities;</li> <li>• Support the development and implementation of all E&amp;S documents by the different project activities under their portfolio;</li> </ul>

		<ul style="list-style-type: none"> <li>• Ensure timely reporting of the ESHS aspects to the INVITE Trust in line with Annex 16;</li> <li>• Monitoring and supervising of project activities to ensure compliance with the agreed environmental and social instruments;</li> <li>• Handling all environmental, social and other grievances related to the project and referring them to INVITE Trust for further processing;</li> <li>• Implement checklists for monitoring and auditing the integration of the E&amp;S aspects by the beneficiaries.</li> </ul>
3.	MSMEs	<ul style="list-style-type: none"> <li>• Depending on the nature of the project, the MSMEs will be responsible for the preparation of their respective project' ESIA/PB/ESMPs, E&amp;S Audits if required.</li> <li>• Applying for the relevant permits/license/authorizations.</li> <li>• Implement conditions in the permits/licenses/authorization for their project activities to demonstrate efficiency in managing E&amp;S risks and impacts of activities financed under the INVITE funding.</li> </ul>
4.	Large Enterprises	<ul style="list-style-type: none"> <li>• Window 2.2 may support Large Enterprises and therefore depending on the nature of the project, the LEs will be responsible for the preparation of their respective project' ESIA/PB/ESMPs, E&amp;S Audits if required.</li> <li>• Applying for the relevant permits/license/authorization.</li> <li>• Implement conditions in the permits/licenses/authorization for their project activities to demonstrate efficiency in managing E&amp;S risks and impacts of activities financed under the INVITE funding.</li> </ul>
5.	The third-party monitor	The third-party monitor shall undertake annual Environmental and Social Audits, intended to complement and verify the monitoring of environmental and social risks and impacts of the Project in compliance with the Environmental and Social Commitment Plan (ESCP).

### 9.3 INVITE TRUST

The INVITE Trust will coordinate with the PFIs, other statutory institutions and the respective host district local governments to ensure that the relevant national, WB ESSs, Project ESMF and ESCP requirements are complied with and that the prepared environmental and social risk assessment and management instruments such as ESMS, ESIA, ESMPs, and other related instruments are prepared, disclosed and implemented by the PFIs, MSMEs and LEs throughout the lifecycle of the Project.

The INVITE Trust will implement and manage its components in accordance with the provisions of the Project Appraisal Document, the Financing Agreement, Project Agreement and the Trust Deed. For the windows under its implementation, the Trust will establish operational systems, administrative and financial management systems, environmental and social management systems, a management information system, monitoring and reporting framework, risk management framework and all the other aspects necessary for successful implementation of the project components under the Trust.

The intention and assumption behind the Trust is that the Trust will continue post-project and develop to sustain the cause for which it was created. As a development entity with perpetual succession, the Trust will always aim to preserve and grow its capital. The Trust will, in the effort to improve financial sustainability while fostering enterprise development, price its funding should cover financial sustainability needs of the Trust but also be affordable to the enterprises.

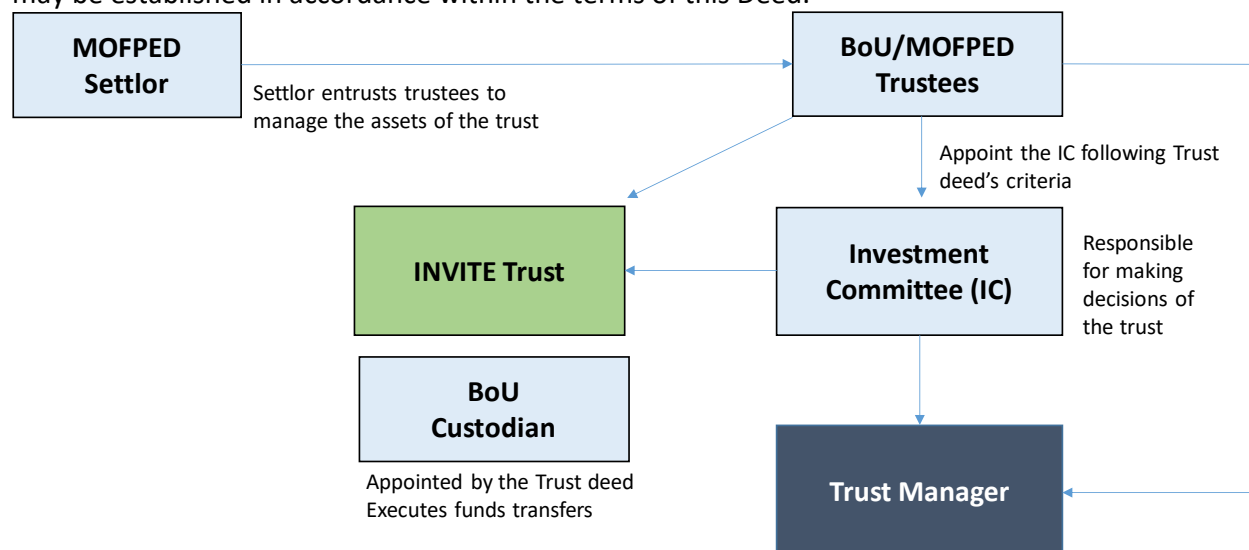
### 9.3.1 Powers of the Trust

The Trust is registered as a body corporate under the Trustees Incorporation Act Cap. 165 as amended by the Trustees Incorporation (Amendment) Act No. 22 of 2022. It will perform any and all functions or activities under its mandate, supervised by the Investment Committee (IC) which is established by virtue of Section 6 of the INVITE Trust Deed. Such functions and activities shall include but not be limited to:

- i. Owning and holding all real and personal property (including stocks, funds, securities that are not Government or BoU issued securities, claims, and loans) belonging to or held by the Trustees in trust, which shall be transferred into the name of the Trust upon its incorporation;
- ii. Purchasing, disposing of or transferring assets upon proper and fair valuation in accordance with the provisions of the procurement and disposal of public assets in Uganda;
- iii. Entering into contracts with third parties and assuming rights and obligations on matters relevant to the Trust's business;
- iv. Suing and being sued in its own name;
- v. Acquiring, holding and protecting rights and assets and absorbing liabilities necessary for its business;
- vi. Establishing and fully owning separate legal entities (including single-member companies, limited liability companies, sole proprietorships, among others) to operate one or more Project facilities observing the same provisions of this Deed (but no entity whose mandates are not aligned with or contradict the mandate of the Bank of Uganda will be created);
- vii. Where needed, deploying resources to set up, run and sustain the operations of the Trust;
- viii. Where needed, conducting research and impact evaluations on financial sector deepening and other development aspects;
- ix. Performing any other function or act permitted by law to legally incorporated trusts and deemed necessary for the promotion or achievement of the Trust's objectives.

### 9.3.2 INVITE Trust Governance and coordination framework

The Governance framework of the trust shall consist of the Settlor, Trustees, Custodian, Investment Committee and its subcommittees, Trust Manager and such other arrangements as may be established in accordance within the terms of this Deed.



*Figure 9.2: INVITE Trust Governance Structure*

### **Settler**

The Trust shall be a public purpose, grantor trust, of which the Settlor is the Grantor or owner. At such, the Settlor retains the power to control or direct investments, income or assets within the Trust as set out in this Trust Deed. This power will be exercised as has been assigned to the Trustees and the Investment Committee established. Government of Uganda, through MoFPED, is the owner and Settler and grantor of the INVITE Trust.

### **Trustees**

By virtue of the Trust Deed for INVITE, the trustees are:

- a) Ministry of Finance, Planning and Economic Development (MoFPED)
- b) Bank of Uganda.

### **Custodian**

BoU, the Banker to Government of Uganda, shall be the Custodian of the Trust on behalf of the Trustees according to the terms of the Trust Deed.

### **Investment committee**

The PAD and Trust Deed provide for the INVITE Investment Committee as a key organ of governance for the project to deliver. The Investment Committee will be the governance organ overseeing the implementation and operations of the Trust. Comprised of suitably experienced professionals, the IC will guide technical operations and business decisions of the Trust. The IC will have subcommittees that will include the Audit sub-committee, Risk sub-committee, Governance and HR sub-committee, and the Portfolio subcommittee.

### **INVITE Trust Manager**

The Trust Manager, reporting to the Investment Committee (IC), is responsible for day-to-day management of the Trust funds, business, administration and all operations including drafting strategies, plans, reporting, administration and all related aspects.

#### *Mandate, powers and obligations of the Trust Manager*

The Trust manager shall:

- a) Act with the care, skill, prudence and diligence that a prudent trust manager or person acting in like capacity and familiar with such matters would use in the conduct of a Trust or enterprise of a like character and with like aims;
- b) Ensure that the trust manager's duties and roles are operated in accordance with the rules and the applicable laws and regulations, including: governance rules such as transparency, accountability, and disclosure; outlawing any potential or actual conflict of interest, maintaining confidentiality, and outlawing use of insider information;
- c) Follow the distribution and investment instructions issued by the IC and consult with the IC with respect to any of the trust manager's duties or obligations under the Trust and under the trust manager appointment or contract;
- d) Have the power to accept receipts and disburse monies using the Trust official accounts in conformity with the Trust Deed and policies/ procedures approved by the IC;

- e) Make payment of any and all legitimate expenses of the Trust from the Trust Funds based on the approved documents by the IC;
- f) Implement the Environmental and Social requirements of the project components under the Trust;
- g) Carry out such other duties and responsibilities as shall be assigned to the trust manager by the IC and as shall be set forth in the Trust Manager's appointment or contract.

### **Environmental and Social Specialists**

Consistent with the project ESCP, the INVITE Trust will recruit one Environmental Specialist and one Social Development Specialist, not later than 30 days after the effectiveness of the MDTF Grant Agreement. The E&S Specialists shall be responsible for the day-to-day E&S performance during project implementation.

#### ***Specific Duties and Responsibilities of Environmental Specialist:***

- a) Support the day-to-day performance of E&S aspects related to the INVITE Trust and the PFIs and their ESMSs during project implementation;
- b) Support E&S screening of lending or other forms of financial support provided by the PFIs to their borrowers from the proceeds of the IDA funds under INVITE;
- c) Support the development, maintenance and operation of the Environment Standards compliance monitoring system including reporting progress of implementation of the World Bank Environmental and Social Framework (ESF) and ESS9 standards;
- d) Detail INVITE Trust's procedures for E&S due diligence on PFIs' ESMS and PFI ESMS requirements as well as specific activities financed under INVITE;
- e) Providing specific time-bound actions and practical steps for integrating Environmental Risk Management into the activities supported by INVITE, including the specific tools to be integrated into the deal flow for each financial transaction type supported under INVITE;
- f) Prepare specific tools for implementation by PFIs to screen and mitigate environmental risks in transactions supported by the World Bank;
- g) Monitor and supervise the Environmental performance of the PFIs and their portfolio exposures on the credit line and ensure that each PFI monitors the entire WB-financed portfolio and report to BoU/INVITE Trust.
- h) Supervise PFI to ensure that subproject sponsors prepare and disclose all risk assessment and management instruments (ESIA/ESMPs, ESA etc.);
- i) Ensuring that PFIs conduct adequate screening and monitoring of MSMEs and LEs support they provide from the INVITE Trust proceeds in accordance with national legislation and ESMF;
- j) Provide technical guidance to BoU/INVITE trust and its implementing partners and other stakeholders on ensuring aspects of Environment compliance measures are implemented and adhered to;
- k) Support the Social Development Specialist to undertake stakeholder engagement and consultations on all sub-projects;
- l) Support the collection, analysis and utilization of environment information necessary for project implementation;
- m) Coordinate and Support preparation of Quarterly E&S compliance reports and consolidated annual reports throughout project implementation;
- n) Conduct quarterly monitoring and reporting on compliance of grant PFIs with E&S requirements and provide annual E&S reports to the World Bank;

- o) Undertake periodic training and capacity building of key INVITE implementers at different levels on implementing environmental standards under the project, including orienting them on the application of the ESMF and ESMS;
- p) Ensure adequate Environment standards records and documentation are kept (including photographs,) of works and sub projects and adequate documentation of stakeholders' consultations;
- q) Assist in developing ToRs as specified in ESMF and other E&S instruments prepared for the components to be implemented by INVITE Trust;
- r) Supporting and leading in the development of Environmental and Social (E&S) instruments as spelled out in the ESMF;
- s) Advice Management on strategies for strengthening implementation of Environment Risk Management measures;
- t) Ensure environmental aspects are included in the project annual workplan;
- u) Undertake environmental monitoring and supervision of project works, including development of monitoring checklists, compilation of progress reports to ensure compliance with the environmental requirements spelled out in E&S instruments;
- v) Support mainstreaming of environmental standards requirements including compliance with OHS into the bidding documents and training;
- w) Perform any other related duties as may be assigned from time to time.

***Specific Duties and Responsibilities of Social Development Specialist***

- a) Work closely with the Environmental Specialists for INVITE/ and other stakeholders to i) implement the Environmental and Social Management Framework (ESMF), and ii) identify project related social risks and support implementation of related social risk management actions;
- b) Support the PFIs in development and implementation of their ESMSs;
- c) Support E&S screening of lending or other forms of financial support provided by the PFIs to their borrowers from the proceeds of the IDA funds under INVITE;
- d) Support the project to comply with World Bank Environmental and Social Framework (ESF) and ESS9;
- e) Detail INVITE Trust's procedures for E&S due diligence on PFIs' ESMS and PFI ESMS requirements as well as specific activities financed under INVITE;
- f) Providing specific time-bound actions and practical steps for integrating Social Risk Management into the activities supported by INVITE, including the specific tools to be integrated into the deal flow for each financial transaction type supported under INVITE;
- g) Prepare specific tools for implementation by PFIs to screen and mitigate social risks in transactions supported by the World Bank;
- h) Supervise PFI to ensure that subproject sponsors prepare and disclose all risk assessment and management instruments (ESIA/ESMPs, ESA etc.);
- i) Ensuring that PFIs conduct adequate screening and monitoring of MSMEs and LEs support they provide from the INVITE Trust proceeds in accordance with national legislation and ESMF;
- j) Guide the PFIs on land acquisition procedures in line with the RPF;
- k) Support the preparation and operationalization of the INVITE Trust/PFIs Grievance Redress Mechanisms (GRMs);

- l) Sensitize staff and other Stakeholders on the Social standards requirements for INVITE; including the rights and obligations of all the parties involved;
- m) Ensure inclusion and access of project benefits for vulnerable groups;
- n) Support the dissemination of information regarding addressing the social impact;
- o) Participate in site meetings and provide technical guidance on the above-mentioned areas among other social related concerns;
- p) Prepare regular and ad hoc Social reports for management action;
- q) Contribute to the development of new tools and methodologies for addressing social risks
- r) Take part in training of key technical staff of participating agencies and PFIs in environment and social screening, social management and Resettlement Policy Framework management, Child Protection, gender responsiveness;
- s) Disseminate good practices in social risk management;
- t) Perform any other related duties as may be assigned from time to time.

#### 9.4 MONITORING, EVALUATION, AND REPORTING

The INVITE Trust and the PFIs will put in place adequate institutional arrangements, systems, and resources to ensure effective monitoring of the ESMF and the relevant plans associated with the INVITE Project. This shall be included as a clause in the contract between INVITE Trust and the PFIs/MSMEs/LEs and between the PFIs and the MSMEs/LEs.

The goal of monitoring activities will be to ensure that the respective components' activities comply with the E&S management plans and procedures laid out in the ESMF, ESCP, relevant World Bank ESSs and national environmental and social requirements including NEA, 2019. E&S Monitoring responsibilities and inspection activities will be carried out by INVITE Trust PIU and PFIs who will administer the overall project-related environmental and social monitoring and implementation as laid out in this ESMF through their E&S teams.

WB expects its clients to implement the environmental and social measures set out in the various plans (ESCP, ESMF, ESMP, SEP, etc.), which are referred to in the financing agreements, in compliance with the required timelines. Implementation of the ESMF includes monitoring, evaluation, and reporting. According to the ESCP, the project will support the operational expenditures related to the management, monitoring, and evaluation, in compliance with the Environmental Laws and all E&S measures provided in the Operational Manual and specified by WB from time to time concerning social and environmental aspects of the Project.

The compliance with implementation of ESMF requirements and guidance will be monitored. The PIU at INVITE Trust will establish a monitoring arrangement involving coordination between their staff and PFIs, to ensure effective preparation and implementation of the project activities' instruments in line with the frameworks prepared (ESMF, SEP, ESCP) to address all activities that have potentially significant impacts on the environment, occupational health and safety, and social during implementation.

In addition, the project activities site specific environmental and social monitoring shall address all possible effects that the specific project activities may have on the environment. The monitoring, therefore, shall encompass vegetation loss, effects on natural terrestrial and aquatic habitats, erosion, air, and water quality, as well as social surveys, impacts on vulnerable groups, traffic safety and health, and other occupational health and safety issues. A set of project activities site specific

monitoring indicators will be determined during ESMP/PB/ESIA preparation and implementation and will be guided by the generic impacts' assessment contained in the ESMF. Appropriate site-specific monitoring reports will be prepared by the MSMEs/LEs and submitted to PFIs and/or INVITE Trust quarterly and annually as per the reporting template provided in Annex 14.

***The ESMF M&E implementation key indicators:***

- a. E&S screening of all project activities is being undertaken and issues identified in the screening are being addressed. If not, Project beneficiaries should develop and present for approval a plan to regain and/or maintain future compliance.
- b. E&S instruments specific to the project activity level is being prepared in line with the guidance provided in the respective frameworks. Where an ESIA and or an ESMP is developed, all the commitments concerning impact mitigation, monitoring, training of workers, etc. have been implemented. If not, MSME/LE shall develop and agree with PFIs to a plan to regain and maintain future compliance.
- c. Implementation of all the requirements specified in the ESCP, following the relevant ESSs.
- d. Quarterly monitoring and reporting on compliance of MSMEs/LEs with E&S requirements undertaken to PFIs; and PFIs, and MSMEs/LEs reporting to INVITE Trust; and INVITE Trust reporting to the World Bank.
- e. Annual E&S reports to PFIs by MSMEs/LEs ; and PFIs and MSMEs/LEs reporting to INVITE Trust; and INVITE Trust reporting to the World Bank.

**Regular Reporting to WB:** INVITE Trust will on a quarterly and annual basis prepare and submit to WB monitoring progress reports on the compliance of PFIs, MSMEs/LEs with environmental and social requirements of the Project, including but not limited to, the implementation of the conditions and terms in the ESIA, PB, ESMPs and a functional grievance redress mechanism among others. The monitoring by INVITE Trust will be quarterly and submission of E&S reports to the World Bank will be quarterly and annual. E&S compliance monitoring may vary from time to time depending on the nature of the activities and the level of compliance by the recipients.

Regular monitoring and inspection for compliance on Environmental and Social risk management (monitoring reports) will be compiled by the MSMEs/LEs and submitted to the PFIs for review, validation, and compilation and then the PFIs will report to the INVITE Trust. MSMEs under Window 1.3 will work directly with the INVITE Trust and therefore required to report directly to the INVITE Trust without going through the PFIs. E&S monitoring reports from the PFIs and MSMEs/LEs will be consolidated by the INVITE Trust E&S team and will be submitted to the World Bank for review. The E&S compliance reports may be shared with other external stakeholders by INVITE Trust.

**Reporting of Incidents and Accidents:** The respective MSMEs/LEs will report all environmental and social incidences to the PFIs regularly for submission to the INVITE Trust and then INVITE trust to the World Bank under the World Bank Environmental and Social Incident Reporting Tool Kit (ESIRT). However, MSMEs/LEs working directly with the INVITE Trust will report directly to the INVITE Trust without reporting to the PFIs.

INVITE Trust, PFIs, and MSMEs/LEs shall within 24-48 hours of occurrence promptly notify WB of reportable incidents or accidents-related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers *including* child abuse, gender-based violence, Sexual Exploitation and Abuse, fatality, hazardous spills, etc.

Indicative and minor incidents will be reported to the World Bank through incidental, monthly, and quarterly reports – showing the number of both the cumulative and the reporting period incidents. The reports shall provide sufficient detail regarding the incident or accident, indicating immediate measures taken or that are planned to be taken to address it, and any information provided by MSMEs/LEs or PFIs, as appropriate. Within fifteen days after the incident/accident, in consultation with WB, INVITE Trust in close collaboration with the PFI or MSMEs/LEs shall undertake a root-cause analysis (RCA) and develop a Safeguards Corrective Action Plan to be shared with WB, and this will include measures to prevent its reoccurrence, including actions, responsibilities and timelines for implementation, and monitoring program. The RCA shall be based on existing country processes, where available. Such incidence reporting (major and minor) will be included in relevant financing/grant agreements with the PFIs or MSMEs/LEs .

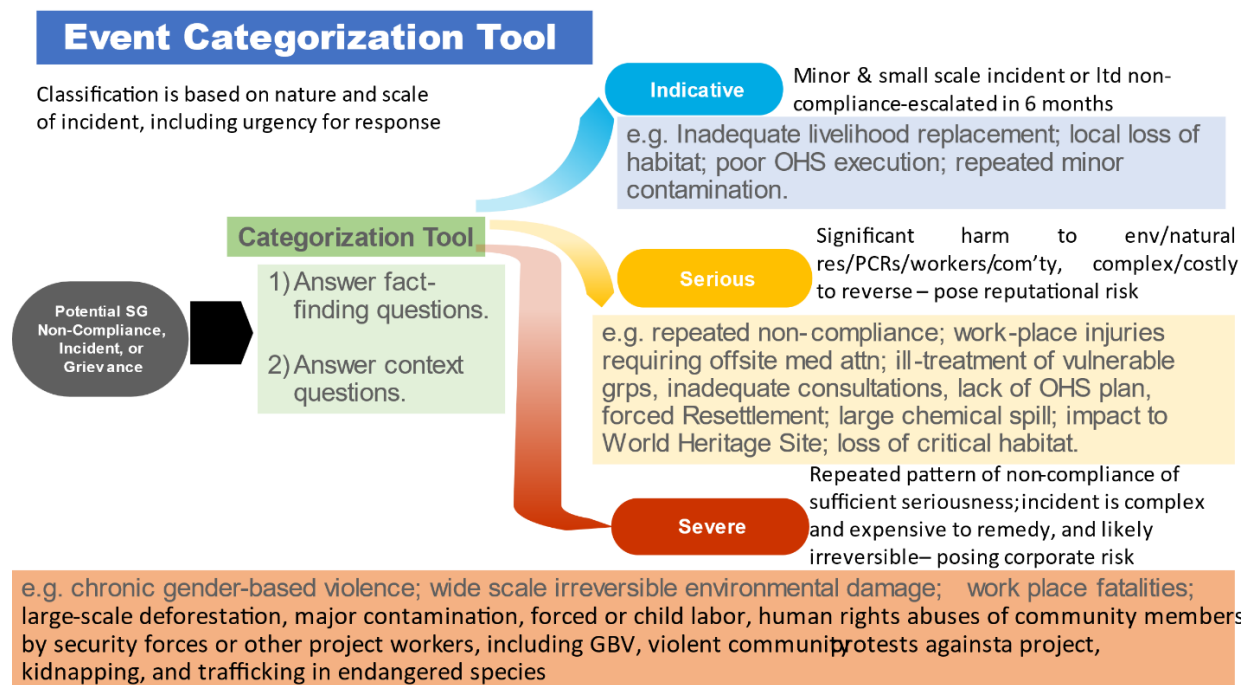


Figure 9.3: Incidents/ Accidents Categorization

**Initial Communication within 24 hours of the incident should contain the following information:**

- What was the incident? What happened? To what or to whom?
- Where and when did the incident occur?
- What is the information source? How did you find out about it?
- Are the basic facts of the event clear and uncontested, or are there conflicting versions?
- What were the conditions or circumstances under which the incident occurred?
- Is the event still ongoing or is it contained?
- Is the loss of life or severe harm involved?
- What measures have been or are being implemented? By who?
- Has the Government been informed? What is their response (if any yet)?

INVITE Trust shall ensure the following Reportable Incidents are reported to the WB within 24/48 hours of occurrence, based on the list and format provided under Annex 17.

### Reporting Guidance Note for PFIs, and MSMEs/LEs

The PFI, and MSMEs/LEs will monitor the environmental and social performance of the project activities in a manner proportionate to the risks and impacts of the project activities, and provide regular progress reports to their senior management and to the INVITE Trust. This will include periodic review of the effectiveness of the ESMS and MSMEs/LEs activities. The PFI, and MSMEs/LEs will promptly notify the INVITE Trust of any significant accidents or incidents associated with project activities. If the risk profile of the activities increases significantly, the PFIs and MSMEs/LEs will notify the INVITE Trust and will apply relevant requirements of the ESSs in a manner agreed with the Trust, as set out in the ESMS. The PFIs and MSMEs/LEs will monitor the measures and actions agreed, and report to the INVITE Trust as appropriate. The PFIs and MSMEs/LEs will submit to the Trust quarterly and annual E&S Reports on the implementation of its ESMS, including its E&S procedures, labor and working conditions as well as the E&S performance of its portfolio of project activities. The quarterly and annual report will include details of how the requirements of ESS9 are being met, the nature of the project activities financed through the project, and the overall portfolio risk, profiled by sector. The INVITE Trust will report to the World Bank.

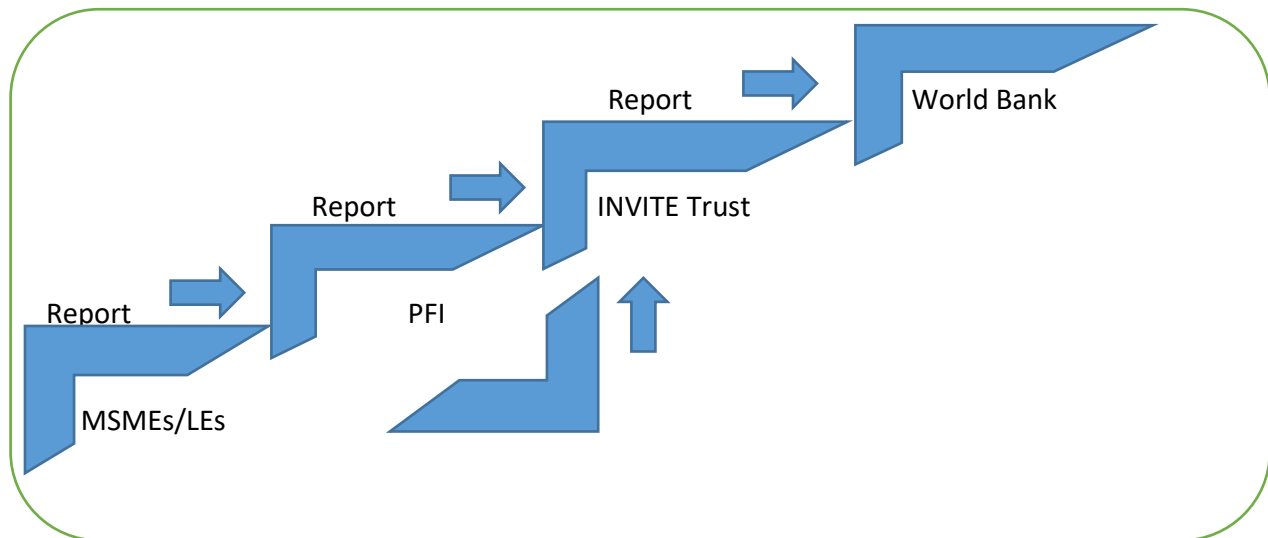


Figure 9.4: E&S Reporting requirements

## 10 ESMF IMPLEMENTATION BUDGET

Financial resources are required to support the implementation of the ESMF and general environmental and social management activities. Below are budget estimates to support basic environmental and social project management activities. The project is urged to prioritize and financially fund the listed activities to mitigate the likely environmental and social risks and impacts of the project activities.

Under Project Component 4 of Implementation Support and Monitoring & Evaluation, the project shall allocate an adequate budget to undertake the implementation of the environmental and social mitigation measures and conduct effective and meaningful stakeholder engagement with all of the project-affected groups throughout the life cycle of the project. The budget shall be adjusted and adapted as and when necessary to ensure effective and efficient implementation of environmental and social risk management measures. The Government of Uganda through the Ministry of Finance Planning and Economic Development shall commit to implement the project in compliance with the World Bank's ESF requirements as documented in the Environmental and Social Commitment Plan which forms part of the Financing Agreement.

*Table 10.1: ESMF Implementation Budget*

Item	Annual Budget estimates (USD, 000)					
	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL
Implementation of General Capacity Development for Management of Environmental and Social Risks and Impacts in the project (Section 8.10).	000	000	170	50	30	<b>250</b>
Projects supervision by project Environmental and Social Specialists at INVITE Trust (Section 9.4).	000	000	110	60	20	<b>190</b>
Strengthening Grievance Redress Mechanism structures and facilitating general Stakeholder Engagement as spelt-out in the ESMF (Section 8.6).	000	000	100	50	20	<b>170</b>
Facilitating and Monitoring implementation of the ESMF (Section 9.3)						
E&S Screening (Section 8)	000	000	100	50	20	<b>170</b>
Project annual and Closure E&S Audits (Section 8.1.6)		000	100	100	100	<b>300</b>
Hiring E&S Specialists at INVITE Trust (covered under component 4a)						
Total Annual Budget/ GRAND TOTAL	<b>000</b>	<b>000</b>	<b>580</b>	<b>310</b>	<b>190</b>	<b>1,080</b>

Note: The figures provided are lump-sum budget estimates

## 11 REFERENCES

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## 12 ANNEXES

### 12.1 ANNEX 1: SCREENING FORM FOR POTENTIAL ENVIRONMENTAL AND SOCIAL ISSUES

#### Introduction

This form is a tool to standardize the environmental and social screening process of INVITE project activities. The main objective of the screening process is to identify and highlight environmental and social issues that need to be considered in further decisions, planning, and design of a project, before the commencement of implementation of physical activities. The aim is to support the sustainable implementation of the planned investments under the above project. The screening form should be adapted by the PFIs to the specific scope of the Windows for which they are preparing/implementing their ESMS.

The screening must be carried out at an early stage of the subproject, in accordance with the guidance provided in the ESMF. The proponent must complete each section of this form, as outlined below.

#### *A. First Step: E&S Screening against the Exclusion List*

As a first step, all proposed activities should be screened to ensure that they are within the boundaries of the Project's eligible activities, and they are not considered as activities listed on the E&S Exclusion List in the table below.

#### Exclusion List for INVITE Project

- Production or trade in any product or activity deemed illegal under laws or regulations of Uganda or international conventions and agreements.
- High risk Environmental and Social category activities in accordance with the Government of Uganda regulations and WB ESF Risk Categorization under ESS-1.
- Production or trade in weapons or ammunitions.
- Gambling, casinos and equivalent enterprises.
- Production or trade in alcoholic beverages (excluding beer and wine).
- Activities targeting tobacco manufacturing, processing, or specialist tobacco distribution, and activities facilitating the use of tobacco.
- Trade in wildlife or wildlife products regulated under Convention on International Trade in Endangered Species (CITES).
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where DBE considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in or use of unbounded asbestos fibers.
- Any activities involving significant degradation or conversion of natural and/or critical habitats and/or any activities in legally protected areas.
- Activities damaging to national monuments activities that are located in or impacting on areas with physical cultural property attributes;
- Unsustainable fishing practices such as electric shocks or explosive materials.
- Production or trade in wood or other forestry products other than from sustainably managed forests.
- Production or trade in pharmaceuticals, pesticides/herbicides, ozone depleting substances, polychlorinated biphenyls (PCBs) subject to international phase outs or bans.
- Production or activities involving harmful or exploitative forms of forced labor or harmful child labor<sup>8</sup>.
- Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals (gasoline, kerosene, other petroleum products, textile dyes etc.).
- Activities involving land acquisition and/or restrictions on land use resulting in involuntary resettlement or economic displacement. TA Activities: Parastatals, government entities and government-controlled firms

will not qualify. Specifically, firms where the government or a parastatal is the largest shareholder, or has a majority on the board, will not qualify.

## B. Second Step: Environmental and Social Screening Form

As a second step, the INVITE Trust PIU/PFI will use the screening form below to identify and assess relevant environmental and social risks specific to MSMEs/LEs activities, and identify the appropriate mitigation measures.

The E&S Screening procedure comprises of two stages-process: (1) Initial screening by using the **Exclusion List** Annex 12 of the ESMF; and (2) Screening the proposed activities to identify the approach for E&S risk management. This Screening Form is the second stage of screening process and is to be used for all project activities. The completed forms will be signed and kept in the Project ESF file. The World Bank may review a sample of the forms during implementation support visits.

### 1. Project activity Information:

<b>Project Activity Name</b>	
<b>Project Activity Location</b>	
<b>District Local Government</b>	
<b>Estimated Cost</b>	
<b>Start/Completion Date</b>	

### 2. Environmental and Social Screening Questionnaires

Questions	Answer		Next Steps
	Yes	No	
ESS1			
1. Is the project activity likely to have significant adverse environmental impacts that are sensitive and unprecedented that trigger the 'Ineligible Activities' or other exclusion criteria?			If "Yes": Exclude from project.
2. Does the project activity involve <u>new construction or significant expansion</u> of supply chains, ponds, solid waste management systems, shelters, roads (including access roads), community centers, schools, bridges and jetties?			If "Yes": 1. Prepare a site-specific E&S Assessment and/or ESMP for the proposed subproject, based on the template in Annex 6, 7 and 13 as applicable. 2. Include E&S risk management measures in bidding documents.
3. Does the project activity involve <u>renovation or rehabilitation</u> of any small-scale supply chain, infrastructure, such as groundwater wells, latrines, showers/washing facilities, or shelters?			If "Yes": 1. Develop relevant measures based on the generic guidance given under Table 6.2 of this ESMF. (unless the follow-on screening requires a site-specific ESMP/PB/ESIA/Audit). 2. Include E&S risk management measures in bidding documents.
4. Will construction or renovation works require new borrow pits or quarries to be opened?			If "Yes": 1. Prepare a site-specific ESMP/PB/ESIA/Audit for the proposed subproject, based on the template in Annex 6, 7 and 13 as applicable.

Questions	Answer		Next Steps
	Yes	No	
			2. Include E&S risk management measures in bidding documents.
5. Does the project activity lead to any risks and impacts on, individuals or groups who, because of their particular circumstances, may be disadvantaged or vulnerable. <sup>16</sup>			If "Yes": Apply relevant measures described in the ESMF and SEP.
6. Does project activity have the relevant Approvals, Permits, Licenses, Consents, annual E&S Audits, (past compliance records/ performance)?			If "No": offer the necessary support to acquire the missing requirements/ strengthen ESHS performance.
7. Does the project activity have any existing EHS regulatory non-compliances or material environmental and social liabilities?			If "Yes": 1. Provide information on their existing EHS conditions (compliance, performance, liabilities)  2. Offer the necessary support to achieve compliance for low risk non-compliances with a corrective action plan and 3. exclude activities with material non-compliances .
8. Does the MSMEs/LEs have ESHS capacity to implement the subproject?			If "No" recommend capacity development/strengthening measures commensurate to the E&S risks
<b>ESS2</b>			
9. Does the project activity involve use of goods and equipment involving forced labor, child labor, or other harmful or exploitative forms of labor?			If "Yes": Exclude from project.
10. Does the project activity involve recruitment of workforce including direct, contracted, primary supply, and/or community workers?			If "Yes": Apply LMP in Annex 3.
11. Will the workers be exposed to workplace hazards that need to be managed in accordance with local regulations and EHSs? Do workers need PPE relative to the potential risks and hazards associated with their work?			If "Yes": Apply LMP in Annex 3.
12. Is there a risk that women may be underpaid when compared to men when working on the project activity?			If "Yes": Apply LMP in Annex 3.
13. Are there potential existing liabilities in PFI/ MSMEs/LEs buildings used for their operations in terms of Safety of Services, Emergency Preparedness and Response, or environmental liabilities (e.g., asbestos, lack of potable water, etc.)?			If "Yes": 1. Review adequacy of the site-specific mitigation measures in the ESMS/ESMP 2. Confirm availability of approved occupation permit for the building
<b>ESS3</b>			

<sup>16</sup> "Disadvantaged or vulnerable" refers to those individuals or groups who, by virtue of, for example, their age, gender, ethnicity, religion, physical, mental or other disability, social, civic or health status, sexual orientation, gender identity, economic disadvantages or ethnic peoples status, and/or dependence on unique natural resources, may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project's benefits.

Questions	Answer		Next Steps
	Yes	No	
14. Is the project activity likely to generate solid or liquid waste that could adversely impact soils, vegetation, rivers, streams or groundwater, or nearby communities?			If "Yes": 1. Prepare a site-specific ESMP for the proposed subproject, based on the template in Annex 7. 2. Include E&S risk management measures in bidding documents.
15. Do any of the construction works involve the removal of asbestos or other hazardous materials?			If "Yes": prepare hazardous waste management plan in consultation with NEMA
16. Are works likely to cause significant negative impacts to noise, air and / or water quality?			If "Yes": 1. Prepare a site-specific ESMP/PB/ESIA/Audit for the proposed subproject, based on the template in Annex 6, 7 and 13 as applicable. 2. Include E&S risk management measures in bidding documents.
17. Does the project activity pose significant water and energy consumption?			If "Yes": 1. Prepare a site-specific ESMP/PB/ESIA/Audit for the proposed subproject, based on the template in Annex 6, 7 and 13 as applicable. 2. Include E&S risk management measures in bidding documents.
18. Does the project activity rely on existing infrastructure (such as discharge points) that is inadequate to prevent environmental impacts?			If "Yes": 1. Prepare a site-specific ESMP/PB/ESIA/Audit for the proposed subproject, based on the template in Annex 6, 7 and 13 as applicable. 2. Include E&S risk management measures in bidding documents.
19. Is there any potential to have impact on soil or water bodies due to agro-chemicals (e.g., pesticides) used in farmlands due to the consequences of the project activities (e.g., development of irrigation system, agriculture related activities, seed and fertilizer assistance, procurement of pesticides)?			If "Yes": prepare Pest Management Plan.
<b>ESS4</b>			
20. Is there a risk of increased community exposure to communicable disease (such as Ebola, Cholera, COVID-19, HIV/AIDS, Malaria), or increase in the risk of traffic related accidents?			If "Yes": Apply LMP in Annex 3 and relevant measures in SEP.
21. Is an influx of workers, from outside the community, expected? Would workers be expected to use health services of the community? Would they create pressures on existing community services (water, electricity, health, recreation, others?)			If "Yes": Apply LMP in Annex 3.
22. Is there a risk that SEA/SH may increase as a result of project activity?			If "Yes": Apply LMP in Annex 3.
23. Would any public facilities, such as schools, health clinic, church be negatively affected by project activity?			If "Yes": Apply relevant measures based on the ESMF (unless one of the

Questions	Answer		Next Steps
	Yes	No	
			other questions in the screening form raises specific environmental and social risks and requires a site-specific ESMP).
24. Will the project activity require the government to retain workers to provide security to safeguard the subproject?			If "Yes": Prepare a site-specific ESMP for the proposed subproject, including an assessment of potential risks and mitigation measures of using security personnel.
25. Does the project activity comply with Infrastructure and Equipment Design and Safety requirements including, Safety of Services?			If "No": Require the designs to be reviewed and approved by qualified Engineers and Health and Safety Authorities.
26. Does the project activity entail Traffic and Road Safety risks?			If "Yes": Develop a Traffic Management Plan
27. Does the project activity involve management and handling or use of hazardous materials?			If "Yes": Prepare a hazardous waste management plan
28. Does the project activity have an Emergency Preparedness and Response Plan including fire safety?			If "No": prepare an Emergency Preparedness and Response Plan in line with guidance provided in Annex 16
<b>ESS5</b>			
29. Will the project activity require the involuntary acquisition of new land (will the government use eminent domain powers to acquire the land)? <sup>17</sup>			If "Yes": Refer to and apply the project exclusion list under the ESCP.
30. Will the project activity lead to temporary or permanent physical displacement (including people without legal claims to land)?			If "Yes": Refer to and apply the project exclusion list under the ESCP
31. Will the project activity lead to economic displacement (such as loss of assets or livelihoods, or access to resources due to land acquisition or access restrictions)?			If "Yes": Refer to and apply the project exclusion list under the ESCP
32. Has the site of the project activity been acquired through eminent domain in the past 5 years, in anticipation of the subproject?			If "Yes": Refer to and apply the project exclusion list under the ESCP
33. Are there any associated facilities needed for the project activity (such as access roads or electricity transmission lines) that will require the involuntary acquisition of new land?			If "Yes": Refer to and apply the project exclusion list under the ESCP

<sup>17</sup> Environmental and Social Standard 5, Footnote 10: "In some circumstances, it may be proposed that part or all of the land to be used by the sub-project is donated on a voluntary basis without payment of full compensation. Subject to prior Bank approval, this may be acceptable providing the Borrower demonstrates that: (a) the potential donor or donors have been appropriately informed and consulted about the project and the choices available to them; (b) potential donors are aware that refusal is an option, and have confirmed in writing their willingness to proceed with the donation; (c) the amount of land being donated is minor and will not reduce the donor's remaining land area below that required to maintain the donor's livelihood at current levels; (d) no household relocation is involved; (e) the donor is expected to benefit directly from the project; and (f) for community or collective land, donation can only occur with the consent of individuals using or occupying the land. The Borrower will maintain a transparent record of all consultations and agreements reached."

Questions	Answer		Next Steps
	Yes	No	
34. Is private land required for the project activity being voluntarily donated to the project? <sup>18</sup>			If “Yes”: Refer to and apply the Land donation form (Annex 5)
<b>ESS6</b>			
35. Does the project activity involve activities that have potential to cause any significant loss or degradation of critical habitats <sup>19</sup> whether directly or indirectly, or which would lead to adverse impacts on natural habitats <sup>20</sup> ?			If “Yes”: Exclude from project.
36. Will the project activity involve the conversion or degradation of non-critical natural habitats?			If “Yes”: 1. Prepare a site-specific ESMP for the proposed subproject, based on the template in Annex 7. 2. Include E&S risk management measures in bidding documents.
37. Will this project activity require clearance of trees, including inland natural vegetation?			If “Yes”: 1. Prepare a site-specific ESMP for the proposed subproject, based on the template in Annex 7. 2. Include E&S risk management measures in bidding documents.
38. Will there be any significant impact on any ecosystems of importance (especially those supporting rare, threatened or endangered species of flora and fauna)?			If “Yes”: Exclude from project.
<b>ESS7</b>			
39. Are there any Indigenous Peoples or Sub-Saharan African Historically Underserved Traditional Local Communities present in the project activity area and are likely to be affected by the proposed project activity negatively?			If “Yes”: Prepare an Indigenous Peoples Plan OR Include the requirements of an Indigenous Peoples Plan in the SEP.
<b>ESS8</b>			

<sup>18</sup> Environmental and Social Standard 5, Footnote 10: “In some circumstances, it may be proposed that part or all of the land to be used by the project is donated on a voluntary basis without payment of full compensation. Subject to prior Bank approval, this may be acceptable providing the Borrower demonstrates that: (a) the potential donor or donors have been appropriately informed and consulted about the project and the choices available to them; (b) potential donors are aware that refusal is an option, and have confirmed in writing their willingness to proceed with the donation; (c) the amount of land being donated is minor and will not reduce the donor’s remaining land area below that required to maintain the donor’s livelihood at current levels; (d) no household relocation is involved; (e) the donor is expected to benefit directly from the project; and (f) for community or collective land, donation can only occur with the consent of individuals using or occupying the land. The Borrower will maintain a transparent record of all consultations and agreements reached.”

<sup>19</sup> Environmental and Social Standard 6, paragraph 23: “Critical habitat is defined as areas with high biodiversity importance or value, including (a) Habitat of significant importance to Critically Endangered or Endangered species, as listed in the IUCN Red List of threatened species or equivalent national approaches; (b) Habitat of significant importance to endemic or restricted-range species; (c) Habitat supporting globally or nationally significant concentrations of migratory or congregatory species; (d) Highly threatened or unique ecosystems; and (e) Ecological functions or characteristics that are needed to maintain the viability of the biodiversity values described above in (a) to (d).”

<sup>20</sup> Environmental and Social Standard 6, paragraph 21: “Natural habitats are areas composed of viable assemblages of plant and/or animal species of largely native origin, and/or where human activity has not essentially modified an area’s primary ecological functions and species composition.”

Questions	Answer		Next Steps
	Yes	No	
40. Is the project activity to be located adjacent to a sensitive site (historical or archaeological or culturally significant site) or facility?			If "Yes": Apply Chance Find Procedures in Annex 4.
41. Located near buildings, sacred trees or objects having spiritual values to local communities (e.g. memorials, graves or stones) or require excavation near there?			If "Yes": Apply Chance Find Procedures in Annex 4.

### 3. Conclusion

Based on the result from the screening above, using both Uganda regulations and WB ESF, please indicate ES Risk Classification and list the E&S risk management instruments to be prepared / adopted and implemented (cross reference with section 8.1.2 and Table 8.3 of this ESMF:

ES Risk Classification:.....

ES Instruments to be prepared:

- a) .....
- b) .....
- c) .....

### CERTIFICATION BY THE PFI

We certify that we have thoroughly examined all the potential adverse effects of this project activity and recommended appropriate Risk Categorization and E&S Instrument/s to be prepared/used.

Reviewer/s Title: .....

Name/s and Contact/s (EM + TEL): .....

Signature/s: .....

Date: .....

### CERTIFICATION BY THE INVITE TRUST (Depending on the Window and Risk of Activity) (Project Environmental Specialist & Project Social Development Specialist)

We certify that we have thoroughly examined all the potential adverse effects of this project activity and recommended appropriate Risk Categorization and E&S Instrument/s to be prepared/used.

Reviewer/s Title: .....

Name/s and Contact (EM + TEL) .....

Signature/s: .....

Date: .....

### Screening Results were reviewed and approved by: (Project Manager)

Name: .....

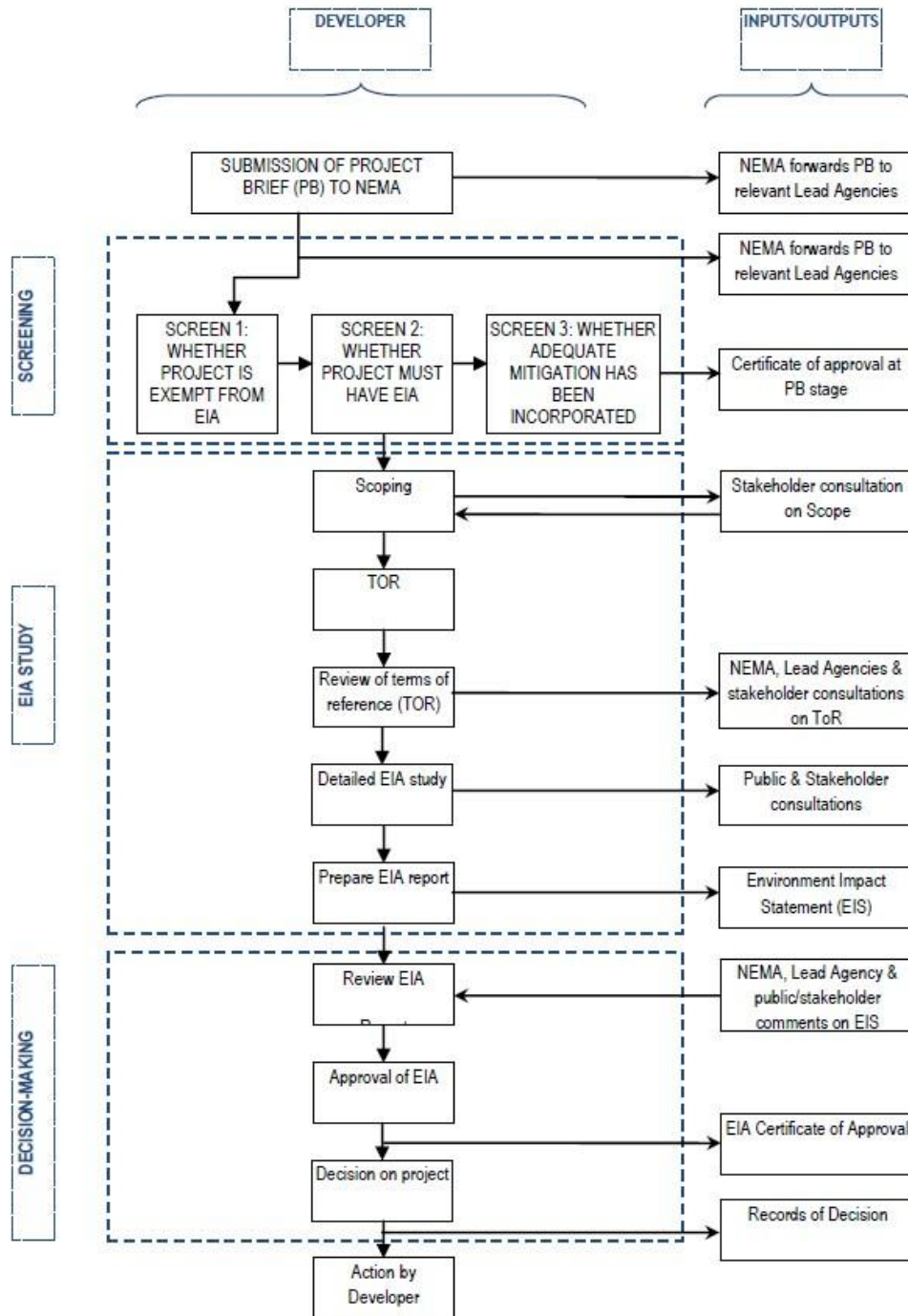
Position: .....

Signature: .....

Date: .....

## 12.2 ANNEX 2: ESIA PROCESS IN UGANDA, PREPARATION OF ESMP AND MONITORING PLAN

The ESIA Guidelines (NEMA 1997) and the ESIA Regulations 2020 recognize the following stages in an ESIA process: Project Brief formulation; Screening; Environmental impacts study; and Decision making. In addition, public consultation is required throughout the ESIA process.



EIA Process in Uganda: (Source: EIA Guidelines for Uganda, 1997)

### 12.3 ANNEX 3: LABOUR MANAGEMENT PROCEDURES

Labor Management Procedure (LMP) has been developed to manage labor risks during the implementation of the INVITE Project.” The PMP provides measures for workers and community safety, including emergency procedures. The PMP forms part of this ESMF and should therefore be used in cross-reference. It is recommended that the key aspects of LMP including those of other E&S instruments, shall be incorporated in the Grant Agreements for implementation.

Labor Management Procedures apply to any project component where labor management aspects need consideration. For the reason that this ESMF has been prepared before full knowledge of all project details, including detailed or individual project-activities labor requirements, the labor management procedures should be revised annually to cater for any emerging labor issues not evident at this stage.

The Labor Management Procedure has been developed to set the way in which project workers will be managed in accordance with the requirements of Uganda Labor and Employment Laws and World Bank’s Environmental and Social Standard 2 (ESS2) –Labor and Working Conditions. The Labor Management Procedures (LMP) apply to project workers including full-time, part-time, temporary, migrant workers, and specifically as listed under ESS2, the following: Direct workers, Contracted workers, Community workers, and Primary supply workers. The LMP is applicable, as per ESS2 to the project in the following manner:

- a. People employed or engaged directly by the Government (including the project proponent/INVITE Trust and other project implementing agencies/ host decentralized governments to work specifically in relation to the project (*Direct workers*);
- b. People employed or engaged through third parties to perform work related to core functions of the project, regardless of location (*Contracted workers*). ‘Third parties may include PFIs/MSMEs among others;
- c. People employed or engaged to provide community labor (*Community workers*) as that term is identified in paragraphs 34-38 of ESS2; and
- d. People employed or engaged by INVITE Trust/PFIs/MSMEs/LEs’ primary suppliers (*Primary supply workers*) – are those suppliers who, on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project identified in paragraphs 39-42 of ESS2.

#### **Overview of Labor Use in the Project**

The characteristics of Project workers in terms of types, numbers and timing of the individual requirements cannot be provided definitely at this point but guiding projections can be provided to serve as a basis to guide project implementation.

**Timing of Labor Requirements** will correspond to timing of implementation of each operation/ project component and/or activity.

**Workforce requirement:** the requirement of the work force at different levels and labor type will be determined by the scope of work to be undertaken under different project components. The following estimates are based on a projected workforce needs dictated by the type of subcomponents, institutional capacity building aspects and involving participation of communities themselves (Pro-poor groups). The table below presents the estimated labor force for each type of worker. Most of these workers are government civil servants and Community workers. INVITE Trust shall ensure that the employment Contracts of all types of workers are in line with Uganda’s Employment, Labor, and OSH Acts, as well as the provisions of ESS2, in particular the provisions relating to terms and conditions of employment, non-discrimination and equal opportunity,

occupational health and safety, and prohibitions on forced and child labor. Their requirements, including those specified under ESS2 shall be incorporated as appropriate and enforced.

### **Assessment of Key Potential Labor Risks**

The infrastructure-related works of the project are expected to pose risks typically associated with construction projects such as: Possible accidents/ injuries from tools and machinery, excavations, Absence/ lack of insurance for construction workers, Generation of waste, and associated resources (water, energy) efficiency issues, community health and safety, labor impacts on host communities in case there is influx, etc.

There are three principal human risk groups:

- persons exposed to occupational health and safety risks of project activities (construction, rehabilitation, etc.), O&M of any facility, and also related to TA activities (which include road travel, etc.)
- project host community health and safety arising from project activities, labor influx with its associated social ills and associated spread of diseases.

One of the key labor risks posed by the project is related to occupational health and safety concern - Investments where civil works are undertaken amidst the host community; specifically, related to hazards from construction, operation and maintenance activities such as unsecured excavations, traffic accidents, dust and noise pollution, waste disposal, strain on community infrastructure, GBV/SEA by project workers, exclusion of VMIGs from project related employment opportunities, etc., refer to the WB EHS General and sector guidelines for a more complete list of OHS risks under section 7.2. Managing these risks require adequate training for direct, contracted, community workers, and Government employees involved in project implementation.

Labor migration/influx will be limited in scope, due to limited contracted services. However, activities under Component 1 and 2 may result in implementation of Substantial risk level infrastructure by the MSMEs and LEs. Therefore, the risks associated with HIV/AIDS transmission and increased levels of GBV/Sexual harassment are expected to be substantial and continuous sensitization of the workers and participating communities against such evils will be undertaken by the project. In addition, all project contracts shall be required to have a code of conduct for all project workers, which will among others include aspects and clauses against SEA. The project will work closely with the local leaders and structures such as the Uganda Police to ensure the National Law requirements against SEA are respected and followed. The likely risk of employment discrimination against women and VMIGs has been addressed in the project design which will deliberately target female beneficiaries and prioritize the participation of the vulnerable pro-poor groups. Under ESS2 and the Ugandan Labor Laws, the project will not recruit any labor of under 18 years of age (applicable also to community workers). In addition, the project will not employ forced labor, and all workers shall be required to have a working contract/ appointment letter before assuming work. Where Community/ Voluntary workers are engaged, the project shall ensure the use of a Community Agreement, containing agreed terms of engagement.

Additional mitigation measures will include the following:

- Training on inclusion and non-discrimination, including on VMIGs for clients (e.g., workers, lead investors etc.) and mobilization of communities.
- Include in the loan agreement provisions of non-discrimination and enhance Codes of Conducts (CoCs) to guard against all forms of discrimination.

- Enhance monitoring and supervision through third parties, and community monitoring.
- Principles of inclusion and non-discrimination, including based on vulnerability, are included in enhanced hiring procedures (TORs, advertisements, etc.).

### **Overview of Labor Legislation: Terms and Conditions**

Terms and conditions of employment of workers under the project shall be according to Uganda's *Employment Act, 2006*, Workers Compensation Act 2000, and FIDIC; in consistency with the requirements of ESS2. Key aspects to pay attention to are:

Clear contracts will be entered into with workers; stipulating their rights according to the *Employment Act, 2006* mentioned above.

Method of payments to workers, clear procedures on any deductions of their wages, and clear procedures of rests, leaves, and holidays, are to be provided to the workers according to Parts V and VI of the *Employment Act, 2006* mentioned above.

Procedures of termination of employment shall be clear and understandable.

***The Employment Act of 2006:*** The Employment Act is the governing legal statutory instrument for the recruitment, contracting, deployment, remuneration, management, and compensation of workers. This Act provides for matters governing individual employment relationships in terms of circumstances of provision of labor.

***Occupational Safety and Health Act of 2006:*** The Occupational Safety and Health Act of 2006 makes provisions for the health, safety, welfare, and appropriate training of persons employed in workplaces.

***Workers Compensation Act of 2000:*** The Act outlines matters of compensation for injuries and accidents as well as the responsibility of employees to take care of their health, health, and safety while on the project.

***Public Health Act Cap.281:*** Part IX Sanitation and Housing: No person shall cause a nuisance or shall suffer to exist on any land or premises owned or occupied by him or her or of which he/she is in charge, any nuisance or other condition liable to be injurious or dangerous to health.

***The National Environment Act 2019, Section 3,*** provides for a Right to a decent environment per the Constitution and the principles of sustainable development.

### **International Labor Management Requirements:**

The applicable international instruments to the project include; the World Bank Environmental Health Safety Guidelines (EHSGs), World Bank's Environmental and Social Standard two (ESS-2) on Labor and Working conditions which clearly requires projects to undertake the following: promote safety and health at work; promote fair treatment, non-discrimination and equal opportunity of project workers; protect workers, including vulnerable workers such as women, persons with disabilities, children (of working age, in accordance with this ESS) and migrant workers, contracted workers and primary supply workers as appropriate; prevent all forms of forced labor and child labor; support principles of freedom of association and collective bargaining power in a manner consistent with the national law; and to provide workers with accessible means to raise workplace concerns.

Other International requirements include instruments of the International Labor Organization (ILO): Freedom of Association and Protection of the Right to Organize (ILO Convention 87, Article 88); The Right to Organize and Collective Bargaining (ILO Convention 98), Forced Labor (ILO Convention, Articles 3&4); The Abolition of Forced Labor (ILO Convention 105, Article 1); Minimum Age (of Employment, ILO Convention 138, Article 1); Discrimination (Employment and Occupation, ILO Convention 111, Article 11).

## 1. Overview of Labor Legislation: Occupational Health and Safety

Managing occupational health and safety procedures will be based on Uganda's *Occupational Safety and Health Act, 2006*, and FIDIC 1999 clauses 4.8 and 6.7

Key OHS measures are as follows:

- a. Procedures to ensure establishing and maintaining safe working conditions.
- b. Reporting channels for workers to report work situations that they see are not safe or healthy.
- c. Compliance to requirements of the OHS Act by employers (lead investors/grant recipients).
- d. A system for continual review of OHS performance and conditions in workplace environment.

## 2. Institutional Framework

The following are some of the key institutions in the implementation of Labor Management in Uganda, and specifically for this project. They are:

- a. **INVITE Trust:** will be in charge of implementation of component 1 and subcomponents 2.1. and 2.2 of the INVITE Project and ensuring labor and employment requirements are implemented as per the Uganda laws and ESS2. In addition to the Environment and Social Specialists at INVITE Trust will be based on the nature of their portfolio and project activity being supported by them, procure E&S consultants to support implementation of the Environment and Social requirements in specific project activities;
- b. **PFI:** The Components under INVITE Trust will be largely be implemented through the PFIs. And therefore, the PFIs shall be required to implement the project in line with the provisions stated in the ESMF (LMP) and ensuring labor and employment requirements are implemented as per the Uganda laws and ESS2.
- c. **Enterprises:** INVITE Trust/PFIs will provide the loans/credit to the MSMEs/LEs . The project beneficiaries shall implement the project in line with the provisions stated in the ESMF (LMP) and ensuring labor and employment requirements are implemented as per the Uganda laws and ESS2.
- d. **Ministry of Gender, Labor and Social Development- MGLSD:** - following their Statutory Mandate, will be in charge of enforcing OSH aspects and ensuring implementation of labor-employment requirements at workplaces, covering the whole country; MGLSD shall be assisted by the District Labor Officers on a day to day basis since they are at the grassroots and interface with the project on a daily basis in line with their responsibilities at that level. The PSFU Environmental and Social Specialist will take the lead in coordinating participation, working closely with designated labor officers, designated community development officers, and involvement of MGLSD. The project will further build the capacity of participating/ host decentralized/local governments in overseeing the implementation of health safety measures in project activities;
- e. **National Environment Management Authority-NEMA:** - following their Regulatory Role, NEMA will monitor and enforce project activities to ensure proper implementation of project activities to minimize likely impacts on the communities and workers, and will also monitor implementation and enforcement of labor requirements in the project;
- f. **Ministry of Local Governments (MoLG):** - in charge of decentralized governance in Uganda, will directly supervise the District Local Governments to ensure they implement the project in line with Uganda's Local Governments Act that provides for decentralized functions, and implementation of labor laws and ESS 2 requirements, among others;

- g. **Host District Local Governments / Urban Authorities:** - have various technical officers ranging from District labor officers charged with enforcement of labor working conditions and resolving labor-related complaints; and
- h. **National Organization of Trade Unions-NOTU;** - will monitor the labor and working conditions of the project.

### Working Conditions for Project Workers

Provision	Project Staff/ INVITE Trust, PFIs, MSMEs, LEs and Consultants	National MDAs (MFPED, OPM, MGLSD, MTIC, NEMA), District & Sub-County/ Divisions/ Town Councils Local Governments Staff – Civil/ Public Servants	Community workers
Appointment Letter/ Working Contract / Agreement	X	X	X
Adequate periods of rest per week, annual holidays and sick, maternity, and family leave	X	X	—
Termination in accordance with Uganda Labor Law, relevant International Conventions ratified by Uganda	X	—	—
Non-Discrimination	X	X	X
Workers' organization	X	---	---
Minimum age of employment	X	X	X
Prevention of Forced Labor	X	X	X
Monthly salary payment	X	---	---
Accommodation	X	—	—
Health Insurance	X	—	—
Code of Conduct	All project staff	All project staff	X
Occupational Health and Safety	x	X	X

### 3. Policies and Procedures

Measures that should be followed during project implementation to address labor risks are provided below:

- a. All employers on this project shall develop and implement OHS management system (plan);
- b. All parties involved in employing or engaging project workers shall make sure to provide full information to workers, and conduct training for them about OHS requirements;
- c. Personal protective equipment should be provided to workers without expense to them;
- d. Clear processes and procedures shall be available to workers to enable them to report work situations that they believe are not safe or healthy, and accordingly remove themselves;
- e. Facilities appropriate to the circumstances of the works will be provided to the project workers;
- f. A system of regular review of OHS performance and the working environment will be put in place;
- g. A safety Plan shall be provided before the beginning of these works in the project;
- h. Insurance of project workers, equipment, and machinery;

- i. Vulnerable or Marginalized Individuals or groups (VMIGs) shall not be excluded from employment opportunities based on their particularities;
- j. OHS measures related to TA activities;
- k. Reporting of significant OHS incidents.

#### **4. Forced Labor, Child Labor and Age of Employment**

- i) Forced labor which consists of any work or service not voluntarily performed that is exacted from an individual under threat of force or penalty, will not be used in connection with the project. No trafficked persons shall be employed in connection with the project.
- ii) Persons under the age of 18 will not be employed or engaged in connection with this project.
- iii) Age of workers will be verified from their national identity documents.
- iv) If an underage worker is found on the project, the PFIs/MSMEs/LEs who employed such workers shall be stopped from working at their own cost, fined (contractual deduction), and be given a notification to change such workers.

#### **5. Terms and Conditions**

- Wages shall be paid to the project workers by PFIs/MSMEs/LEs according to Ugandan laws.
- The maximum number of hours that can be worked on the project is 8 hours a day.
- All other terms and conditions specified in the Ugandan labor law, FEDIC 1999, and World Bank Group EHS requirements apply to the project.

#### **6. Workers' Grievances Management Committees and Structure**

In line with the provisions of ESS2 and ESS10, the INVITE Trust and other implementing entities will establish an accessible and functional **Worker** Grievance Mechanism for all categories of **workers** described in this LMP. All workers will have the liberty to communicate their grievances to their direct employer, and/or to INVITE Trust and WB. Grievances shall be communicated by complainants verbally or using a telephone (Hotline to be established), email, or letter to either or all of the aforementioned entities. The various laws listed in the above paragraph provide employers and workers or their respective associations with opportunities to use social dialogue to prevent and resolve labor disputes amicably. The Workers in their respective work functions/units will select a member to represent them in the worker's council, then the elected members to the workers' council will form a Grievance Redress Committee (GRC) that will be composed of at least 5 members voted from workers' council. The GRC will be composed of;

- i. The chairperson
- ii. Vice-chairperson
- iii. Secretary
- iv. Women's representative
- v. Representative from respective work unit

It will be the duty of the project-implementing agency to work closely with the PFIs to ensure that project workers are briefed about the grievance mechanism after they have been hired but before they commence undertaking project activities. The mechanism will use an understandable and transparent process that provides feedback to those concerned, without any retribution. It will not impede access to other judicial or administrative remedies that might be available under law or through existing arbitration procedures, or substitute for grievance mechanisms provided through

collective bargaining powers. Some of the avenues available to workers to raise their grievances will include; toolbox talk meetings, email, strategically located suggestion boxes, site emergency contact numbers, and designated persons among others.

The National Grievance Redress Committee (NGRC) as stated in section 8.6 of this ESMF. The Project Manager will be the Secretary to the NGRC on matters of resolving grievances. Each participating District will establish one GRC at that level, chaired by the Chief Administrative Officer (CAO), followed by the ones at Lower Local Government Levels of the Municipalities, Divisions, Town Councils, Sub-County chaired by their respective Heads, Parish Level chaired by the Parish Chiefs and at the lowest administrative level of villages, chaired by the LC-1 Chairperson. The use of existing grievance redress structures at District and Lower Local Government Levels is highly recommended.

It should be emphasized that this GRM is not a substitution to the legal system for receiving and handling grievances. However, this is formed to mediate and seek appropriate solutions to labor-related grievances, without escalating to legal redress. Legal redress is noted as the last resort mechanism to resolve labor disputes.

The Community Health and Safety Standard recognizes that project activities, equipment, and infrastructure can increase community exposure to risks and impacts. Potential negative impacts affecting health and safety may arise from project-supported activities which in this case may include management impacts from infrastructure activities, safe disposal of wastes, and associated packaging amongst others. It is therefore important that, the project strictly observes the need to avoid or minimize the risks and impacts to community health, safety and security that may arise from its particular attention given to the health and safety of the communities. Therefore, it is important to ensure that, the project avoid or minimize the potential for community exposure to health risks (e.g., accidents, pollution, contaminated areas/resources, errant workers) and diseases that could result from or be exacerbated by vector-borne diseases, and communicable diseases, injuries, mental health, and well-being.

#### 12.4 ANNEX 4: CHANCE FINDS PROCEDURE

A Chance Finds Procedure to guide management of any accidental discoveries of histo-cultural resources in the process of implementing the requirements of ESS8-Cultural Heritage. The procedure will be as follows:

- a. Stop the construction activities in the area of the chance find;
- b. Delineate the discovered site or area;
- c. Secure the site to prevent any damage or loss of removable objects. In cases of removable antiquities or sensitive remains, a night guard shall be present until the responsible local authorities and the Directorate of Museums and Monuments take over;
- d. Notify the supervisory Engineer who in turn will notify the responsible local authorities and the Directorate of Museums and Monuments under the Ministry of Tourism, Wildlife and Antiquities (within 24-48 hrs. or less);
- e. The Directorate of Museums and Monuments would be in charge of protecting and preserving the site before deciding on subsequent appropriate procedures. This would require a preliminary evaluation of the findings to be performed by the archaeologists of the Directorate of Museums and Monuments (within 24 hours). The significance and importance of the findings should be assessed according to the various criteria relevant to cultural heritage; those include the aesthetic, historical, scientific or research, social, and economic values;
- f. Decisions on how to handle the finding shall be taken by the Directorate of Museums and Monuments. This could include changes in the layout (such as when finding an irremovable remain of cultural or archaeological importance) conservation, preservation, restoration and salvage;
- g. Implementation of the authority decision concerning the management of the finding shall be communicated in writing by the Directorate of Museums and Monuments;
- h. Construction work could resume only after permission is given from the responsible local authorities and the Directorate of Museums and Monuments concerning the safeguards of the heritage;
- i. These procedures must be referred to as standard provisions in grant agreements, when applicable. During project supervision, the Site Engineer shall monitor the above regulations relating to the treatment of any chance find encountered are observed;
- j. Construction work will resume only after authorization is given by the responsible local authorities and the National Museum concerning the safeguard of the heritage; and

## 12.5 ANNEX 5: FORMAT FOR DOCUMENTATION OF ASSETS/LAND DONATION CONTRIBUTION

The following agreement has been made on ..... day of.....between.....resident of (*Village/Cell, Parish/Ward, Sub-county/ Town Council/ Division, District*) .....(the Owner) and ..... (the Recipient).

1. That the Owner holds the transferable right of .....ha/ or .....m X .....m of land/structure/asset in (*Village/Cell, Parish/Ward, Sub-county/ Town-Council/ Division, District – include GPS Coordinates of Land*)

.....

2. That the Owner testifies that the land/structure is free of squatters or encroachers and not subject to other claims.

3. That the Owner hereby grants to the Recipient this asset for the construction and development of ..... (*subproject*) for the benefit of the villagers and the public at large.

**(Either, in case of donation)**

4. That the Owner will not claim any compensation against the grant of this asset.

**(Or, in case of compensation)**

5. That the Owner will receive compensation against the grant of this asset as per the attached Schedule.

6. That the Recipient agrees to accept this grant of asset for the purposes mentioned.

7. That the Recipient shall construct and develop the.....and take all possible precautions to avoid damage to adjacent land/structure/other assets.

8. That both the parties agree that the.....so constructed/developed shall be public premises.

9. That the provisions of this agreement will come into force from the date of signing of this deed.

Signature of the Land Owner:

Signature of the Recipient/District Project Coordinator/ S/c Community Development Officer:

Witnesses: \_ (*Prefer Village/Cell Members*) \_\_\_\_\_ (*Name, Signature, Stamp and Date*):

1.

2.

Attestation by District Lands Officer, Date (*Name, Signature, Stamp and Date*):

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Confirmation by Area Land Committee Chairperson (*Name, Signature, Stamp and Date*):

---

Confirmation of DIT Chair/ Chief Administrative Officer: (*Name, Signature, Stamp and Date*)

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**END**

## 12.6 ANNEX 6: GENERIC ESIA TERMS OF REFERENCE

*These TORs are provided in case there is a Substantial Risk project activity identified during E&S screening and shall be customized as appropriate.*

### **I. Introduction and context**

This section will be completed at the appropriate time and will provide the necessary information with respect to the context and methodological approaches to be undertaken.

### **II. Objectives of the study**

This section will (i) outline the objectives and particular activities of the planned activity; and (ii) indicate which activities are likely to have environmental and social impacts that will require appropriate mitigation. (Adapted to specific activities)

### **III. Terms of Reference**

**The consultant will perform the following tasks:**

- a) Carry out a description of the biophysical characteristics of the environment in which the planned activity will take place, and highlight the major constraints that need to be considered during construction as well as during the operation of the facility;
- b) Describe the proposed location and physical boundaries, including maps and coordinates, and site layout plans, of the project, clearly showing the projected area of land or air that may be affected by the project activities, or, if it is a linear activity, a description of the route of the activity and analysis of site selection procedure and alternative routes;
- c) A description of the manner in which the proposed project and its location conform to existing laws and standards governing such projects, including a reference to relevant plans required under the Physical Planning Act, 2010;
- d) Assess the design of the project and any other project-related components, including the activities that shall be undertaken and a description of the major material inputs to be used during the construction or development and operation of the project;
- e) Describe baseline conditions of the physical, biological and socioeconomic environment of the project area, including results of relevant studies and other geophysical and geotechnical studies. Carry out a description of the socio-economic environment of the planned investment, and highlight the major constraints that need to be considered during construction as well as during operation of the facility;
- f) Assess the potential environmental, health, safety and social impacts due to construction or rehabilitation activities, and recommend mitigation measures to be taken as appropriate during the preconstruction, construction, operational and decommissioning phases of the project, including cost estimates;
- g) Assess the potential environmental and social impacts due to the provision of water supply and sanitation facilities that might be needed for the planned facility and make appropriate recommendations;

- h) An assessment of climate-related impacts associated with the project, including potential climate benefits and carbon footprints of the proposed project, as well as the potential vulnerability of the proposed project or activity to climate change, and the proposed adaptation and mitigation measures;
- i) Assess the need for liquid and solid waste collection, disposal, and management in the facility, and make recommendations accordingly;
- j) Discuss alternative project designs and make recommendations; including a zero or no project alternative in terms of project location, project design or technologies to be used, and a justification for selecting the chosen option;
- k) Assess alternative project designs and make recommendations;
- l) An assessment of alternative resettlement areas for project-affected persons, if any or any plans of compensation;
- m) An assessment of the secondary or cumulative impact of the project and associated activities;
- n) Review the respective national environmental policies, legislation, regulatory and administrative/ institutional frameworks in conjunction with the donors' E&S policies, indicate which of these policies is relevant to/ triggered by the planned activity, identify any gaps that might exist, and make recommendations as to how potential gaps should be bridged in the context of the planned activity;
- o) Review the Conventions and Protocols to which the country is a signatory;
- p) Provide an indication of permits, licenses or other approvals that may be required for the project;
- q) Assess the country's environmental assessment and management capacity, as well as the capacity to implement the proposed mitigation measures, and make appropriate recommendations, including potential capacity building and training needs, and their costs;
- r) Prepare an Environmental and Social Management Plan (ESMP) for the planned activity. The ESMP should outline (a) potential environmental and social impacts resulting from the activity; (b) proposed mitigation measures; (c) institutional responsibilities for implementation of the mitigation measures; (d) monitoring indicators; (e) institutional responsibilities for monitoring the implementation of the mitigation measures; (f) cost estimates for these activities; and (g) time horizons for implementing the ESMP.
- s) Public consultations: EIA results and proposed mitigating measures will then be shared with the potentially affected population, NGOs, local authorities and the private sector working in the area where the activity will take place. Minutes of this consultation will form an integral part of the report.

#### **IV. Report Plan (incorporating requirements of both WB-ESF, Ug. ESIA Regulations - Schedule 5)**

- Cover page, including Title of the Proposed Project
- Declaration sheet signed by all the environmental practitioners who undertook the environmental and social impact study.
- Acknowledgement
- List of acronyms
- Table of Contents
- Executive summary (as necessary, in English and French)
- Introduction

- Description and Location of the proposed activity
- Name, address, contact information of the developer and date of submission
- Description of the environment of the area where the activity will take place
- Description of the policy, institutional and regulatory framework.
- Methods and techniques used during evaluation and impact analysis of the proposed activity.
- Description of potential alternatives to the proposed project design.
- Description of environmental and social impacts of the proposed activity.
- Discussion of consultations with relevant stakeholders, including potentially affected persons.
- Environmental and Social Management Plan for the proposed activity.
- Monitoring indicators for the proposed activity.
- Recommendations.
- References.
- List of individuals/ institutions contacted.

## 12.7 ANNEX 7: ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN (ESMP) TEMPLATE

Environmental and social risks and impacts are strongly linked to project activity location and scope of activities. This ESMP should be customized for each specific project activity location and activities.

### 1. Project activity Information

Project activity name:	
Estimated Cost:	
Start/Completion Date:	

### 2. Site/Location Description

*This section concisely describes the proposed location and its geographic, ecological, social and temporal context including any offsite investments that may be required (e.g., access roads, water supply, etc.). Please attach a map of the location to the ESMP.*

### 3. Project activity Description

*This section lists all the activities that will take place under the subproject, including any associated activities (such as building of access roads or transmission lines, or communication campaigns that accompany service provision).*

### 4. ESMP Matrix: Risk and Impacts, Mitigation, Monitoring

*This section should identify anticipated site-specific adverse environmental and social risks and impacts; describe mitigation measures to address these risks and impact; and list the monitoring measures necessary to ensure effective implementation of the mitigation measures. It may draw from the ESMF's pre-identification of potential risks/impacts and mitigation measures, as applicable, and drill down further to ensure relevance and comprehensiveness at the site-specific level. For project activities involving construction, two sets of tables may be needed, for the construction phase and the operation phase.*

Anticipated E&S Risks and Impacts	Risk Mitigation and Management Measures	Impact Mitigation		Impact/Mitigation Monitoring		
		Location/Timing/Frequency	Responsibility	Parameter to be monitored	Methodology, including Location and Frequency	Responsibility

### 5. Capacity Development & Training

*Based on the implementation arrangements and responsible parties proposed above, this section outlines any capacity building, training or new staffing that may be necessary for effective implementation.*

### 6. Implementation Schedule and Cost Estimates

*This section states the implementation timeline for the mitigation measures and capacity development measures described above, as well as a cost estimate for the implementation. The cost estimate can focus on the line items that will be covered by the project implementing agency, with costs of mitigation measures to be implemented by the contractor left to the contractor to calculate.*

## 12.8 ANNEX 8: FIRST FIELD/ STAKEHOLDERS CONSULTATIONS REPORT

November 2022

### Refugee Host Districts (RHDs)

In Arua, the biggest percentage of small businesses are retail shops, food vendors, and agricultural produce dealers. Some women deal in buying and selling of natural resource products like timber, firewood, and charcoal.

Small-scale agro-processing is dominated by Cereal Grinding Machines for maize, millet, cassava, sorghum, and these are mainly powered by Diesel.

The manufacturing sector is still underdeveloped in Arua and the entire West Nile Region due to unstable power supply.

### Yumbe district

In Yumbe district Agro-processing is gradually picking up backed-up government interventions for instance under the ACDP project being implemented by MAIIF, four Cassava Milling Machines are being set up in four different sub-counties across the district to reduce post-harvest losses by adding value to cassava crop.

Also, in Lodonga Town Council, the government established a Mango Juice Processing Factory being operated by Yumbe Mango Growers Cooperative. This SACCO is financially incapacitated and therefore cannot purchase all mangoes from farmers during peak harvest season. The SACCO also needs capacity improvement in human resource management and organization.

### Goboro Shea Nut Processing

Goboro shea nut processing is a small-scale woman-led enterprise located in Goboro village, Kochi sub-county. The factory was established with support from DanChurchAid (DCA) a non-government organization working with Refugees and host communities. The enterprise was set up to mitigate rampant cutting down of the shea nut trees for charcoal burning. Currently, communities are harvesting shea nut seeds and selling them to the processing factory at 1500/= per Kg during the peak season but at off-peak a kg cost between 3000/= - 3500/=. This has encouraged communities to conserve shea nut trees as they are considered a source of livelihood.

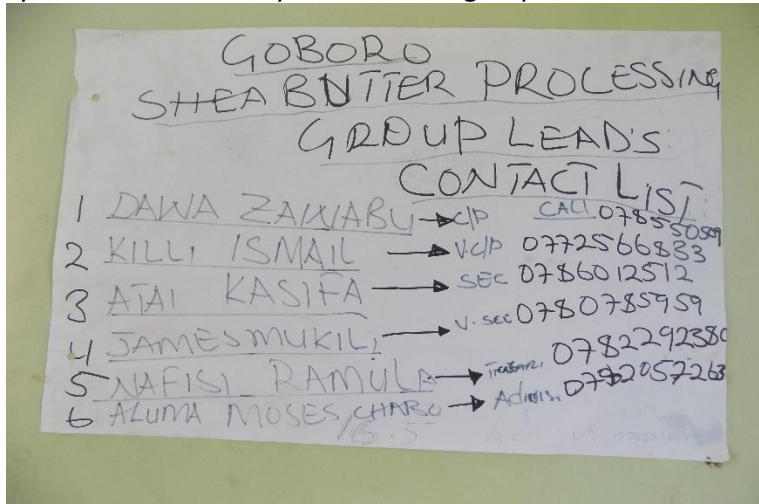


*Goboro shea nut processing factory*



*Consultation with Goboro Women Group (SACCO).*

Current products made by the Shea Nut factory are Shea nut oil, butter, and soap and the factory operations are run by 6 leaders elected by the women's group.



The women's group also operates a Weekly Savings SACCO where members save starting with a minimum of 2000/=. The Group Saving SACCO has a total of 30 members and each member is eligible to get loans.

#### Challenges

The women's group needs training in manufacturing other products like cosmetics and cooking oil from the shea nut butter.

The cost of processing the shea nut is high as the women use gas as a power source for heating the extracted oil. This is expensive as the cooking gas is not readily available in their locality.

The group

#### Blessed Bee Honey Company

is a private Honey Processing Enterprise located in Yumbe Town Council producing Processed Honey, Wax, and other products?

The company also makes modern Bee hives and trains farmers in the latest technology in Apiary production. The company could not transport 250 cartons to the market given the measures instituted by Government to check the spread of COVID-19.

Currently, the company works with 2112 Apiary farmers who supply honey to the factory but plans are to scale down to only 500 Apiary Farmers who can supply 1 tonne each per season.



*Wax processed by Blessed Bee Honey*



*Some of the Modern Bee Hives made by Blessed Bee Honey Company*

The company trains Apiary farmers in forage management, bee handling, and quality control during honey harvesting. The company also offers internship opportunities to students offering Apiary and other vocational studies at different Tertiary Institutions.

#### **Challenges**

The company has procured Honey Processing Machinery from China to increase the capacity of processing and quantity of products. This machinery however has not yet been installed due to financial constraints.

#### **Refugee settlements**

In refugee settlements such as Rhino camp, Bidi-bidi, Mvepi, and Nyumanzi many refugees especially women are involved in petty businesses such as selling new and used clothes, and charcoal, attending mobile money kiosks, selling foodstuffs such as vegetables, cereals, etc. Refugee women are also involved in craft making and tailoring.

A market stall for new and used clothes in Rhino camp.

A refugee woman selling Mandazi at a Market in Bidibidi Refugee Settlement, Yumbe district

#### **Manufacturing and Agro-processing in Refugee settlements**

Agro-processing in Refugee camps is dominated by diesel-powered Grinding machines, which are mainly involved in providing grinding services for the refugee communities at a small fee.

In Bidibidi Refugee Settlement, UNHCR established a Soap manufacturing factory under the management of Bidibidi Soap Processor's Cooperative Society. The SACCO is made up of both Refugees and Host Communities with a total of 30 members and fully registered by the Registrar of Cooperatives.

The factory was mainly established to reduce the expenses of purchasing soap distributed to refugees. The soap factory currently employs a total of 16 people out of which 7 are women and the rest men,

Factory has a capacity of producing 300 bars of soap per hour and currently, its operations are still supported by UNHCR until the SACCO has obtained enough liquidity to manage its operations.

## **Hoima city**

### **MSMEs**

Agro-processing is the dominant enterprise in Hoima city which includes Rice hulling, Maize mills, Coffee processing, and a few cotton Ginneries. Agro-processing is a male-dominated activity in this part of the country, women are mainly involved in selling of processed products like rice, and posho. Women-led enterprises are major retail merchandise shops and market stalls selling agricultural produce.

The city has several financial institutions including Commercial banks such as Centenary, Absa, Stanbic, Post Bank, Equity, KCB, Opportunity, etc. Microfinance Institutions such as FINCA, Encourt, Kolping, Premier Credit, and BRAC.

A number of SACCOs also exist in Hoima City; Albertine Farmers SACCO, Kinubi Ward SACCO, Teachers SACCO etc.

### **Post Bank – Hoima Branch**

The bank has partnered with many organizations before including Heifer International, Village Enterprise, UWESO etc.

The bank provides the following loan packages; WASH Loans, KYAPA Loan, SOLAR Loans, BUSINESS Loans, and salary loan.

The bank is willing to work with PSFU to implement the INVITE project

The Bank signs an MoU with the project-implementing organization

The Organization opens up an account on which funds will be deposited,

The Bank assists the organization in the assessment and selection of beneficiary enterprises and training of MSMEs on financial literacy and business development.

Work hand in hand with implementing partner to recover loans from

### **Eligibility for a business loan in Post Bank**

Having an account with Post Bank

Have a productive Enterprise not one that's collapsing

Need collateral/Security for example Land title or house (Immovable Security)

Small business loan maximum is 50 million.

Post has an environmental Policy in place and always participates and encourages its customers to plant trees.

Currently, the bank does not have a staff dedicated to environmental and Social requirements.

The Bank provides solar loan as a way of promoting Clean Renewable Energy.

### **Challenges in the credit sector**

Stiff competition – so many financial institutions offering credit services

Post-COVID-19 impacts - many businesses have failed to recover from the COVID-19 impacts and are struggling to repay their loans.

There are many fraudsters in the market who are hoodwinking members of the community in taking loans with high-interest rates.

***Ruhunga Banyankole Tweyambe Maize Farmers Association.***

*The SACCO is located in Ruhunga Parish, Kikuube district registered a cooperative by the Registrar of Cooperatives.*

*The SACCO has a membership of 120 members all of whom are commercial maize farmers.*

*The SACCO was given the mandate to manage a maize mill established by MAIF under the ACDP project to enable them to realise more profits through value addition on their maize.*

*The SACCO is willing to obtain credit during the harvest season to purchase enough maize for the Milling Machine to work up to its capacity.*

**Mbarara City and Mbarara district**

The city has several manufacturing industries including Coca-Cola, Nile Breweries, Lato Milk (Pearl Diaries), Roofing, GBK Diaries, Kazire Beverages etc. but the micro, small, and medium enterprises dominate the city business environment.

***Environmental and Social management***

All investments in Mbarara are approved by the Physical Planning Committee and have to fit within the physical plan of the city.

Factories in Mbarara are not supposed to be set up near water sources and those already existing are required by law to maintain a buffer zone and should not discharge any waste into the water sources.

The factories are also required to include in their design how effluents will be managed during operation short of which they cannot be approved.

Also, factories are required to under EIA study and acquire approval certificates from NEMA.

**Staffing**

Currently, there is one substantive Environment Officer in the City but by 2023 all Divisions in Mbarara city will have an Environment Officer and CDO.

**Budget**

Environment still receives inadequate funds compared to the activities the department is required to undertake, in terms of facilitation the department does not have transportation means.

The department also lacks gadgets for air quality monitoring, and water quality testing to ascertain levels of pollution, especially from factories releasing effluents in water sources.

***Rwanyamahembe SACCO- Main Branch Buzibwera Town***

*SACCO registered by the registrar of cooperatives, started in the year 2001 and is member-owned.*

*Only members saving with the SACCO can benefit from its Credit facilities. The SACCO currently has a membership of 1400, a savings portfolio of 1,6Billion, Loan Portfolio of 5 billion*

*Becoming a member requires;*

*purchasing a share at 10,000/=,*

*membership fee 10,000/=*

*stationery charge 3000/=*

*opening a savings account*

*operations*

*The SACCO is owned by the General Assembly of 1400 members*

*The Board of Governors consisting of 9members elected by the General Assembly supervises the technical staff who run the day-to-day activities of the SACCO,*

*The SACCO also has strategic partnerships with a number of organizations including ABI TRUST, SNV, STANBIC BANK, CENTENARY BANK, and SOLUTE FINANCE EAST AFRICA LTD.*

*The partnership with SNV is to provide Solar loans to dairy farmers who are interested in value addition on milk but have no stable power supply.*

***Loans scheme available***

- *Commercial Loan*
- *Solar loan*
- *Agribusiness loan*
- *Ekannungi (Home improvement loan) – nonsecure loan package for only women.*

*Head office in Buzibwera town along Ibanda- Mbarara road*

## Attendance Sheets



### ATTENDANCE LIST

Project Name: Investment for Industrial Transformation & Employment Project  
 Location: MPSARABA CITY Date: 16/11/2022

No.	Name	Gender M/F	Designation	Contact	Email	Signature
1.	ALABA EMMANUEL	M	Environment Officer	0705944225	agabacemma@gmail.com	[Signature]
2.	NYIRAMUZO FLORAN	F	Environment Officer	0701907272	nyiramuzo@gmail.com	[Signature]
3.	Mwagaba David Smith	M	Senior Env Officer	0702455281	sancho.dave@gmail.com	[Signature]
4.	BYALUHANWA ARTHUR	M	DCDO	0704437979	byaluhanga@gmail.com	[Signature]
5.	Adams Bwileho	M	DCO	072070006		[Signature]
6.	Mubazi Allan	M	IT Manager	0789933706	mubazi.allan@gmail.com	[Signature]
7.						
8.						
9.						
10.						
11.						
12.						
13.						



### ATTENDANCE LIST

Project Name: Investment for Industrial Transformation & Employment Project  
 Location: KIKURUZE Date: 14/11/2022

No.	Name	Gender M/F	Designation	Contact	Email	Signature
1.	NSITA GETRUDE	F	ENV'T OFFICER	0782-2914921	getruide.nsita@yahoo.com	[Signature]
2.	Kyahunza Philip	M	Town Clerk	0789494132	phkkyahunza@yahoo.co.uk	[Signature]
3.	Kwesigumwe George	M	Member	0770580164		[Signature]
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						

ATTENDANCE LIST

Project Name: Investment for Industrial Transformation & Employment

Location: HOIMA

Date: 14/11/2022

No.	Name	Gender M/F	Designation	Contact	Email	Signature
1.	Alice Agesiga	F	Comm. officer	0774411996	agesigaalice6@gmail.com	
2.	Kambubi M Anna	F	Principal Treasury	0772644982	annetkambubi@yahoo.com	
3.	Atuhare Edison	M	BBM - <del>Postbank</del>	0703822832	edison.atuhare@postbank.co.ug	
4.	Hellen Katiide	F	Bm - premier credit	072266192	hellenkatiide@gmail.com	
5.	Hopson Susan	F	PCDO	0772 544227	subordisusom@yahoo.com	
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						

ATTENDANCE LIST

Project Name: Investment for Industrial Transformation and Employment

Location: B.A.B.A. Settlements

Date: 7/11/2022

No.	Name	Gender M/F	Designation	Contact	Email	Signature
1.	Michael Nabuge	M	Commandant	0781779744	michael.nabuge@gmail.com	
2.	Angalia Christopher	M	Assistant Settlement Commandant	077839244	chris.angalia@gmail.com	
3.	Innocent Hansko Nusi	M	Sr. Inclusion & Soc. Inclusion Associate	0782900120	munoeunions@gmail.com	
4.	Esther Kinembabazi	F	UNITED			
5.		F	Arch. Development officer, UNITED	0773 901642	cinembabazi@united.org	
6.	Edwin Brahm Naser	M	Project Manager Naser	0782541579	ebnaser@naser.co.ug	
7.	Matur Mungu Joo	M	Production Manager	0783424522	maturmungu@k2018.co.ug	
8.	Ayan Elisa	M	Soap Project Factory	078615679		
9.	DORFEN TABU	F	Administrate S. factory		0761184684	
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ATTENDANCE LIST

Project Name: Investment for Industrial Transformation Project  
Location: Arua

Date: 03/11/2022

No.	Name	Gender M/F	Designation	Contact	Email	Signature
1.	ADROONZI H	M	ENVI. Officer	0782834250	hammadroonzi@gmail.com	
2.	EUDRAA EDEBARD	M	Ag. DCDO	0772647992	eudraa.edebard@gmail.com	
3.	Sean Pierre Droleng	M	ACSO	0774279252	Pierre558@yahoo.com	
4.	Nathane Rehema	F	Base manager	072-914226	rehema.nathane@churango	
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ATTENDANCE LIST

Project Name: Investment for Industrial Transformation and Employment  
Location: Turkey

Date: 8/11/2022

No.	Name	Gender M/F	Designation	Contact	Email	Signature
1.	Aianna MUDASIA	m	LC III	0775800679	aiannamudasia@gmail.com	
2.	Fen Genel	m	AD	0778162807	panfen@gmail.com	
3.	IOKO ROGGER S	m	SACAO (ARIA)	0702919950	rogierthoko@gmail.com	
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ATTENDANCE LIST

Project Name: Investment for Industrial Transformation and Employment  
Location: RHINO CAMP Date: 2022/11/04

No.	Name	Gender M/F	Designation	Contact	Email	Signature
1.	Ndlovukoma Letha	F	PA-GBV	077743966	ndlovukoma@... ndlovukoma	[Signature]
2.	AFATI LILIAS PETA	F	R	0787029072	OCEA E	[Signature]
3.	JOICE ABAN	F	R	0786141509	"	[Signature]
4.	MARY SADIQ	F	R	0775792531	"	[Signature]
5.	ABAN MONICA	F	R	0762162729	"	[Signature]
6.	Ereseina Bayi	F	R	-	"	[Signature]
7.	Charity manono	F	R	-	"	[Signature]
8.	Beida Kayira	F	R	-	"	[Signature]
9.	BETH YANO	F	R	-	"	[Signature]
10.	CICIA TABA	F	R	0788705472	OCEA C	[Signature]
11.	BETTY NIGHT	F	R	-	OCEA C	[Signature]
12.	KIDEN ESTHER	F	R	077615469	OCEA C	[Signature]
13.	Sunday christie	F	R	-	OCEA C	[Signature]

ATTENDANCE LIST

Project Name: Investment for Industrial Transformation and Employment Project  
Location: ... Date: ...

No.	Name	Gender M/F	Designation	Contact	Email	Signature
1.	Alto Francisca	F	SEO	0772307689	altogarcia@gmail.com	[Signature]
2.	Gawth Ovech	F	DCDO	0782225608	gawthovech@gmail.com	[Signature]
3.	Onyango Richard		PCOO	0772919511	richnyango@gmail.com	[Signature]
4.	Komariketh NIXOH	M	PCO	0772656085	komariketh@gmail.com	[Signature]
5.	Adsonoff Molo	M	DTIC	0782777116	adsonoff@yahoo.com	[Signature]
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ATTENDANCE LIST

Project Name: INITE Project

Location: ADJUMAN

Date: 9/11/2022

No.	Name	Gender M/F	Designation	Contact	Email	Signature
1.	Oxono Grandfield	M	CAO	077362037	oxono.mant@gnat.com	
2.	Anyama Ben	M	LC5 Cheema	0772541807		
3.	Vuduko Tali Bili	M	CO	0772542792	pvuduko.tali@gnat.com	
4.	Obuleto Ezachiel	M	Tourism Officer	0775604600	obuleto.1072@gnat.com	
5.	Abdul Ramadhani	M	SC	0777956821	abdulramadhani@gnat.com	
6.	MAWADI RAMADHAN	M	DCDO-ADI	077284354	mauwadi.m@gnat.com	
7.	Giyaya Charles	M	INRO	0772543284	giyaya.c@gnat.com	
8.	ITIA - RANG	M	KFO	0772933117	selim.f@gnat.com	
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ATTENDANCE LIST

Project Name: Investment for Industrial Transformation and Employment.

Location: Ocean Village, Rhino Camp

Date: .....

No.	Name	Gender M/F	Designation	Contact	Email	Signature
1.	Grace Dawa	F	R	07790083335	OCEA C	
2.	Jackline Tabu	F	R	0772937728	OCEA 'C'	
3.	Jane Akanya	F	R	—	OCEA "C"	
4.	NANNISA Melling	F	R	—	OCEA R	
5.	RIVIAN OMI	F	R	—	OCEA C	
6.	Kila Ding	F	R	0773435800	OCEA 'C'	
7.	AGNESSE Melling	F	R	—	OCEA C	
8.	Bala Simon-E	M	RWC/CP	0789390694	Ocea C	
9.	FUSTINE MARE	M	block II Leader	0778970365	Ocea 'C'	
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ATTENDANCE LIST

Project Name: Investment for Industrial Transformation and Employment  
Location: Chibaro (Jumbe) Date: .....

No.	Name	Gender M/F	Designation	Contact	Email	Signature
1.	NAFISI LAMUKA	F	TREASURER	0782292380	MARU - WESI	
2.	JOYA ROSE	F	MEMBER	-	MARU - WESI	
3.	CHANDREY MATUKA	F	MEMBER	-	"	
4.	Bako Zabibu	F	MEMBER		"	
5.	DRAKA MATUKA	F	MEMBER		"	
6.	Dudu ZANABU	F	MEMBER		"	
7.	SAFINA SARAH	F	MEMBER	0785110920	"	
8.	ABITO ZACHA	F	MEMBER	0775785446	"	
9.	KOKE (FEBI)	M	PARVA/CHIEF	0783026040	MURDUTAKA	
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ATTENDANCE LIST

Project Name: Investment for Industrial Transformation and Employment Project.  
Location: Jumbe Date: 4/11/2022


No.	Name	Gender M/F	Designation	Contact	Email	Signature
1.	Amekani Austin	M	DCDO	0773488505	AMAKANI25@gmail.com	
2.	Kawana Seber	M	DN20	0772607368	Kawana Seber	
3.	Agathe Zubairi	M	DCO	0784179967	Agathe Zubairi	
4.	Maffu Maphant	M	Director	0782501912	blessed64life@gmail.com	
5.			Blessed for life Trade Post			
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ATTENDANCE LIST

Project Name: INWITE Project

Location: RATNO CAMP SETTLEMENT

Date: 04/11/2022


No.	Name	Gender M/F	Designation	Contact	Email	Signature
1.	Vivian KAJOKI	f	Protection Grenade	0775109823	vivian.kajoki@drcngo	
2.						
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ATTENDANCE LIST

Project Name: Investment for Industrial Transformation and Employment

Location: LIRA

Date: 11/11/2022

No.	Name	Gender M/F	Designation	Contact	Email	Signature
1.	OCEAN WALTER	M	Environment Officer	0772678409	ocenwalter2015@gmail.com	
2.						
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## 12.9 ANNEX 9: SECOND FIELD/ STAKEHOLDERS CONSULTATIONS REPORT

### **Summary of Consultative Meeting minutes for ESMF INVITE project consultation with Ministry of Gender, Labour and Social development**

Date: 25<sup>th</sup> June 2024

Meeting venue: Boardroom OSH department, Ministry of Gender, Labour and Social Development

#### **Agenda**

1. Opening Prayer
2. Introductions
3. Brief remarks from MoGLSD team
4. Brief summary of the project by JBN and PSFU
5. Discussion session
6. Closure

#### **Meeting participants**

- Mr. Ogwalo Alex, EIA Coordinator, MoGLSD
- Mr. Mugondi Kapel Jerome, Environment and Social Safeguards Specialist, PSFU
- Mr. Kasozi Martin, Social Development Specialist, PSFU
- Mr. Mugenyi Francis, Consultant, JBN

#### **Meeting proceedings**

Meeting Participants from both teams introduce themselves and their roles regarding the ESMF for INVITE Project.

After the introduction Mr. Alex Ogwalo the coordinator EIA and Audits welcomed the Consultant plus the technical team from PSFU and informed them that he had formed a committee comprising of different technical people from all departments in the Ministry to handle EIA issues. He also regrettably told the meeting that many of the committee members could not make it due to busy schedules.

The Consultant's team explained the INVITE project and its objectives, beneficiaries, the positive and negative impacts the project may impose on the environment and the mitigation measures that will be taken to minimize the negative impact and maximize the positive impacts.

#### **Issues and Concerns raised by the Ministry of Gender, Labour and Social Development**

Mr. Alex Ogwalo raised the following issues.

- Infrastructure development should be approved by relevant authorities according to the OSH Act.
- MoGLSD has a mandate to register all workspaces in the country; therefore, all SMEs employing people by law are supposed to register their work spaces according to section 40&41 of the OSH Act.
- The National Employment Policy requires all firms including SMEs to provide Contracts for all employees to safeguard their rights.
- All employees of firms should be allowed to join any Union of their choice.
- Clear terms of engagement with employees should well stipulated in the employee contracts such as emoluments, working hours, shifts etc
- All firms/SMEs employing migrant workers should be well documented and registered with Govt of Uganda.

- Protection of children at workplaces (below 18 years), children should be engaged with authorization of an adult.
- Gender equality should be exercised during employment in all workspaces; amenities should be gender balanced with urinals for males and washrooms for female
- Put in place policies that guard against sexual harassment, Gender Based Violence at work places.
- Permanent employees should be registered with NSSF especially those with 2 year contracts and above.
- All firms should put in place policies that prevent HIV/AIDS
- Pre-employment medical examination is very important to determine the health status of employees.
- Persons with Disabilities should be considered for employment and should also be assigned with activities that fit their abilities.
- Firms/SMEs should provide adequate welfare to their employees including food, water according to section 49 – 54 of the OSH Act. Also, employment of local personnel should be encouraged.
- According to section 19, 91&92 of the OSH Act, all employees should be provided with adequate and appropriate PPE.
- All firms/factories/SMEs should have an emergency preparedness plan in place in reference to section 57 of the OSH Act. Provide a First Aid Kit, Fire Alarms, Fire Extinguishers, Fire Assembly Points at all workplaces.
- Hazardous Chemicals used by manufacturing firms should be used following the laws in place; chemical wastes should be disposed in a gazetted area like Nakasongola.
- Safety signage should be installed in all workstations especially at the manufacturing areas
- Consider cultural backgrounds during involuntary resettlement; let people sharing same cultural values be resettled in the same areas.
- Investments should not be a source of conflicts in the community but rather improve their livelihoods.
- Investments should have grievance Redress committees to handle all conflicts

Meeting was closed at 12:09pm.



*Meeting with Mr. Alex Ogwalo Coordinator EIA/Audit MoGLSD*

## **Meeting Minutes of consultation Meeting with Uganda Small Scale Industries Association (USSIA)**

Date: 25<sup>th</sup> June 2024

Meeting venue: USSIA Offices, Lugogo Showgrounds

### **Agenda**

1. Introductions
2. Brief remarks from USSIA team
3. Brief summary of the project by JBN and PSFU
4. Discussion session
5. Closure

Meeting started at a few minutes past 2pm with introduction from both teams; the USSIA team, PSFU and the Consultant (JBN).

Mr. Wasswa Samuel welcome the Consultant team and explained that USSIA generally represents six sectors including metal fabrication, textiles, ceramics, foods & beverages, pharmaceuticals and printing.

He also stated that USSIA comprises of over 13000 members with over 7000 being Life members whereas others subscribe annually, and that the organisation is majorly involved in advocacy, capacity building for its members, product marketing (has an online shop), credit (USSIA SACCO).

### **Leadership structure (Member based organization)**

Mr. Wasswa further explained that leadership of USSIA starts at zonal level with 20 small scale industries forming a zone, then different zones make the National Executive Committee. NEC is the overall body that supervises the whole organization. Two members of each zone; the Chairperson and Head of Women Desk converge to form General Assembly.

### **Brief from the Consultant/PSFU**

Mr. Jerome Kapel Mugondi (PSFU) introduced the INVITE project and explained its objectives, the target group plus the details of implementation. He explained to the USSIA team the reason why an ESMF is being prepared for INVITE Trust being one of the conditions from World Bank before money is disbursed. Jerome further stated that PSFU already prepared an ESMF for INVITE Project for the components under its jurisdiction and that this was an E&S document being prepared for INVITE TRUST components.

### **Discussions**

Mr. Busuulwa Gyagenda explained that the biggest challenge in Uganda is the unemployment and that the small-scale industries employ more Ugandans than any other sector. He stated that Government should put in place deliberate strategies to develop the small-scale manufacturers. USSIA has a SACCO in place and the zones are being used as Saving groups, registered members have accounts. The USSIA SACCO extends loans to its members at an interest of 18% per annum.

Mr. Bussulwa further stated that access to large financing is still a challenge for small scale manufacturers due to lack of collateral/security. He said that government should put in a place a policy for small scale manufacturers to benefit from market in their area of locality by reducing on competition. Small scale industries should be helped to build capacity in order to attract foreign investment so that they can expand operations and be able export their products and also to employ more people.

## Challenges

Some small-scale industries operate from homes and therefore are still informal but for company to become a member of USSIA, it should be a registered business with government of Uganda.

Majority of the Small-scale industries don't practice good manufacturing practices like compliance to occupational health and Safety, reporting of accidents at work places is still informal.

### Capacity building

Mr. Busuulwa said that the Association organizes workshops once in a while for its members covering topics such as Gender Based Violence, Energy Saving, Industrial Symbiosis, pollution control, human resource management and sexual harassment at work places. So far, the association has organized one workshop in each region of operation but welcome more support regarding environment and social requirements.

He stressed the need to put in place environment and social requirements that apply to the local setting of small-scale industries in Uganda rather than the generic policies from outside the country. That the end goal of USSIA is to improve capacity of Small-Scale Industries (SSIs) directly improving livelihoods of the local person.

*Discussion with Mr. Busuulwa Gyaviira (Manager Finance & Administration) USSIA*

## **Meeting Minutes of consultation Meeting with Uganda Manufacturers Association (UMA)**

Date: 26<sup>th</sup> June 2024

Meeting venue: UMA Offices, Lugogo Showgrounds

### **Agenda**

1. Opening
2. Introductions
3. Brief remarks from UMA team
4. Brief summary of the project by JBN and PSFU
5. Discussion session
6. Closure

### **Meeting participants**

- Mr. Ssenyondwa Allan - Director Policy, Research and Advocacy UMA
- Mr. Gilbert Kibekityo – Policy Analyst UMA
- Mr. Mugondi Kapel Jerome – PSFU
- Mr. Kasozi Martin – PSFU
- Mr. Mugenyi Francis - JBN

The opening prayer was led by Mr. Allan Ssenyondwa who placed the meeting in God's hands.

Meeting Participants from both teams introduce themselves and their roles regarding the ESMF for INVITE Project.

### **Remarks by the Consultant**

Mr. Jerome Kapel Mugondi briefly introduced the INVITE project to the UMA team explaining its objectives and components. He also explained the purpose of preparing the ESMF for the INVITE Trust Project being one of the conditions from the World Bank for disbursement.

Reactions to opening remarks by UMA

Mr. Allan Ssenyondwa from UMA acknowledged that he is aware of the INVITE Project and wondered why it has taken long to be implemented. He also wanted to know how UMA fits into the project design.

Mr. Jerome Mugondi answered him by referring to Window 2.1 which focuses on manufacturing and export supply chains, by setting up a Credit Guarantee Facility (CGF) to share the risks associated with new lending on a proposed 50/50 basis with PFIs.

Mr. Ssenyondwa also mentioned the following;

That manufacturers may not be willing to spend their resources implementing World Bank funded projects like INVITE.

Some members may not be willing to take up INVITE loans especially the big manufactures since there are so many readily available credit sources in the market and with low interest rates.

That let the INVITE Trust Project mean Industrial Transformation in real sense (practically) and not theoretically.

The loan interest rate should be friendly to manufacturers as the cost of production has increased of recent.

## **Environment and Social Issues**

Mr. Gilbert Kibekityo (Policy Analyst) at UMA informed the Consultant team that UMA is launching in July 2024 the Green Industry Agenda with the aim of making manufacturing sustainable and environmentally friendly. The Agenda has six pillars including; Environmental Conservation, Green Energy Transition, Capacity building on Greening programs, Research, innovation, policy and advocacy, industrial and domestic waste management plus Green self-regulation practices.

On occupation health and safety Mr. Ssenyondwa stated that UMA has been organizing trainings for its members and employs a technical person in charge of training OSH. The trainings are sometimes organized with support from partners like GIZ.

Mr. Ssenyondwa ended the meeting by requesting the implementers to provide funds to UMA if UMA is to support the implementation of INVITE activities since UMA has no budget for it.

*Meeting with member of UMA at their offices in Lugogo*

## **Meeting Minutes of consultation Meeting with Federation of Small and Medium Enterprises (FSME)**

Date: 28<sup>th</sup> June 2024

Meeting venue: FSME Offices, Stretcher Road Ntinda, Kampala

### **Agenda**

1. Introductions
2. Brief remarks from PSFU
3. Discussion session
4. Closure

### **Meeting participants**

- John Mutebe – FSME
- Kansiime Lydia Agaba – FSME
- John K. Walugembe – FSME
- Kasozi Martin – PSFU
- Mugondi Jerome – PSFU
- Mugenyi Francis – JBN Consults

### **Introduction**

All members in attendance of the meeting introduced themselves and their designations in their respective organisations.

### **Brief project description from PSFU**

Mr. Jerome Mugondi from PSFU introduced the INVITE Project to the FSME team and went ahead to highlight some of the components of the project plus the target groups majorly being the MSMEs. He also explained why an ESMF was being prepared for the project and the reason the team is meeting with Federation for Small and Medium Enterprises.

### **Reactions to the Project introduction**

Mr. John Mutebe from FSME stated that FSME is a voluntary Association with over 700,000 members country wide and that most of these members are small individual businesses. The federation's main roles being advocacy, business development, providing support to SMEs and networking and sharing information.

He also mentioned that;

Small businesses may not benefit from the INVITE Project as its with Recovery Fund because Commercial Banks make it hard for SMEs to access the funds. He asked how INVITE is going to mitigate this problem.

Mr. Walugembe the Executive Director FSME mentioned that;

Bank of Uganda has a very long bureaucracy which frustrates SMEs when it comes to accessing loans from Government Projects. The chances of SMEs getting money becomes very minimal and most members of the Federation keep complaining.

GoU and World Bank need to redesign the INVITE Project because the same model has failed with ACF and Recovery Fund.

The first call for SME loan application should not be the PFIs, but an independent body/committee should be appointed to assess the SME loan applications.

The INVITE Project should appoint a representative on the Credit Committee in participating Commercial Banks to be involved in assessing loan applications for SMEs.

On environment and social issues, Mr. Walugembe ascertained that majority of SMEs don't prioritize environment and social requirements, occupational health and safety due little knowledge, therefore need for capacity building.

On Women led enterprises Mr. Walugembe noted that most women cannot operate large enterprises since they have to balance family and business, the former taking up most their time. He further noted that access to finance, level business skills is very for women therefore limiting their participation in business.

On way forward, Mr. Walugembe mentioned that the Federation is planning to open up a 4Tier Financial Institution to assist its members obtain capital at a cheaper rate. He also proposed that Technical assistance/capacity building for SMEs should tailored through organisations like FSME, USSIA, UMA so that there is continuation even after project closure.

Meeting was adjourned at around 12pm.

*Meeting with employees of Federation for Small & Medium Enterprises*

## **Meeting Minutes of consultation Meeting with Uganda Microfinance Regulatory Authority (UMRA)**

Date: 1<sup>st</sup> July 2024

Meeting venue: UMRA Office, Rwenzori Towers

### **Agenda**

1. Opening Prayer
2. Introduction
3. Presentation from Consultant
4. Discussion session
5. Closure

### **Meeting Participants**

Rachael Vanessa Muhwezi – Manager MFIs

Olikiriza A. Tibbs – Manager MFIs (SACCOs)

Kainza Eunice – Compliance Officer

Joseph EMiku – Compliance Officer

Kasozzi Martin – PSFU

Mugenyi Francis – JBN Consults

Mugondi Jerome - PSFU

### **Introduction**

All members in attendance of the meeting introduced themselves and their designations in their respective organizations.

### **Brief project introduction from PSFU**

Mr. Jerome Mugondi from PSFU introduced the INVITE Trust Project to the UMRA team and went ahead to highlight some of the components of the project plus the target groups majorly being the MSMEs. He also explained why an ESMF was being prepared for the project and the reason the team is meeting with Uganda Microfinance Regulatory Authority.

### **Discussion/reactions**

Ms. Rachael Muhwezi the Manager MFIs noted that INVITE Trust needs a license for operation because it's a legal entity which can be sued and can also sue.

That all Microfinance institutions participating in INVITE Project should be present a recommendation letter from UMRA as proof of registration.

That UMRA needs capacity building in preparing guidelines for inclusive lending and environment requirements.

The Authority allocates a small budget in the Ministerial policy to cater for climate change and social issues like HIV/AIDS prevention.

The Authority has a Complaints Redress mechanism in place. Complaints can be submitted electronically through Email ([complaints@umra.go.ug](mailto:complaints@umra.go.ug)), using a Toll-Free Line or physically at the reception.

*Meeting with officials from Uganda Microfinance Regulatory Authority at Rwenzori Towers*

## **Summary of Consultative Meeting minutes for ESMF INVITE project consultation with Ministry of Finance, Planning & Economic Development**

Date: 4<sup>th</sup> July 2024

Meeting venue: Boardroom department, Financial Services - MoFPED

### **Agenda**

7. Opening Prayer
8. Introductions
9. Brief remarks from Commissioner, Financial Services Department, MoFPED
10. Brief summary of the project by JBN and PSFU
11. Discussion session
12. Closure

### **Meeting participants**

- Mr. Joseph Enyimu, Commissioner, MoFPED
- Mr. Mugondi Kapel Jerome, Environment and Social Safeguards Specialist, PSFU
- Mr. Kasozi Martin, Social Development Specialist, PSFU
- Mr. Herbert Oule, Consultant, JBN

### **Brief project description from PSFU**

Mr. Jerome Mugondi from PSFU introduced the INVITE Project to the MoPED team and went ahead to highlight some of the components of the project plus the target groups majorly being the MSMEs. He also explained why an ESMF was being prepared for the project and the reason the team is meeting with Commissioner, MoPFED.

### **Reactions from the Commissioner**

- The commissioner noted that for the intended beneficiaries to effectively embrace the INVITE Trust project, there is a need for a capacity gap bridging programme to ensure that many of the SMEs and small lenders that may not pass the E&S eligibility criteria benefit in the long run.
- He said that the project should focus on addressing the challenges of accessing credit, the cost and the means of access among the small and medium enterprises especially the small borrowers who have challenges accessing credit through the commercial banks under the existing arrangements.
- The modalities of accessing small loans under the different windows of the INVITE Trust project should be less bureaucratic and not difficult to access. This will prevent the possibility of the project being shunned by the PFIs.
- He emphasized that the BOU launched and adopted the Environmental, Social and Governance (ESG) Framework. The proposed ESMF for INVITE Trust should be harmonized with the ESG.
- INVITE do not the PFI have sufficient ESMS instruments and should be helped to develop the Environmental and Social Management System (ESMS). INVITE should ensure that the ESMS is standardized to avoid creating extra costs to the Financial Institutions and render the project unattractive because of the E&S eligibility requirements.
- The INVITE Trust should not be hosted in BOU because the Financial Institutions will view it as too bureaucratic and unattractive.
- The INVITE Trust should avoid the mistake of the recovery funds/development loans i.e. Agricultural Credit Facility and Small Business Recovery Fund where the commercial banks were tasked with identifying borrowers but instead promoted their own loans of high interest rates. The INVITE Trust through the project manager should be mandated with determining the SMEs/borrowers to qualify for the loans.

- The project should avoid creating overlap and additional operational costs for PFIs by establishing E&S policies and procedures whose implementations call for the recruitment of additional staff and incurring extra costs for periodic E&S compliance monitoring.
- The project should create a uniform reporting framework instead of specific reporting formats for the different benefiting PFIs.
- The project should be cautious about making re-appraisals for PFI and other benefiting SMEs to avoid making the project unattractive to commercial institutions. The PFIs are business-oriented and may prefer their own products whose profits are higher compared to the annualized interest rate of INVITE Trust.
- The developed project ESMF should be an enforceable instrument without necessarily placing a burden on the PFIs monitoring portfolio in the form of extra operational costs.
- The project should adopt a standardized Environmental and Social Management System (ESMS) and avoid requiring every benefiting PFI/SME to develop their specific ESMS. This will also reduce on the bureaucracy for PFIs to access the credit from the Trust.
- For refugee-led MSEs to benefit, the project needs to design profiling and eligibility criteria other than the conventional methods that make it hard for the refugee-led SMEs to benefit.
- Integrate the existing regulatory matrix with the matrix of the PFIs
- The INVITE Trust should ensure that commercial banks improve on access to sufficient information whereby the borrowers should be provided with sufficient information concerning the existing PFIs products and the INVITE Trust Credit
- The INVITE Trust should develop a comprehensive Stakeholder Engagement Plan for the project beneficiaries where they should be constantly provided with information.

#### **Summary of Consultative Meeting minutes for ESMF INVITE project consultation with Uganda Bankers' Association**

Date: 5<sup>th</sup> July 2024

Meeting venue: Boardroom department, Financial Services - UBA

#### **Agenda**

13. Opening Prayer
14. Introductions
15. Brief remarks from President - UBA
16. Brief summary of the project by JBN and PSFU
17. Discussion session
18. Closure

#### **Meeting participants**

- Mr. Charles Mugisa, UBA
- Mr. Mugondi Kapel Jerome, Environment and Social Safeguards Specialist, PSFU
- Mr. Kasozi Martin, Social Development Specialist, PSFU
- Mr. Herbert Oule, Consultant, JBN

### **Brief project description from PSFU**

Mr. Jerome Mugondi from PSFU introduced the INVITE Project to the UBA team and went ahead to highlight some of the components of the project plus the target groups majorly being the MSMEs. He also explained why an ESMF was being prepared for the project and the reason the team is meeting with Commissioner, UBA.

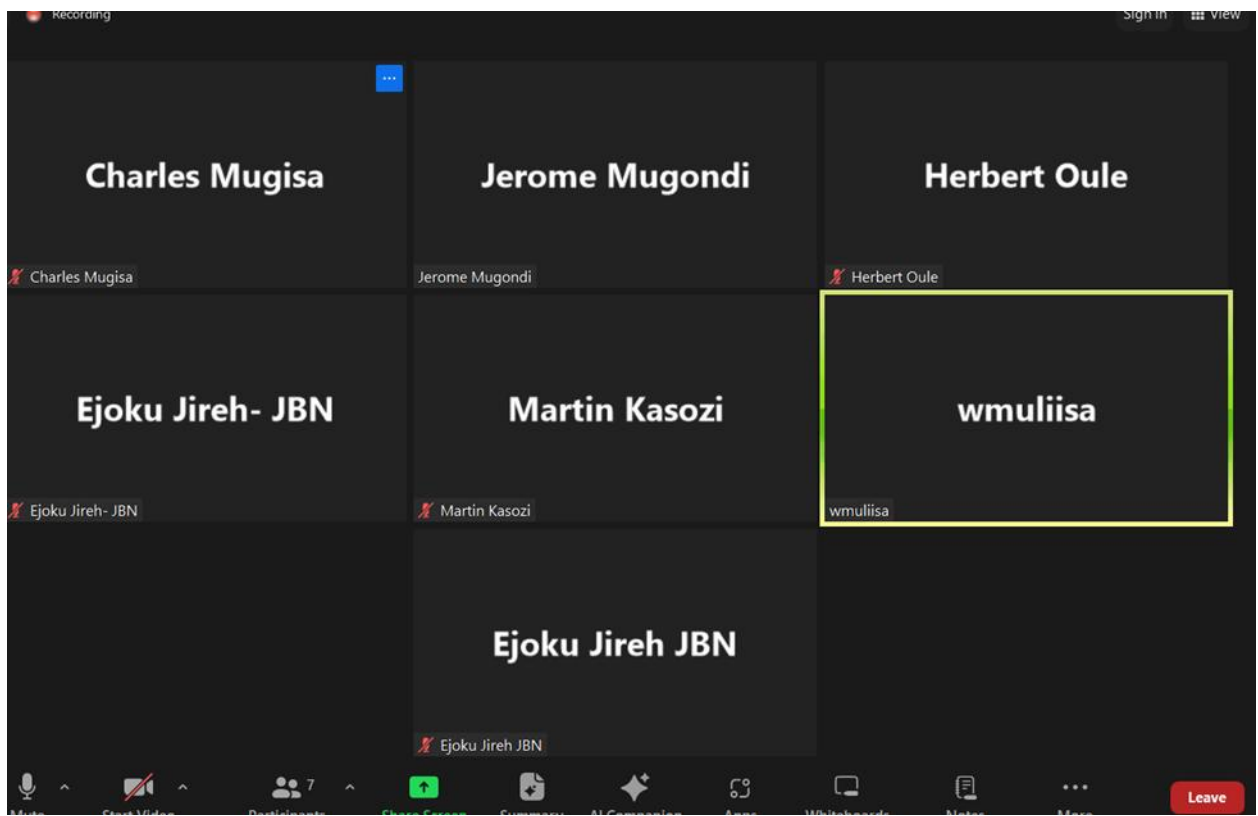
### **Reactions from the Uganda Bankers Association**

5<sup>th</sup>/July/2024

- The president UBA appreciates the project and is keen to see how the project takes shape. UBA is willing to participate in the different phases of project implementation.
- UBA lends out money across different sectors such as agriculture, manufacturing, mining, public sector and technology. UBA has developed an expectation list of what is eligible for funding and not.
- The different lines of credit include overdrafts, credit guarantees, short-term loans, receivable financing, and capital expenditure which is medium-term project financing.
- The UBA members are customers who meet the PFIs lending criteria and are not engaged in activities in the exception list.
- UBA members are helped to develop the rights products and solutions, training and development, business development and advisory services
- UBA has women-led SMEs as members although they are faced with many challenges including lack of certification, limited financial knowledge, lack of market access and penetration, limited participation of women-led-SMEs in the value chain, high levels of non-compliance including failure to pay taxes
- The E&S risks associated with taking up loans from UBA members include occupational health and safety, polluting the environment through the use of pesticides in wetlands, waste dumping, cutting down forests, emitting carbon, and construction of production lines in sensitive ecosystems.
- Social risks include child labour, forced land, displacement of cultural sites, influx of external labour, and gender-based violence.
- The evaluation of E&S risks is part of the loan appraisal process and a disbursement condition including requiring the borrower to have an ESMS. Some PFIs have E&S policies, procedures and frameworks. This is adapted from the ESG framework.
- The BOU developed an ESG framework and has been in force for the last 3 years. Different PFIs have walked the journey of 3 years differently with different experiences. Some have fully implemented the framework while others have not made any strides.
- The ESG framework implementation journey includes staff training for the banks in E&S policies and procedures which is ongoing and different commercial institutions are at different stages.
- Some banks have digital screening tools that assess the level of E&S risks and impacts. These tools have questions that are based on IFC standards. The questions held UBA customers to identify the risk and develop appropriate mitigation measures to address the risks.
- Commercial banks are required to recruit and train staff in ESG policies and procedures.

- In addition, UBA hires E&S consultants to undertake capacity building and training for recruited ESG staff. The training focuses on undertaking E&S compliance monitoring and developing screening tools.
  - There is a reporting and disclosure which is a mandatory requirement for commercial banks.
  - The banking industry is familiar with the ESF by the World Bank under the Agricultural Credit Facility and Small Business Recovery Framework and they will build on the INVITE Project to enhance their experience in E&S aspects.
  - The ESG and the eligibility framework is embedded in the appraisal of the applicant commercial institutions so the industry and UBA are quite cautious of the E&S risks associated with the borrowing under the different credit lines and how to mitigate against them. Hence the presence of the ESG is a good starting point.
  - The UBA members have a willingness to comply with the E&S requirements given that they have already dealt with similar requirements under the development loans by the World Bank.
  - There are extra portfolio monitoring requirements the INVITE Trust loan must avoid. The creation of extra operational costs by developing and implementing E&S policies and procedures will render the INVITE Trust loan unattractive to the target PFIs. However, if the benefits of the project outweigh the burden then the PFIs opt for the project.
  - The INVITE Trust should not eliminate PFIs or SMEs on the basis of eligibility criteria but work with them to enhance their E&S capacities through a capacity gap bridging program.
  - Part of the lending process is to undertake an appraisal which is the due diligence undertaken for a serious borrower. This helps to assess where the cash flows are coming from and where the risks are, what is the fallback, in case of a default and it banks don't take the bureaucratic appraisals they are penalized by BoU.
  - What is included in the UBA exception list? The number of things in the exception list includes the production of weapons, production of sex and pornography, some banks do not support tobacco production.
  - The ESG framework is being championed at the top management level to make it easier to cascade to the lower level. At the board level, there are members in charge of the ESG. It is cascaded through a reporting framework including heads of compliance heads of risks and these undergo training to ensure they understand the subject.
  - The INVITE is known across the executive level, heads of departments and business relations managers. At lower levels, the INVITE Trust may not be fully appreciated.
- The uptake by commercial banks for development loans is low due to a number of reasons. For the Agricultural Credit Facility, one of the major challenges was the recovery process because it was too bureaucratic it went up to parliament and requested GoU the process to terminate the BoU for the small business recovery fund the major issue was the eligibility criteria – defining it is important because many SMEs flocked the banks and they were not qualifying.

## Attendance List



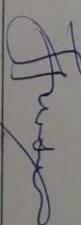

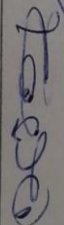
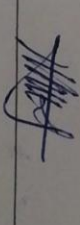
ATTENDANCE LIST

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Project Name: ESMF INVEIT TRUST

Location: Ministry of Gender, Labour & Social Devt

Date: 25/06/2024

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4.	Terone Mugendi	ESIS - PSFU	0773378926	
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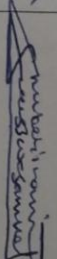


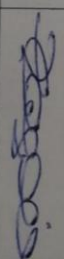

ATTENDANCE LIST

Project Name: **ECMF INITE TRUST Project**

Location: **Uganda Small Scale Industries Association (USSA)**

Date: **25/06/2024**

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4.	MARTIN KAZOBI	SSS - PSFUE	07829977280	
5.	MUGENZI PEREZI	Envt Consultant JBN consult	0704908255	
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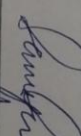

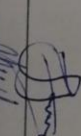
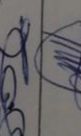
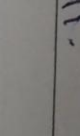
**ATTENDANCE LIST**

Project Name: **ESMF IN/TE TRUST PROJECT**

Location: **UGANDA MANUFACTURERS ASSOCIATION (UMX)**

Date: **26/06/2014**

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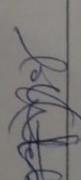
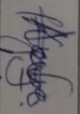
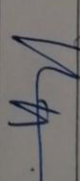
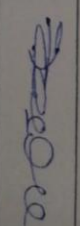

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Project Name: FCSMF Consultation for INVITE Trust

Location: Federation of Small State Medium Enterprises (FSME) Date: 28/06/2024

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4.	James Martin	SBS P. SPUR	0782991284	
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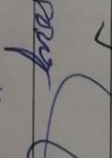
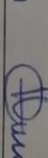
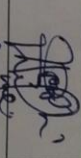
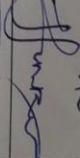
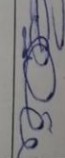
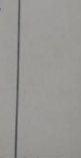
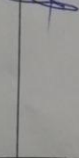
**ATTENDANCE LIST**

Project Name: ESMF for INNITE Project

Location: Wansten Microfinance Regulatory Authority (UMRA)

Date: 11/07/2024

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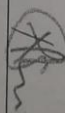
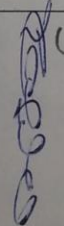

**ATTENDANCE LIST**

Project Name: ESMP FOR INVITE PROJECT SUBVENTOR CONSULTATION

Location: Miccofin Trust Support Center (MSC)

Date: 18/07/2024

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## 12.10 ANNEX 10: ACTIONS TAKEN BY THE GOU TO ENSURE INCLUSION AND NONDISCRIMINATION

This Annex highlights recent actions taken by the GOU to ensure the inclusion and non-discrimination of Vulnerable or Marginalized Individuals or groups (VMIGs). It also includes transcripts of relevant Guidelines and Circulars issued by the GOU.

The Anti-Homosexuality Act was passed on May 26, 2023. The government has continued to ensure inclusion and non-discrimination in all its projects and consistent with this, the government has taken the following measures:

- **Letter of Assurance** (Sept 21, 2023) to all Ministries, Agencies, and local governments to implement mitigation measures on non-discrimination in WB-financed operations.
- **Budget execution circular** (July 10, 2023) to all public servants to ensure that projects are in line with the Ugandan Constitution which emphasizes equality of all persons without prejudice or discrimination.
- **Circular on the provision of health services** (June 5, 2023) that includes measures not to discriminate or stigmatize any individuals who seek health care for any reason.
- **Circular on the provision of education** (August 18, 2023) services to all people without discrimination and exclusion in the delivery of education services, programs, and projects.
- **Circular was issued by the Director of Public Prosecutions** (August 29, 2023) stating that prosecutors should seek guidance from ODPP before the decision to charge is made under the AHA.

Of particular importance is the Letter of Assurance of September 21, 2023, from the Permanent Secretary/Secretary to the Treasury on Uganda's Social Safeguard Policies following excerpts:

*"Following the World Bank Group's concern with Uganda's enactment of the Anti-Homosexual Act, 2023 and as communicated in the budget Execution Circular 2023 of FY 2023/2024 on 18<sup>th</sup> July 2023, we guide:*

- *All World Bank-financed projects must be implemented in a manner consistent with the principles of non-discrimination as provided under Article 21 of the Constitution of the Republic of Uganda. These projects should also be implemented in accordance with World Bank policies and applicable Legal Agreement*
- *Under these projects, no person will be discriminated against or stigmatized, and the principles of non-discrimination and inclusion will be adhered to. Support should be provided to all project beneficiaries. All implementing entities of World Bank projects should agree and implement specific mitigation measures to address non-discrimination.*
- *These mitigation measures will require enhancing project grievance redress mechanisms as well as strengthening existing project monitoring by implementing entities including third-party monitoring where applicable.*
- *Each project implementing entity shall develop comprehensive guidelines to address non-discrimination."*

The following transcripts of relevant Guidelines and Circular issued by the GOU are included this annex: Letter of Assurance; Circular on the provision of health services; Circular on the provision of education; Circular issued by the Director of Public Prosecutions, and relevant excerpts from the Circular on Budget Execution.

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In any correspondence on  
This subject please quote No. ALD 141/259/01 TC



Ministry of Finance, Planning &  
Economic Development,  
P.O. Box 8147  
Kampala, Uganda

21<sup>st</sup> September 2023

The World Bank Country Manager  
Uganda Country Office  
Kampala, Uganda.



#### **UGANDA'S SOCIAL SAFEGUARD POLICIES**

I am writing in reference to the above subject. Further reference is made to our letter dated 28<sup>th</sup> July, 2023 on the same.

Government of Uganda wishes to reiterate that World Bank-financed projects will be implemented in a manner consistent with the principles of non-discrimination within the provisions of Article 21 of our Constitution.

The Government confirms that it will ensure that under these projects, no person will be discriminated against or stigmatized and that the principles of non-discrimination and inclusion will be adhered to. The Public Finance Management Act, 2015 also emphasizes equality of all persons to access opportunities and benefits from projects and programs without prejudice and discrimination.

Further to the above, we have issued the attached instructions to all implementing entities of Government projects and programs which communicate about specific mitigation measures to take and the legal requirement for non-discrimination.

Please accept Country Manager, the assurances of my highest consideration and esteem.

Ramathan Ggoobi

**PERMANENT SECRETARY/SECRETARY TO THE TREASURY**

Rt.Hon. Prime Minister, Office of the Prime Minister

Attorney General, Ministry of Justice and Constitutional Affairs

Hon. Minister of Finance Planning and Economic Development

---

#### **Mission**

*"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"*

Hon. Minister of Education and Sports

Hon. Minister of Health

Hon. Minister of Gender Labour and Social Development

Hon. Minister of Energy and Mineral Development

The Principal Private Secretary to H.E. the President

Solicitor General, Ministry of Justice and Constitutional Affairs

The Director of Public Prosecutions

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This subject please quote No.



Ministry of Finance, Planning &  
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P.O. Box 8147  
Kampala, Uganda

ALD 141/259/01 TC

21<sup>st</sup> September 2023

All Accounting Officers  
All Ministries, Departments and Agencies  
All Local Governments



### UGANDA'S SOCIAL SAFEGUARD POLICIES

I am writing in reference to the above subject. Further reference is made to the Anti-Homosexuality Act, 2023 (AHA) that came into force on 30<sup>th</sup> May 2023.

Following the World Bank Group's concern with Uganda's enactment of the Anti-Homosexuality Act, 2023 and as communicated in the Budget Execution Circular of FY 2023/2024 on 18<sup>th</sup> July 2023, we guide that;

- All World Bank-financed projects must be implemented in a manner consistent with the principles of non-discrimination as provided under Article 21 of the Constitution of the Republic of Uganda. These projects should also be implemented in accordance with World Bank policies and applicable Legal Agreements.
- Under these projects, no person will be discriminated against or stigmatized and the principles of non-discrimination and inclusion will be adhered to. Support should be provided to all project beneficiaries.
- All implementing entities of World Bank projects will implement specific mitigation measures to address non-discrimination.
- These mitigation measures will require enhancing project grievance redress mechanisms as well as strengthening existing project monitoring by implementing entities including third-party monitoring where applicable.
- Each project implementing entity shall develop comprehensive guidelines to address non-discrimination.

#### Mission

*"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"*

## **Specific Measures for High Risk Sectors**

### **Health**

- The Ministry of Health issued a circular on August 8, 2023 that guarantees access to health care services for all and prohibits the discrimination or stigmatization of any individual who seeks health care services on any grounds.
- The Ministry of Health will widely disseminate and socialize health sector guidelines for the effective implementation of the circular.
- Implementating entities should strengthen grievance redress mechanisms, and third-party monitoring systems in collaboration with national and international partners.

### **Education**

- The Permanent Secretary in the Ministry of Education and Sports on 18<sup>th</sup> August 2023 issued a circular stating that the Ministry of Education and Sports does not permit any form of discrimination against any persons in the delivery of education services, programs and projects.
- In light of that circular, the Ministry should ensure that there is no discrimination (including any form of bullying) against teachers and students on any grounds.
- The Ministry of Education and Sports will prepare project specific guidelines to address non-discrimination.
- Implementating entities should strengthen grievance redress mechanisms, including an independent hotline and third-party monitoring systems where necessary.



Ramathan Ggoobi

**PERMANENT SECRETARY/SECRETARY TO THE TREASURY**

Rt. Hon. Prime Minister, Office of the Prime Minister

Attorney General, Ministry of Justice and Constitutional Affairs

Hon. Minister of Finance, Planning and Economic Development

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In any correspondence as  
This subject please quote No.  
BPD 86/179/01



Ministry of Finance, Planning &  
Economic Development,  
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Kampala, Uganda

10<sup>th</sup> July, 2023

All Accounting Officers (Central Government, Missions Abroad, and Local Governments)

All Chief Executive Officers of State-Owned Enterprises and Public Corporations

## THE BUDGET EXECUTION CIRCULAR (BEC) FOR FINANCIAL YEAR 2023/2024

### A. INTRODUCTION

1. This Circular is issued in fulfilment of Article 155 (1) of the Constitution, and Sections 13 (5) and 14 (1) of the Public Finance Management Act, 2015 (Amended).
2. The theme for the FY 2023/2024 Budget has been retained as: ***"Full Monetization of the Ugandan Economy through Commercial Agriculture, Industrialization, Expanding and Broadening Services, Digital Transformation and Market Access"***. The Budget for FY 2023/2024 was approved to address the strategic mission of facilitating more Ugandans to join the money economy.
3. The purpose of this Circular is to communicate the following:
  - i. The FY 2023/2024 Annual Cash Flow Plan (**Annex 1**);
  - ii. The Policy, Operational and Administrative Guidelines for execution of the Budget in FY 2023/2024.
4. As you execute the Budget for FY 2023/2024, I urge all Accounting Officers to ensure that all program activities contribute towards addressing the following objectives:
  - i. Completion of public investments with higher multiplier effects on attainment of NDP III and the NRM 2021-2026 Manifesto;
  - ii. Full-scale implementation of the Parish Development Model (PDM);
  - iii. Enhanced revenue mobilization and collection; and

Minister

*"To promote sound economic policies, increase revenue mobilization, ensure efficient utilization and accountability for public resources in order to achieve the most rapid and sustainable economic growth and development"*

- iv. Ensuring efficiency and effectiveness of Government through rationalization of public expenditure.
5. The key priorities to achieve the above objectives are detailed in the approved Budget for FY 2023/2024. For ease of reference, please follow the link <https://www.budget.finance.go.ug> to access the following key documents, among others:
- i. The Budget Speech for FY 2023/2024;
  - ii. Approved Estimates of Revenue and Expenditure Volume I (Central Government Votes and Missions Abroad);
  - iii. Approved Estimates of Revenue and Expenditure Volume II (Local Governments); and
  - iv. Approved Estimates of Revenue and Expenditure Volume III for the State-Owned Enterprises and Public Corporations.

#### **B. THE ANNUAL CASH FLOW PLAN FOR FY 2023/2024**

- 6. In accordance with Section 36 (b) of the PFM Act 2015 (Amended), the Annual Cash Flow Plan for FY 2023/2024 has been generated off the Program Budgeting System (PBS) based on the quarterly projections in your respective Vote work plans for FY 2023/2024.
- 7. The purpose of the Cash Flow Plan is to guide and ensure that Government maintains sufficient liquidity to be able to sustain and make timely payments to meet service delivery requirements by aligning Vote cash inflows and outflows to your respective Program Implementation Action Plans (PIAPs).
- 8. In view of the above, and in line with Sections 15 and 21 (i) of the PFM Act, 2015 (Amended), all Accounting Officers are urged NOT to overcommit the vote budgets beyond the Annual Cash Flow Plan issued in this Circular. Furthermore, you should submit expenditure commitments, in line with the PIAPs, indicating the actual forecast commitments and the cash position of your respective Votes as per Section 16 (i) of the PFMA, 2015 (Amended) to inform decision-making on the subsequent quarterly expenditure releases.



**C. POLICY DIRECTIVES, ADMINISTRATIVE AND OPERATIONAL GUIDELINES FOR IMPLEMENTATION OF THE BUDGET FOR FY 2023/2024**

***Policy Directives***

9. The FY 2023/2024 Budget allocations directed resources to program areas meant for enhanced socio-economic transformation for all Ugandans through job and wealth creation, and increasing household incomes, by targeting the 39% of Ugandans still in the non-money economy. All Accounting Officers are urged to adhere to the following policy directives that guided the preparation of the Budget for FY 2023/24:
- i. Fund key Government priorities to increase the momentum in socio-economic transformation, for example: the standard-gauge railway, the meter-gauge railway, solar-powered irrigation, PDM, Empooga, road maintenance, coffee value addition, vaccines and pharmaceutical manufacturing etc.;
  - ii. Support development initiatives that drive private sector growth;
  - iii. Implement only ongoing projects and other multi-year commitments as approved in the Budget;
  - iv. Halt new non-concessional projects, except those already provided for in the fiscal framework, or those with no direct or indirect claim on the Consolidated Fund;
  - v. Hold back any recruitment plans in FY 2023/2024 except on a replacement basis where the resources are already available;
  - vi. No travel abroad, except for critical positions of the Executive, Legislature, Judiciary, security, diplomatic relations and resource mobilization; and
  - vii. **NO** purchase of new vehicles except hospital ambulances, tailored vehicles for medical supplies/distribution, and for agricultural extension services, security and revenue mobilization.

***Non-Discrimination***

10. Accounting Officers should ensure that all projects (whether Government of Uganda or externally funded) are implemented within the provisions of Article 21 (1) and (2) of the Constitution and Section 13 (1) (e) (i-ii) of the Public Finance Management Act, 2015 (Amended). This emphasizes equality of all persons in access to all opportunities and benefits presented by the above projects, without prejudice and discrimination on the ground of sex, race,

color, ethnic origin, tribe, birth, creed or religion, social or economic standing, political opinion or disability.

*Advertising by Ministries, Agencies and Local Governments*

11. In his letter of Ref. No. PO/3 dated 6<sup>th</sup> March 2023, H.E. The President directed that in FY 2023/2024, **“all Government advertising must be through the Uganda Broadcasting Corporation. Any Accounting Officer who deviates from this will be sanctioned including dismissal”**. Print media advertising should be done through the New Vision. I therefore urge all Accounting Officers to strictly adhere to this directive.

*Contracting in Ugandan Shillings versus Foreign Currencies*

12. I have received numerous requests from a number of Ministries, Departments and Agencies (MDAs) to undertake contracts in foreign currency, especially in United States Dollars and Euros. In line with the fiscal and monetary policies agreed with Bank of Uganda, I wish to reiterate this Ministry's position that no procurements should be undertaken in foreign currency as previously communicated in FY 2016/17, FY 2017/18 and FY 2018/19. Contracting in the local currency, is meant to preserve the sanctity and value of the Shilling since the budget is appropriated in the local currency which is easily convertible.
13. Therefore, this is to guide all Accounting Officers as follows:
- i. That all contracts for works, goods and services shall be awarded in Ugandan Shillings to hedge against cost overruns due to global forex rates fluctuations that impact on the stability of the Shilling; and
  - ii. All contracts, including those that follow international competitive bidding procedures, shall be quoted in Ugandan Shillings. The only exemption will be where it is clearly expressed in the financing agreements with Development Partners to use other currencies in the bidding process, if necessary. This should be strictly the exception and not the norm. I request the Honorable Attorney General's chambers to take note and enforce this guideline while approving agreements.



Telephone: General Lines: 256 - 417-712260  
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Toll Free 0800100066

E-mail : [ps@health.go.ug](mailto:ps@health.go.ug)  
Website: [www.health.go.ug](http://www.health.go.ug)

IN ANY CORRESPONDENCE ON



Ministry of Health  
P. O. Box 7272  
Plot 6, Lourdel Road  
KAMPALA  
UGANDA

THIS SUBJECT PLEASE QUOTE NO. **ADM:180/01**

THE REPUBLIC OF UGANDA

5<sup>th</sup> June 2023

### Circular

All Hospital Directors, National and Regional Referral Hospitals  
All District Health Officers  
All Medical Superintendents  
All Health Facility In-charges  
Executive Directors of Implementing Partners  
Executive Directors of Faith Based Medical Bureaus  
The Executive Director Uganda Healthcare Federation

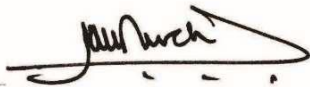
### PROVISION OF SERVICES TO ALL PEOPLE WITHOUT DISCRIMINATION

The constitution of the republic of Uganda recognises that health is a fundamental right and guarantees access to health care services for all. The Ministry of Health is mandated to provide Preventive, Promotive, Curative and Rehabilitative Health Services to all people in Uganda in their diversity **without any form of discrimination**. Furthermore, all services should be provided in a manner that ensures **Safety, Privacy and Confidentiality to all clients that seek health services in all facilities, both Public and Private.**

The Ministry of Health therefore reminds all health care workers and stakeholders about the above National commitments, and reiterates the following;

- **Not to deny services to ANY client who present themselves for services.**
- **Not to discriminate or stigmatize any individual who seeks health care services, for any reason – gender, religion, tribe, economic status, social status or sexual orientation.**
- **Patient rights and ethical values – Confidentiality, Privacy, Patient Safety as stipulated in the Patient's Charter should be upheld each time a patient seeks health care services at your facility**

Your cooperation in this matter is of great importance to improving access to service delivery for all our people.



Dr. Henry G. Mwebesa

**DIRECTOR GENERAL HEALTH SERVICES**

cc. Hon. Minister of Health  
Hon. Minister of State for Health (GD)  
Hon. Minister of State for Health (PHC)  
Permanent Secretary, Ministry of Health  
All UN Agencies  
PEPFAR Coordinator  
Head Country Team Global Fund, Geneva  
Country Manager, World Bank  
Country Director – CDC, USAID, DOD  
Director General, Uganda AIDS Commission  
Directors, Ministry of Health  
All Chief Administrative Officers  
Registrars, Health Professional Councils

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In any correspondence on  
this subject please quote: EPD 191/336/03



Ministry of Education and Sports  
Embassy House  
P.O. Box 7063  
E-Mail: [permasec@education.go.ug](mailto:permasec@education.go.ug)  
Website: [www.education.go.ug](http://www.education.go.ug)  
Kampala, Uganda

18<sup>th</sup> August 2023

All Heads of Education Institutions

### **PROVISION OF EDUCATION SERVICES TO ALL PEOPLE WITHOUT DISCRIMINATION**

The Government of Uganda recognizes the Constitutional social objective to ensure all Ugandans enjoy rights, opportunities and access to education. Under our education objectives, the State is obligated to promote free and compulsory basic education, afford every citizen equal opportunity to attain the highest educational standard possible, and facilitate individuals, religious bodies and other non-governmental organizations to found and operate educational institutions if they comply with the general educational policy of the country and maintain national standards.

The Ministry is implementing the Gender in Education Policy which provides for equitable access to education for all without discrimination. To operationalize the Policy a number of policy strategies and guidelines exist including the National Strategy of Elimination of Violence Against Children, the Life Skills Toolkit, manuals on growth and sexual maturation. In addition, the Ministry has incorporated Sexuality Education into the curriculum to ensure age-appropriate information to enable young people to maneuver through the different challenges of life.

The purpose of this Circular, therefore, is to reiterate Article 21 (1) of our constitution with states that "All persons are equal before and under the law in all spheres of political, economic, social and cultural life and in every other respect and shall enjoy equal protection of the law". The Ministry does not condone any forms of discrimination and exclusion of any persons, in delivery of education services, programs and projects.

You are, therefore, called upon to observe and ensure the above standards in the delivery of education services, programmes and projects.

**Ketty Lamaro**  
**PERMANENT SECRETARY**

Cc: First Lady and Hon Minister of Education and Sports  
Ministers of State, Education and Sports

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THE REPUBLIC OF UGANDA

Office of The Director of Public Prosecutions,  
Workers House, 12<sup>th</sup> & 11<sup>th</sup> Floor  
Plot 1, Pilkington Road,  
P.O. Box 1550,  
Kampala (Uganda)  
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Our Ref: ADM 12/01  
Your Ref:

Date: 25<sup>th</sup> August, 2023

### CIRCULAR NO.18/2023

All Prosecutors,  
Office of the Director of Public Prosecutions.

**RE: MANAGEMENT OF CASES WITH CHARGES PREFERRED UNDER THE  
ANTI-HOMOSEXUALITY ACT 2023.**

The Anti-Homosexuality Act (AHA) came into force on 30<sup>th</sup> May 2023. It has come to the attention of management that a number of charges of Homosexuality and Aggravated Homosexuality are now being preferred by some officers without internalizing some crucial aspects of the act.

It is important to note that the AHA only criminalises offences where a sexual act has been performed. The term "*sexual act*" is defined under Section 1 of the Act.

It is also important to note that Sections 2 (5) and 3 (5) of the AHA provide that "*for the avoidance of doubt, a person who is alleged or suspected of being a homosexual, who has not committed a sexual act with another person of the same sex, does not commit the offence of homosexuality under this section*".

Officers are therefore advised to peruse files with offences under the AHA cautiously while taking into account the abovementioned provisions.

You are hereby directed to ensure that all files with charges preferred under the AHA should first be submitted to Headquarters with a written legal opinion for further guidance before a decision to charge is made.

Management will soon organize sensitization meetings for all officers on the key aspects of the AHA.

Jane Frances ABODO  
DIRECTOR OF PUBLIC PROSECUTIONS

## 12.11 ANNEX 11: ENHANCED IMPLEMENTATION SUPPORT AND MONITORING OF NON-DISCRIMINATION

### 1. Background and Objectives

The World Bank and IFC will hire an international and credible entity (firm, agency) with a strong knowledge of the Ugandan context and a track record of enhanced third-party implementation support and performance monitoring to undertake the tasks described in this section for all projects presently being implemented in the Uganda portfolio. The entity is expected to work with NGO/CSOs and country-based development partners.

The Enhanced Implementation Support and Monitoring (EISM) will primarily focus on supporting project teams to implement mitigation measures to address grievances and concerns from beneficiaries, communities, and workers relating to discrimination from project benefits.

The objectives of the Enhanced Implementation Support and Monitoring include:

- Assisting project teams to enhance existing project-level grievance mechanisms and develop and operate an independent mechanism that would identify, manage, and monitor cases of discrimination.
- Assisting the WB in strengthening the capacity of Project Implementation Units (PIUs), workers, and contractors, subcontractors, and service providers.
- Ensuring contracts, codes of conduct, hiring procedures, whistle-blower protection protocols, and other measures, as needed, are in place to allow remediation of cases of discrimination.
- Develop a strong data management system and process that secures personal data and information in a manner that is safe, ethical, and confidential.
- Where cases of discrimination are reported through the above mechanism, the EISM will report the grievances to the Bank, propose appropriate remediation, and follow up on agreed actions to resolve the case.
- Support the WB/IFC to monitor the efficacy of the agreed measures to mitigate the impacts on WB/IFC financed operations.

Table 12.1 illustrates the enhanced implementation support and monitoring steps. Figure 12.1 contains the enhanced implementation support and monitoring process. Figure 12.2 contains the Complaint Management for Vulnerable or Marginalized Individuals or Groups.

### 2. Scope of Work and Activities

To provide enhanced implementation and monitoring support to the World Bank/IFC operations in Uganda the EISM will:

2.1 Establish an effective and confidential mechanism to receive, manage, refer, and monitor grievances related to discrimination across the WB/IFC portfolio.

To do so the EISM will:

- **Enhance existing project-level grievance redress mechanisms** to safely, ethically, and confidentially receive cases related to discrimination on World Bank/IFC financed operations and refer them to an appropriate grievance handling mechanism.

- **Design and operate a mechanism for receiving grievances** related to discrimination on WB/IFC financed operations (including from project level grievance mechanisms noted above).
- **Establish a hotline or an alternative complaint mechanism**, for individuals to lodge complaints of discrimination on WB/IFC financed projects or voice their concerns without fear of reprisal. The EISM is an alternative to lodging complaints through a GoU-led project-level GRMs.

Table 12.1: Enhanced Implementation Support and Monitoring Steps

#### Enhanced Implementation Support and Monitoring Steps

Act as a key first step in the referral process from project-level GRMs      Designed specifically to handle complaints restricted to WB/IFC projects

- |         |   |
|---------|---|
| Step 1  | Receives and document complaints of discrimination in accessing WB/IFC projects' benefits, services, and opportunities.   |
| Step 2  | Develops specific security protocols to ensure that communications are safe, ethical, and confidential.   |
| Step 3  | Establishes a data management system on an international server guaranteed by the provider as safe and secure encryption and privacy.   |
| Step 4  | Implements a data privacy and protection policy to include confidentiality clauses to be signed by all personnel entrusted with managing referrals or referral-related information. |
| Step 5  | Handles complaints in a confidential, anonymous, and non-judgmental manner which is sensitive to local context and in local languages   |
| Step 6  | Provides detailed monthly reports of complaints received to the WB/IFC  |
| Step 7  | Provides ad hoc incident reports of all allegations to WB/IFC within 48 hours of receipt  |
| Step 8  | Reports grievances to the WB/IFC, proposes appropriate remediation, and follows up on agreed actions to resolve the case.   |
| Step 9  | Maps available services for vulnerable or marginalized individuals and groups including counselling, legal services, protection, and other services,                                |
| Step 10 | Refers individuals to the appropriate local services or organizations as needed   |
| Step 11 | Reports grievances to the WB/IFC, proposes appropriate remediation, and follows up on agreed actions to resolve the case.   |
| Step 12 | Regularly evaluates the effectiveness of mitigation measures to determine whether and how well the mitigation measures are functioning.   |

Step 13	Recommends and supports the implementation of adjustments to mitigation measures based on regular evaluations and their impact.
------------	---

## 2.2 Outreach and sensitization to project beneficiaries and communities involved with the World Bank/IFC Portfolios.

Activities related to Outreach and sensitization to project beneficiaries and communities include:

- **Assist the WB/IFC to prepare and implement a plan to disseminate information** about the support provided by the entity including support to existent GRMs.
- **Prepare community/beneficiary information materials** on their rights within the Constitution of Uganda and World Bank/IFC policies informed by various official circulars issued by the GoU on non-discrimination and World Bank/IFC policies.
- **Develop and implement a methodology to conduct periodic outreach to beneficiaries/communities** to hold consultations on non-discrimination to identify issues and risks in a safe, ethical, and confidential manner.

## 2.3 Capacity strengthening and technical support

Activities related to capacity strengthening and technical support include:

- **Support to the WB/IFC on training** of government staff and private sector consultants/clients, workers, and contractors on non-discrimination by developing training materials, identifying venues, providing trainers, etc.
- **Support to the WB/IFC with training project level GRMs** on non-discrimination in World Bank and IFC financed Projects by developing training materials, identifying venues, providing trainers, etc.
- **Preparing training modules for call centre operators, data management personnel, and community outreach personnel** on appropriate handling of sensitive information.
- **Providing technical support to the GoU for the development of Guidelines** on Non-discrimination of Workers.

## 2.4 Monitoring and Evaluation

Activities related to monitoring and evaluation include:

- **Developing a system to regularly monitor WB/IFC projects** for 1) implementation of agreed GoU actions to mitigate the risk of discrimination on WB/ IFC projects, 2) incidents of discrimination on World WB/IFC financed projects.
- **Regularly evaluating the effectiveness of mitigation measures** to determine whether and how well the mitigation measures are functioning to improve WB/IFC awareness of incidents of discrimination on WB/IFC financed operations.
- **Recommending and supporting the implementation of adjustments to mitigation measures** based on regular evaluations and their impact.

### 3. Roles and Responsibilities

The GOU and its PIUs remain responsible for the implementation of all project activities including mitigation measures supported by the EISM. The enhanced implementation and monitoring support mandate is specifically focused on:

- 1) supporting the WB/IFC to ensure the agreed measures on non-discrimination in the portfolio are implemented fully, ethically, safely, and to an appropriate standard of quality; and
- 2) to support the WB/IFC to enhance our awareness of cases of discrimination across the WB/IFC portfolio.

The GOU will facilitate the work of the entity and collaborate as needed on all activities requiring their direct involvement, such as outreach and sensitization activities, capacity strengthening and technical support as well as the monitoring and evaluation of mitigation measures. The GoU will also ensure that the work under the EISM can be undertaken safely in accordance with existing circulars and their dissemination.

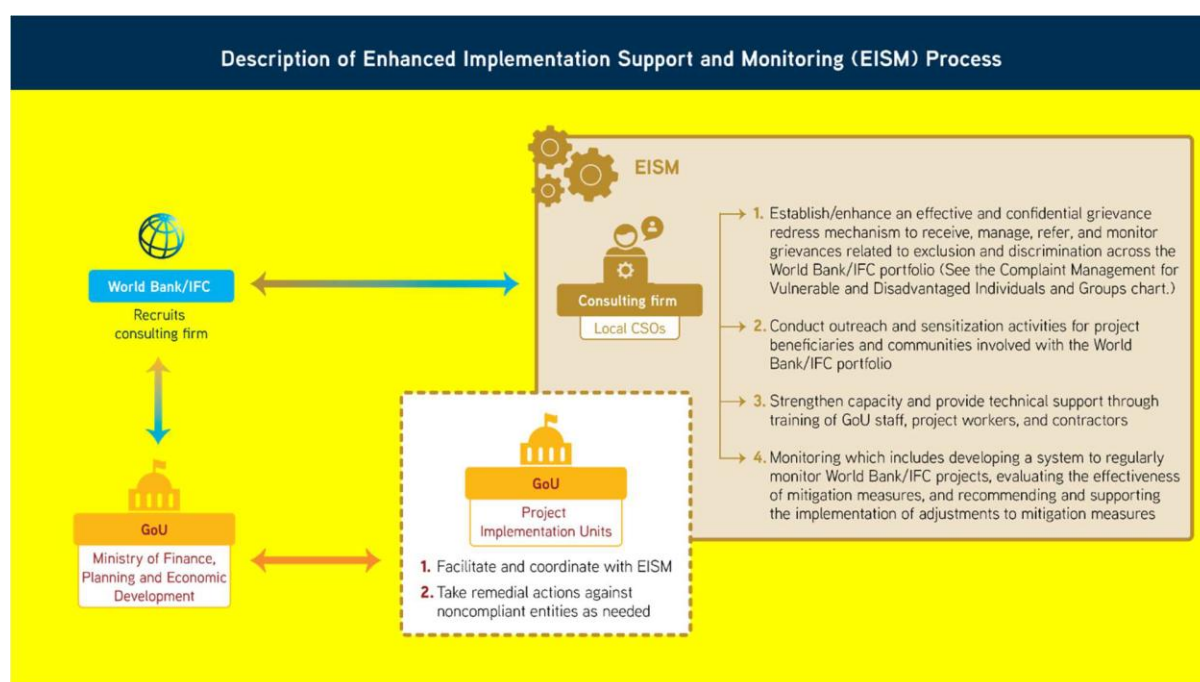


Figure 12.1: The enhanced implementation support and monitoring process.

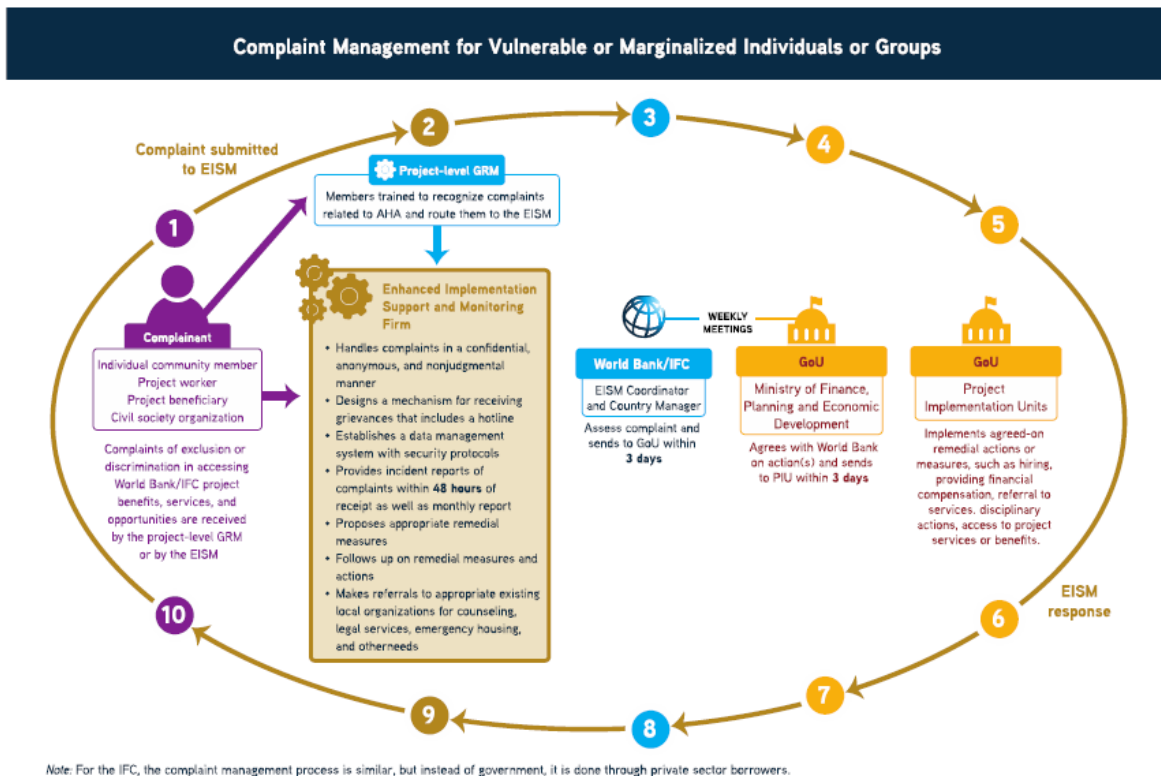


Figure 12.2: The Complaint Management for Vulnerable or Marginalized Individuals or Groups

#### 4. Inclusion and non-discrimination of Vulnerable or Marginalized Individuals or groups (VMIGs)

This section relates to Vulnerable or Marginalized Individuals or Groups. There is a potential risk of exclusion or discrimination based on age, gender, ethnicity, disability, etc. from the project benefits. This refers to vulnerable or marginalized individuals or groups who, by virtue of, for example, their age, gender, ethnicity, religion, physical, mental or other disability, social, civic or health status, economic disadvantages, and/or dependence on unique natural resources, may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project's benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/or assistance to do so. The Government of Uganda notes that discrimination or exclusion of any Ugandan contravenes Article 21 of the Ugandan Constitution. The Republic of Uganda (the Borrower) has committed to uphold the Bank's policy requirements for inclusion and non-discrimination on all World Bank financed projects. The measures outlined below are intended to ensure that mechanisms exist to identify potential discrimination and to promptly remediate its impacts. Specifically, these mitigation measures will ensure that:

- An individual or groups with concerns or grievances would be afforded appropriate avenues to submit their grievances or concerns including through the grievance mechanism corresponding to World Bank financed project.
- The operators of the referred mechanisms, the World Bank and the Government of Uganda will do what is required of them to ensure that such concerns or grievances are addressed promptly and effectively.

**Background and progress to date:**

Following the World Bank Group's communication of its concerns with the enactment of the Anti-Homosexuality Act (AHA), the Government of Uganda issued five Circulars (see Annex 10). Of particular importance is the Circular on Uganda's Social Safeguard Policies issued on September 21, 2023, by the Ministry of Finance, Planning and Economic Development, to all Accounting Officers, Ministries, Departments and Agencies and Local Governments which states that:

- "All World Bank-financed projects must be implemented in a manner consistent with the principles of non-discrimination as provided Article 21 of the Constitution of the Republic of Uganda. These projects should also be implemented in accordance with World Bank policies and applicable Legal Agreements.
- Under these projects, no one will be discriminated against or stigmatized, and the principles of non-discrimination and inclusion will be adhered to. Support should be provided to all project beneficiaries.
- All implementing entities of World Bank projects will implement specific mitigation measures to address non-discrimination.
- These mitigation measures will require enhancing project grievance redress mechanisms as well as strengthening existing project monitoring by implementing entities including third-party monitoring where applicable.
- Each project implementation entity shall develop comprehensive guidelines to address nondiscrimination."

The updated environmental and social risk management documents (Annex 10 and 11) identify the additional risks and describes mitigation measures to address these risks. They include the implementation, monitoring, and reporting arrangements, and roles and responsibilities to assess the efficacy of the additional mitigation measures being implemented. They also include the results of the public consultations on these documents involving the Government of Uganda and civil society organizations. Noteworthy is that the World Bank will provide support to the Government of Uganda, particularly its Project [Program] Implementation Units, to help them to implement the additional mitigation measures for this project.

**Risks**

These risks were identified through a process of stakeholder engagement conducted from March 2023 to January 2024 with civil society organizations, donors and other interested parties. Stakeholder engagement on the mitigation measures and updating of instruments took place between June 12 and June 23, 2023, as well as between August 28 and September 22, 2023. This engagement was led by the World Bank and included meetings with government of Uganda representatives, other Development Partners and NGOs/CSOs. In addition, in January 2024, the GoU led consultations on the whole World Bank portfolio with key community stakeholders. A summary of the consultations is available on the World Bank Uganda consultations on inclusion website at: <https://www.worldbank.org/en/country/uganda/brief/consultations>. Identified risks include:

- i. The risk of vulnerable or marginalized individuals or groups declining to access project benefits for fear of rejection, retaliation, or being reported to the police.
- ii. The risk of vulnerable or marginalized individuals or groups being reported to the police if their status is disclosed or suspected.

- iii. Limited capacity of projects staff in assessing and addressing exclusion risk. Project staff inability to ensure vulnerable or marginalized individuals or groups participation in public consultations
- iv. Vulnerable or marginalized individuals or groups unwillingness to use the project's GRM for fear of retaliation, as addressing some of these complaints might cause harm to the parties involved.
- v. What measures will be put in place to ensure job security for persons hired by the project?
- vi. What measures will be taken to ensure the safety and security of vulnerable or marginalized individuals or groups?
- vii. Around community safety and there needs to be a long-term consideration to be included in the mitigation measures.
- viii. Fear that people will not participate in projects because of lack of trust.
- ix. If we agree learning is a long-term process - why don't we directly get involved in these projects, for example, in delivering the trainings?
- x. More detail is needed on what will be done in the trainings.

### **Mitigation measures**

The following mitigation measures are proposed to manage the risk of discrimination of individuals and groups who may be vulnerable or marginalized.

These mitigations will be implemented by the Project Implementation Unit (PIU) with the support of an international organization (firm, agency, or consortium) to be hired by the World Bank and IFC with a strong track record of providing implementation support and monitoring project performance and knowledge of the Ugandan context. This organization is expected to work with NGO/CSOs and country-based development partners in implementing these mitigation measures.

Specifically, the organization will:

- Assist project teams to enhance existing project-level grievance mechanisms and develop and operate an independent mechanism that would identify, manage, and monitor cases of discrimination.
- Assist the World Bank in strengthening the capacity of Project Implementation Units, workers, and contractors, subcontractors, and service providers.
- Ensure contracts, codes of conduct, hiring procedures, whistle-blower protection protocols, and other measures, as needed, are in place to require remediation of cases of exclusion and discrimination.
- Develop a strong data management system and process that secures personal data and information in a manner that is safe, ethical, and confidential.
- Where cases of discrimination are reported through the above mechanism, the organization will report the grievances to the Bank, propose appropriate remediation, and follow up on agreed actions to resolve the case.
- Support the WB/IFC to monitor the efficacy of the agreed mitigation measures on WB/IFC financed operations.
- 

A more detailed explanation of the enhanced implementation supports this organization will provide is found in Annexes 10 and 11.

Mitigation measures to be implemented by PIUs with the support from the organization listed above include:

- Develop training, sensitization and Information, Education and Communications material on the obligations of project participants to ensure non-discrimination of individual or groups who are vulnerable or marginalized, and to ensure they have access to appropriate expertise to help them do that.
- The implementing entities will recruit project staff under the PIU that have the required experience and qualifications.
- Develop measures and protocols when appropriate that will ensure the safety and security of project beneficiaries.
- Undertake targeted consultations with external stakeholders, including as appropriate NGO/CSOs, local governments, security services and other stakeholders to ensure there is broad understanding of the obligations of project participants to ensure non-discrimination under the project.
- Review all project contracts, Codes of Conducts, human resource procedures and protocols, whistle-blower protection protocols, and other measures, as needed, to ensure they require remediation of cases of exclusion and discrimination.
- Review the project human resource procedures and protocols, whistle blower protections and other relevant policies and protocols of all project participants to ensure appropriate principles of inclusion and non-discrimination are applied.
- Augment the project Grievance Redress Mechanism includes an effective, safe, ethical and confidential referral pathway to ensure individuals or groups vulnerable or marginalized are comfortable reporting incidents of discrimination and that such grievances are addressed quickly, efficiently and appropriately.

Facilitate the monitoring of implementation of all measures to promote non-discrimination under the project by supporting the World Bank financed organization to ensure all measures are implemented and all reported incidents are shared with the Bank and addressed in a timely fashion.

## 12.12 ANNEX 12: LIST OF EXCLUDED ACTIVITIES

1. Production or trade in any product or activity deemed illegal under laws or regulations of Uganda or international conventions and agreements.
2. High risk Environmental and Social category activities in accordance with the Government of Uganda regulations and WB ESF Risk Categorization under ESS-1.
3. Production or trade in weapons or ammunitions.<sup>1</sup>
4. Gambling, casinos and equivalent enterprises.<sup>1</sup>
5. Production or trade in alcoholic beverages (excluding beer and wine).<sup>1</sup>
6. Activities targeting tobacco manufacturing, processing, or specialist tobacco distribution, and activities facilitating the use of tobacco.<sup>1</sup>
7. Trade in wildlife or wildlife products regulated under Convention on International Trade in Endangered Species (CITES).
8. Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where DBE considers the radioactive source to be trivial and/or adequately shielded.
9. Production or trade in or use of unbounded asbestos fibres.
10. Any activities involving significant degradation or conversion of natural<sup>2</sup> and/or critical habitats<sup>3</sup> and/or any activities in legally protected areas.<sup>4</sup>
11. Activities damaging to national monuments activities that are located in or impacting on areas with physical cultural property<sup>5</sup> attributes;
12. Unsustainable fishing practices such as electric shocks or explosive materials.
13. Production or trade in wood or other forestry products other than from sustainably managed forests.<sup>6</sup>
14. Production or trade in pharmaceuticals, pesticides/herbicides, ozone depleting substances, polychlorinated biphenyls (PCBs) subject to international phase outs or bans.
15. Production or activities involving harmful or exploitative forms of forced labor<sup>7</sup> or harmful child labor<sup>8</sup>.
16. Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals (gasoline, kerosene, other petroleum products, textile dyes etc.).
17. Activities involving land acquisition and/or restrictions on land use resulting in involuntary resettlement or economic displacement.<sup>9</sup>TA Activities: Parastatals, government entities and government-controlled firms will not qualify. Specifically, firms where the government or a parastatal is the largest shareholder, or has a majority on the board, will not qualify.

### 18. Footnotes

1. This does not apply to enterprises that are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to an enterprise's primary operations.

2. Natural habitats are land and water areas where (i) the ecosystems' bio-logical communities are formed largely by native plant and animal species, and (ii) human activity has not essentially modified the area's primary ecological functions. All-natural habitats have important biological, social, economic, and existence value. Important natural habitats may occur in tropical humid, dry, and cloud forests; temperate and boreal forests; Mediterranean-type shrub lands; natural arid and semi-arid lands; mangrove swamps, coastal marshes, and other wetlands; estuaries; sea grass beds; coral reefs; freshwater lakes and rivers; alpine and sub alpine environments, including herb fields, grasslands, and paramos; and tropical and temperate grasslands. Biodiversity outside of natural habitats (such as within agricultural landscapes) is not covered under this policy. It is good practice to take such biodiversity into consideration in project design and implementation.

3. Critical habitat is a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value that meet the criteria of the World Conservation Union (IUCN) classification, including habitats of significant importance for required for critically endangered or endangered species as defined by the IUCN Red List of Threatened Species; habitats of significant importance for endemic or restricted-range species; habitats supporting globally significant concentrations of migratory species and /or congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes. Primary Forests or forests of High Conservation Value shall be considered Critical Habitats.

5. Also known as 'cultural heritage', 'cultural patrimony', 'cultural assets' or 'cultural property'. Physical cultural resources are defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other culture I significance. Physical cultural resources may be located in urban or rural settings, and may be above or below ground, or under water. Their cultural interest may be at the local, provincial or national level, or within the international community.

6. Sustainable forest management may be demonstrated by the application of industry-specific good practices and available technologies. In some cases, it may be demonstrated by certification/ verification or progress towards certification /verification under a credible standards system. Additionally, the following types of activities involving forests will be excluded: (a) activities that have or may have impacts on the health and quality of forests; (b) activities that affect the rights and welfare of people and their level of dependence upon or interaction with forests; and (c) activities that aim to bring about changes in the management, protection, or utilization of natural forests or plantations, whether they are publicly, privately, or communally owned.

7. Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

8. Employees may only be taken if they are at least 14 years old, as defined in the ILO Minimum Age Convention (C138, Art. 2) ratified by Uganda in 2003. Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

9. Land acquisition and/or restrictions on land use that may result in the physical displacement of people (involuntary resettlement/ relocation or loss of shelter) as well as their economic displacement (as loss of assets or access to assets and/or means of livelihood, regardless of whether or not the affected people must move to another location). This includes the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons. Land must be acquired on willing-seller willing-buyer basis.

## 12.13 ANNEX 13: CONTENT OF AN ENVIRONMENTAL AND SOCIAL AUDIT REPORT

**Source:** **SCHEDULE 2.** *Regulations 10(1), 15(1). Of Uganda National Environment (Audit) Regulation 2020.*

1. An environmental audit report shall include—
  - (a) the names and composition of the environmental audit team, including their qualifications, specific skills and relevance to a specific subject matter;
  - (b) a description of the project or activity audited and its physical location including a map, coordinates, boundaries of the site, plot number, block number, name of cell, village, parish, ward, sub-county, division, county and district;
  - (c) the identity of the developer or representatives of the developer who took part in the environmental audit and their specific roles;
  - (d) the criteria, objectives, scope, protocol and methodology used during the conduct of the environmental audit and any obstacles encountered, including gaps in knowledge and any other limitations encountered;
  - (e) the period covered by the environmental audit and the dates on which the audit was conducted;
  - (f) the terms of reference for the audit, including where applicable, consideration of the environment assessment baseline, and the date and issues raised in the previous environmental audit, environmental monitoring reports or inspections;
  - (g) a description and an assessment of the effectiveness of the environment management system and the compliance with the environmental management and monitoring plan, including environmental, health and social requirements associated with the project or activity;
  - (h) a description of the observed impacts of the audited project or activity, including both qualitative and quantitative data and information, where applicable;
  - (i) the audit findings, including any identified non-compliance, causes of the non-compliance, proposed corrective actions and time-frame for implementing the corrective actions;
  - (j) record of consultations with relevant stakeholders;
  - (k) an implementation plan, including an audit corrective action plan proposed by the developer in consultation with the audit team that addresses the correction of past environmental non-compliance, the current environmental compliance and prevention of future non-compliance;
  - (l) any other recommended action;
  - (m) copies of all relevant approval certificates, permits and licences as an annex to the report; and
  - (n) any other information the Authority may require.
2. As a separate document, the environmental audit report shall include a statement of the confidential nature of the information obtained or parts of the information, if any.
3. The environmental audit report shall contain a declaration dated and signed by all members of the environmental audit team.
4. The developer shall, every three years, submit, together with the environmental audit report, an updated environmental management and monitoring plan of the project or activity.

## 12.14 ANNEX 14: SAMPLE FORMAT FOR E&S PERIODIC INVESTMENT ACTIVITIES PROGRESS REPORTING (QUARTERLY, ANNUAL)

### 1. Format for Quarterly Project Progress Report

- i. Period under Reporting.
- ii. Introduction to the Project/Subproject.
- iii. Investment Objective/Activity Information.
- iv. Achievement(s) made planned activity.
- v. Performance indicators and targets.
- vi. E&S Challenges and Risks encountered during activity/activities implementation.
- vii. How were the challenges/risks addressed?
- viii. Investment activity/activities planned for the second quarter and tentative timelines.
- ix. Annexes.

### 2. Guidelines/Format for Annual Investment Activity Progress Report

- i. Financial Year under Reporting (On Cover Page).
- ii. Investment No. and Title (On Cover Page).
- iii. Executive Summary.
- iv. Acronyms and Abbreviations.
- v. List of Tables.
- vi. List of Figures.
- vii. Introduction to the Project/Subproject.
- viii. Objective(s).
- ix. E&S Activity Planned/Planned Achievement/Actual Achievement and Remarks/Achievement indicators (To be Presented in a Table Form).
- x. E&S Challenges and Risks faced during Project implementation.
- xi. How were the challenges/risks addressed or Planned to be addressed during the second year?
- xii. Planned investment activities for the next financial year.
- xiii. Indicative list(s) of resources required.
- xiv. Conclusion and Recommendations
- xv. Annexes

## 12.15 ANNEX 15: STAKEHOLDERS CONSULTATION INTRODUCTORY LETTER



October 18, 2022

PSFU/CEDP/GEN/482/2022

Dear Stakeholder,

### INTRODUCTION OF M/S JBN CONSULTANTS

The Government of Uganda and World Bank are preparing the Investment for Industrial Transformation and Employment (INVITE) Project which among others will support the Government's strategic objective as reflected in the NDP III, of facilitating the emergence of new growth corridors as an approach to accelerating private sector growth and job creation. The project aims to increase private investment and market linkages in nascent growth corridors in Uganda, intending to accelerate economic transformation and improved incomes for lower-income households.

INVITE will be implemented by Bank of Uganda (BoU) and the Private Sector Foundation Uganda (PSFU).


As part of the preparatory activities, PSFU has engaged M/S JBN Consults and Planners Limited to undertake the preparation of Environmental and Social Safeguard Instruments including: Environmental and Social Management Framework (ESMF), Resettlement Policy Framework (RPF), Stakeholders Engagement Plan (SEP), and Vulnerable and Marginalized Groups Framework (VMGF) for the INVITE.

This therefore serves to introduce the staff from M/S JBN Consultants and Planners Ltd and request you to avail them the necessary information and cooperation for smooth execution of the assignment.

In case you require any additional information or clarification, please contact: Jerome Mugondi the Project Environmental and Social Safeguards Specialist on telephone 0773378926 or Email: [jerome.mugondi@cedp.go.ug](mailto:jerome.mugondi@cedp.go.ug)

We count on your active participation and cooperation for the successful execution of this assignment.

Regards,



John Marie Kyewalabye  
PROJECT COORDINATOR



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Kigowa - Ntinda, Kampala  
P.O. Box 101649, Kampala, Uganda  
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10<sup>th</sup> June, 2024

The Executive Director  
Uganda Microfinance Regulatory Authority (UMRA),  
Rwenzori Towers, Block B  
Plot 6 Nakasero Road  
KAMPALA

**REQUEST TO UNDERTAKE CONSULTATIVE MEETING REGARDING  
INVESTMENT FOR THE INDUSTRIAL TRANSFORMATION AND EMPLOYMENT  
PROJECT (INVITE)**

The Government of Uganda through World Bank financing is preparing the Investment for Industrial Transformation and Employment (INVITE) Project which among others, will support the Government's strategic objective of....in line with the NDP III, of facilitating the emergence of new growth corridors as an approach to accelerating private sector growth and job creation. The Project aims to increase private investment and market linkages in nascent growth corridors in Uganda, intending to accelerate economic transformation and improved incomes for lower-income households including amongst refugee communities. INVITE will be implemented by Bank of Uganda (BoU) and the Private Sector Foundation Uganda.

As part of the process to ensure that the project is carried out in an environmentally sustainable manner compliant with both the GoU and the World Bank Environmental and Social Safeguard policies, M/S. JBN Consults and Planners Ltd a private Consultancy Firm has been contracted by Private Sector Foundation Uganda (PSFU) to prepare an Environmental and Social Management Framework (ESMF) for the proposed project.

The preparation of ESMF will involve undertaking comprehensive stakeholder consultations with different stakeholders and your entity has been identified as one of the key stakeholders.

The purpose of this letter is to request for an appointment to hold a meeting with you to discuss aspects of the project. Your input will go a long way to shape the formulation and subsequent implementation of the project in a sustainable manner.

We would be glad if you found time and slotted an opportunity to meet you or your delegated staff for this discussion. Enclosed herein, a copy of Introductory Letter from PSFU for the above assignment for your reference.





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The Chairperson  
Uganda Manufacturer's Association  
P.O Box 6966, Lugogo Show Grounds  
**KAMPALA**



10<sup>th</sup> June, 2024

**REQUEST TO UNDERTAKE CONSULTATIVE MEETING REGARDING  
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The preparation of ESMF will involve undertaking comprehensive stakeholder consultations with different stakeholders and your entity has been identified as one of the key stakeholders more especially based on your key role in the manufacturing sector.

The purpose of this letter is to request for an appointment to hold a meeting with you to discuss aspects of the project especially on the involvement in manufacturing and export of commodities. Your input will go a long way to shape the formulation and subsequent implementation of the project in a sustainable manner.

We would be glad if you found time and slotted an opportunity to meet you or your delegated staff for this discussion. Enclosed herein, a copy of Introductory Letter from PSFU for the above assignment for your reference.



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10<sup>th</sup> June, 2024

The Executive Director  
Uganda Bankers' Association  
Plot 2702, Block 244 Nyangweso Rd off Kironde Rd  
Tankhill, Muyenga  
KAMPALA

**REQUEST TO UNDERTAKE CONSULTATIVE MEETING REGARDING  
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10<sup>th</sup> June, 2024

The Permanent Secretary  
Ministry of Trade, Industry and Cooperatives  
KAMPALA



**REQUEST TO UNDERTAKE CONSULTATIVE MEETING REGARDING  
INVESTMENT FOR THE INDUSTRIAL TRANSFORMATION AND EMPLOYMENT  
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We would be glad if you found time and slotted an opportunity to meet you or your delegated staff for this discussion. Enclosed herein, a copy of Introductory Letter from PSFU for the above assignment for your reference.

Yours faithfully,

Nelson Omagor  
MANAGING DIRECTOR

CC: Executive Director,  
Private Sector Foundation-PSFU  
KAMPALA



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Kigowa - Ntinda, Kampala  
P.O. Box 101649, Kampala, Uganda  
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10<sup>th</sup> June, 2024

The Executive Director  
Federation of Small Medium Enterprises (FSME)  
SME House Plot 43 – Stretcher Road, Ntinda  
**KAMPALA**

**REQUEST TO UNDERTAKE CONSULTATIVE MEETING REGARDING  
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Yours faithfully,

Nelson Omagor  
**MANAGING DIRECTOR**

CC: Executive Director,  
Private Sector Foundation-PSFU  
**KAMPALA**





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Plot 577 & 578, Dr. Asea Road,  
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10<sup>th</sup> June, 2024

The Permanent Secretary  
Office of the Prime Minister  
KAMPALA

Attn:

The Commissioner  
Department of Refugees  
Sir Apollo Kaggwa Rd,  
Old Kampala, Uganda



**REQUEST TO UNDERTAKE CONSULTATIVE MEETING REGARDING  
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The preparation of ESMF will involve undertaking comprehensive stakeholder consultations with different stakeholders and your entity has been identified as one of the key stakeholders more especially based on your key role on refugee management.

The purpose of this letter is to request for an appointment to hold a meeting with you to discuss aspects of the project especially on the involvement of refugees. Your input will go a long way to shape the formulation and subsequent implementation of the project in a sustainable manner.

We would be glad if you found time and slotted an opportunity to meet you or your delegated staff for this discussion. Enclosed herein, a copy of Introductory Letter from PSFU for the above assignment for your reference.



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The Executive Director  
Microfinance Support Centre  
Plot 32 Nakasero Road  
P.O.Box 33711,  
**KAMPALA**



10<sup>th</sup> June, 2024

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10<sup>th</sup> June, 2024

The Permanent Secretary  
Ministry of Gender, Labour & Social Development  
**KAMPALA**

**Attn:**  
The Commissioner  
Department of Occupation Health and Safety  
**KAMPALA**

**REQUEST TO UNDERTAKE CONSULTATIVE MEETING REGARDING  
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The preparation of ESMF will involve undertaking comprehensive stakeholder consultations with different stakeholders and your entity has been identified as one of the key stakeholders more especially based on your key role in management of health, safety and Social safeguards.

The purpose of this letter is to request for an appointment to hold a meeting with you to discuss aspects of the project. Your input will go a long way to shape the formulation and subsequent implementation of the project in a sustainable manner.

We would be glad if you found time and slotted an opportunity to meet you or your delegated staff for this discussion. Enclosed herein, a copy of Introductory Letter from PSFU for the above assignment for your reference.



## 12.16 ANNEX 16: GENERIC/BASE EMERGENCY PREPAREDNESS AND RESPONSE PLAN

The purpose of this plan is to provide guidance for identification, assessment and providing basic information and guidance for response to emergency situations.

While it is recognized that all situations cannot be covered, the overall guidance is for the project to provide documented systems, tailored for type of anticipated emergencies specific to the activities to be undertaken, drills, and evacuation procedures as well as how to communicate them to the required people.

This EPRP applies to the INVITE project for Windows under component 1 and Windows 2.1. and 2.2 under component 2 undertaken by INVITE Trust. The EPRP will reflect the specific type of financial instrument for the windows a PFI or MSME is participating in. INVITE Trust will support the PFIs/MSMEs once the need arises, but the ultimate responsibility for their own employees lies with the respective PFI/MSME.

Any emergency, serious injury or dangerous occurrence must be notified or reported immediately to the Project Manager.

### **Roles and responsibilities**

#### **A. INVITE Trust Project Manager**

- Demonstrate commitment to and support for all emergency preparedness and response procedures and activities.
- Exercise due diligence, when establishing that:
  - appropriate emergency response equipment is available and maintained within their area of responsibility,
  - emergency co-ordinators within their area of responsibility are adequately resourced with suitably trained and/or qualified personnel,
  - workers within their area of responsibility are receiving first response and emergency evacuation instructions within legislated timeframes,
  - worksites within their area of responsibility are conducting annual emergency evacuation drills,
  - corrective or preventative actions identified during incident investigations or emergency evacuation drills are being implemented.
- Follow all reasonable instructions issued by member of the emergency team during drills and emergency evacuations.

#### **B. Participating Financial Institutions**

- Review and approve the Emergency Evacuation Procedures for their specific institutions of responsibility.
- Ensure that adequate firefighting and spill management equipment are available and maintained at the specific institution of responsibility.
- Verify that the workers within their area of responsibility are receiving first response and general evacuation training within legislated timeframes.

- Ensure that emergency evacuation drills are regularly conducted on all worksites within the area of responsibility.
- Oversee the implementation of corrective and preventative actions identified during incident investigations or emergency evacuation drills.
- Take control of an emergency situation within their area of responsibility.
- Inform the INVITE Trust project Manager/ E&S Specialists of an emergency situation.
- Follow all reasonable instructions issued by the Project Manager/ E&S Specialists during an emergency situation.

#### **C. MSMEs/LEs**

- Review and approve the Emergency Evacuation Procedures for their specific firm of responsibility.
- Ensure that adequate firefighting and spill management equipment are available and maintained at the specific firm of responsibility.
- Verify that the workers within their area of responsibility are receiving first response and general evacuation training within legislated timeframes.
- Ensure that emergency evacuation drills are regularly conducted on all worksites within the area of responsibility.
- Oversee the implementation of corrective and preventative actions identified during incident investigations or emergency evacuation drills.
- Take control of an emergency situation within their area of responsibility.
- Inform the PFI Management/ INVITE Trust of an emergency situation.
- Follow all reasonable instructions issued by the INVITE Trust/ PFI during an emergency situation.

#### **D. E&S Specialists**

- Responsible for ensuring the safety of the worksite occupants from the time an emergency alarm is sounded, until the relevant emergency services arrive.
- During an emergency, acts as the principal liaison officer between company/institution/firm and the emergency services.
- Work with other institution/firm management to identify and then implement improvements to the Emergency Evacuation Procedure.
- Coordinate mock emergency drills with the institutions/ firm's management.
- Following a drill or emergency incident, provide the institutions/ firms management and all other relevant stakeholders with a performance report which identifies any improvement actions.

#### **E. Fire fighters**

- Be aware of the correct use of firefighting equipment and procedures through attending adequate firefighting training
- Regularly inspect firefighting equipment to ensure it will function optimally in the event of a fire.

#### **F. First Aiders**

- Provide ill or injured workers with primary medical care, up to their level of training or competency, until the appropriate emergency services arrive.
- Act as the liaison between the project and the emergency services during a medical emergency.
- If necessary, will seek support or assistance emergency team during a medical emergency.
- Maintain records of any first aid treatment they have provided.
- Ensure that first aid kits are available and adequately stocked.

#### **G. Employees**

- Report all emergency evacuation related incidents or hazards in accordance with the relevant company/institutional procedure.
- Follow all reasonable instructions given by members of the Emergency Co-ordinator during an emergency evacuation.
- Complete first response and emergency evacuation training within legislated timeframes.
- Fully participate in all emergency evacuation drills.
- Where required, contribute to emergency planning activities or risk assessments.

### **Emergency Management Framework**

#### **A. Overview**

A sudden, unexpected emergency incident within the project worksite can all too easily result in an injury, loss of life, property damage or service interruption. It is therefore important that the project consider in advance how to adequately respond to any potential emergency scenario.

To help the project management do this more effectively, the following six-step emergency planning framework have been established:

**STEP 1:** consider all of the different types of emergency scenarios that might occur on within the project worksites, PFIs/MSMEs/LEs' buildings and their workers within.

**STEP 2:** determine what types of response systems such as firefighting equipment, spill kits/booms or external assistance which may be needed to respond to these emergency scenarios,

**STEP 3:** develop a site-specific emergency response plans which reflects the county or area specific emergency response numbers etc.

**STEP 4:** ensure that any employees working within the various project area understand what they need to do in an emergency by providing them with first response training and clearly displaying the emergency response contact details for each participating institution or firm.

**STEP 5:** test the suitability and effectiveness of these emergency procedures by conducting regular practice drills.

**STEP 6:** implement any improvement actions identified during practice drills or the review of these plans and communicate these changes to effected employees.

#### **B. Emergency Preparedness**

All worksite must have a documented Emergency Response Plan. These documents are designed to ensure the safety of everyone on these sites by providing them with detailed instructions to follow in the event of an emergency response.

The latest versions of these procedures must be displayed on the Safety Noticeboards at each worksite. Each procedure contains the following key information:

- The name of work area and the address of the workplace/ site,
- The name, and contact numbers of the E&S Manager, first aiders, firefighter and emergency services (Ambulance, police, fire station);
- The Emergency Response flow diagrams.

#### **C. General evacuation and response training**

All employees and visitors must be informed about the:

- Evacuation/ response procedure to be followed in the event of an emergency;
- escape routes in the event of an emergency within the site camp and the location of the designated assembly point;
- location and method of operation of firefighting equipment and alarm systems.
- first aid arrangements for the work area/work site,
- Correct procedure/ protocol for communicating an emergency/ person to inform in the event of an emergency, and;
- Emergency numbers.

#### **D. Evacuation Drills**

Emergency evacuation drills must be conducted at least annually, with the type of emergency scenario being tested varying on each occasion. All staff must participate in these drills. When planning an evacuation drill, the following must be considered for each worksite:

- The name of each Emergency team member and the role that they perform,
- The type and location of the emergency notification system/ air horns,
- The methods used to report emergency incidents on that site (e.g. manual call points),
- The action that should be taken in response to an alarm signal,
- Where applicable, the location of the marshalling area for each work area,
- The evacuation routes that should be taken,
- The location of the assembly areas or any designated alternatives, and
- The action that should be taken at the completion of the drill.

Following a drill, the Emergency Coordinator/ E&S Specialist must hold a debriefing meeting with members of the Emergency team and other relevant stakeholders. During

this session, any opportunities for improvement should be discussed and, if required, a corrective action plan developed.

An Emergency Evacuation and Response Evaluation Form must also be completed and, along with the minutes from the debrief meeting.

During a drill or real emergency incident, it is essential that all people present on worksites comply with the following evacuation instructions:

- Everyone is to stop work, turn off all equipment (if safe to do so) and leave the work area immediately,
- Evacuees must then proceed directly a designated assembly point which will be agreed upon for each section of road that will be worked on,
- Once at the assembly point, evacuees must follow all reasonable instructions given by the Supervisor/ E&S Specialists or the emergency services,
- The Emergency Coordinator (usually the Supervisor/ E&S Specialists) should brief the emergency services on arrival and direct them as required, and
- No one, other than the Emergency Co-ordinators (Supervisor/ E&S Specialists) or the emergency services, should re-enter the worksite until the all clear has been given.

## **Emergency scenario's and proposed procedures**

### **A. First Aid**

It is the institution/firm's responsibility to provide First Aid arrangements and equipment for his own employees. The participating institutions and firms shall provide or ensure that all workers are provided with first aid treatment by well-trained first aiders at each work point as necessary putting into consideration the magnitude of the hazards.

A First Aid box shall also be available to assist institution or firm who may not be obliged to have their own First aider and also to provide a stretcher or couch for an injured or ill person or in any other emergency situations.

Each First Aider (supervisor) shall keep their First Aid Box in a prominent place, clearly marked and fully stocked at all times. A list of all equipment needed to be maintained in the first aid boxes are presented in Table below.

List of items required in each First Aid box.

ITEM DESCRIPTION	QTY
Bandages	10
Cotton Wool	Enough
Crepe Bandages	5
Strapping	1
Sulphadiazine Cream	1
Pair of Scissors	1
Disinfectant (Povine)	1
Deep Heat Rub (Diclofenac Topical)	1

ITEM DESCRIPTION	QTY
Hand Sanitizer / Soap Bath	1
Gauze Swabs	10
Vaseline Gauze	1 packet
Gloves Examination	20 pairs
Triangular Bandages – Armsling	10

#### **B. Anticipated Emergency Scenarios**

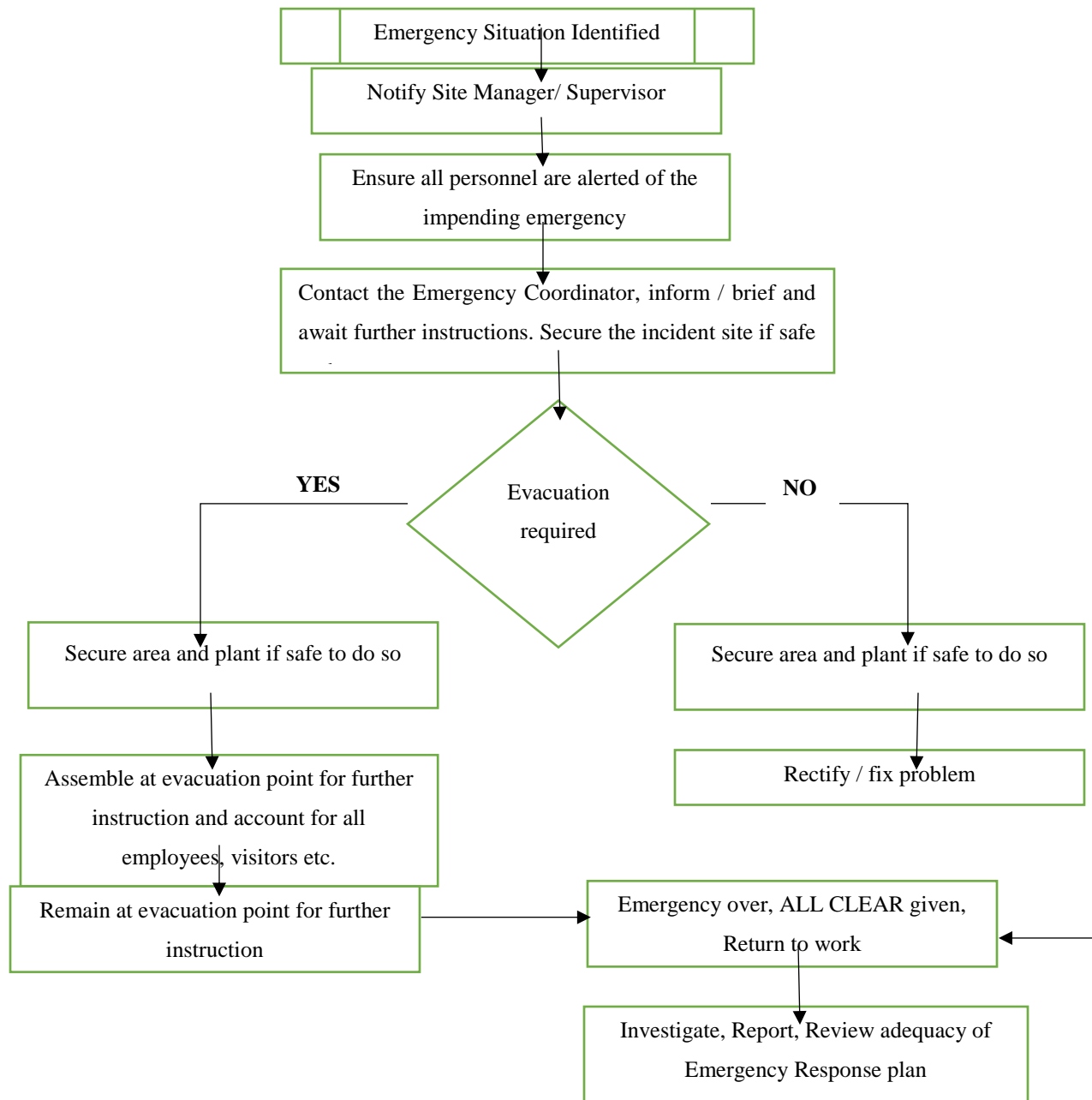
The Institutions/firms will assess the anticipated Project risks which will form the basis of this Emergency Preparedness and Response plan and will do so on a continuous basis to ensure all potential emergencies are adequately addressed.

For this stage of the project the following potential emergency situations have been identified:

- Fire and medical emergencies;
- Vehicle Collisions;
- Chemical/ Hazardous Substances Spills;
- Civil disorder/ Terrorism;
- Natural calamities e.g. flood, landslide, epidemics etc.

### C. RESPONSE PROCEDURE – GENERAL EVACUATION

Flow diagram has been prepared for general scenario and is presented below



## 12.17 ANNEX 17: REPORTABLE INCIDENTS AND REPORTING FORM

INVITE Trust shall ensure the following Reportable Incidents are reported to the WB within 24/48 hours of occurrence, based on the list and format provided under this Annex.

### A. Reportable Incidents

- **Displacement Without Due Process:** The permanent or temporary displacement against the will of individuals, families, and/or communities from the homes and/or land which they occupy without the provision of, and access to, appropriate forms of legal and other protection and/or in a manner that does not comply with an approved resettlement action plan.
- **Child Labor:** An incident of child labor occurs: (i) when a child under the age of 14 (or a higher age for employment specified by national law) is employed or engaged in connection with a project, and/or (ii) when a child over the minimum age specified in (i) and under the age of 18 is employed or engaged in connection with a project in a manner that is likely to be hazardous or interfere with the child's education or be harmful to the child's health or physical, mental, spiritual, moral or social development.
- **Forced Labor:** An incident of forced labor occurs when any work or service not voluntarily performed is exacted from an individual under threat of force or penalty in connection with a project, including any kind of involuntary or compulsory labor, such as indentured labor, bonded labor, or similar labor-contracting arrangements. This also includes incidents when trafficked persons are employed in connection with a project.
- **Unexpected impacts on heritage resources:** An impact that occurs to a legally protected and/or internationally recognized area of cultural heritage or archaeological value, including world heritage sites or nationally protected areas that was not foreseen or predicted as part of the project design or the environmental or social assessment.
- **Unexpected impacts on biodiversity resources:** An impact that occurs to a legally protected and/or internationally recognized area of high biodiversity value, to a Critical Habitat, or to a Critically Endangered or Endangered species (as listed in IUCN Red List of threatened species or equivalent national approaches) that was not foreseen or predicted as part of the project design or the environmental and social assessment. This includes poaching or trafficking of Critically Endangered or Endangered species.
- **Environmental pollution incident:** Exceedances of emission standards to land, water, or air (e.g., from chemicals/toxins) that have persisted for more than 24hrs or have resulted in harm to the environment.
- **Dam failure:** A sudden, rapid, and uncontrolled release of impounded water or material through overtopping or breakthrough of dam structures.
- **Violence on the basis of Sexual Orientation & Gender Identity (SOGI):** The threat or use of physical force that injures or abuses a person, or damages or destroys property, and that is motivated in whole or in part by the victim's real or perceived sexual orientation, gender identity, gender expression, or sex characteristics.
- **Discrimination on the basis of SOGI:** Discrimination means creating a distinction, exclusion, or restriction which has the purpose or effect of impairing or excluding a person based on

their real or perceived sexual orientation, gender identity, gender expression, or sex characteristics from being on an equal basis with others.

- **Sexual Exploitation:** Any actual or attempted abuse of position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another. In Bank financed operations/projects, sexual exploitation occurs when access to or benefit from a Bank financed Goods, Works, Non-consulting Services or Consulting Services is used to extract sexual gain.
- **Sexual Abuse:** Actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions. In Bank financed operations/projects, sexual abuse occurs when a project related worker (contractor staff, subcontractor staff, supervising engineer) uses force or unequal power vis a vis a community member or colleague to perpetrate or threat to perpetrate an unwanted sexual act.
- **Sexual Harassment:** Any unwelcome sexual advance, request for sexual favor, verbal or physical conduct or gesture of a sexual nature, or any other behavior of a sexual nature that might reasonably be expected or be perceived to cause offence or humiliation to another, when such conduct interferes with work, is made a condition of employment, or creates an intimidating, hostile or offensive work environment. In Bank financed operations/projects, sexual harassment occurs within the context of a subcontractor or contractor and relates to employees of the company experiencing unwelcome sexual advances or requests for sexual favor or acts of a sexual nature that are offensive and humiliating among the same company's employees.
- **Other:** Any other incident or accident that may have a significant adverse effect on the environment, the affected communities, the public, or the workers, irrespective of whether harm had occurred on that occasion. Any repeated non-compliance or recurrent minor incidents which suggest systematic failures that the task team deems needing the attention of Bank management.

## B. Incidents Reporting Form (for ALL incidents types except SEA/SH and Discrimination/ Violence on the basis of SOGI)

Incident Form			
<b>Part A: To be completed by TTL</b>			
<b>A1: Project Details</b>			
Project ID:	Project Name:	ADM TTL Name:	
ADM Environment Spec. Name:	ADM Social Development Spec. Name:	# Prior ESIRT Notifications:	
PIU Name:	PIU Rep.:	Date of Form Completed:	
Country of Incident:	City of Incident:	Incident Location:	
Financing/Lending Instrument:			
<b>A2: Project Background (Summary)</b>			

## Part B: To be completed by Borrower within 24 hours

B1: Incident Details			
Date of Incident:	Time:	Date Reported to PIU:	Date Reported to WB:
Reported to PIU by:	Reported to WB by:	Notification Type: Email/'phone call/media notice/other	
Full Name of Main Contractor:		Full Name of Subcontractor:	

B2: Type of incident (please check all that apply) <sup>1</sup>
Fatality <input type="checkbox"/> Lost Time Injury <input type="checkbox"/> Displacement Without Due Process <input type="checkbox"/> Child Labor <input type="checkbox"/> Acts of Violence/Protest <input type="checkbox"/> Disease Outbreaks <input type="checkbox"/> Forced Labor <input type="checkbox"/> Unexpected impacts on heritage resources <input type="checkbox"/> Unexpected impacts on biodiversity resources <input type="checkbox"/> Environmental pollution incident <input type="checkbox"/> Dam failure <input type="checkbox"/> Other <input type="checkbox"/>
See Annex for definitions

B3: Description/Narrative of Incident
<i>For example:</i> I. What is the incident? II. What were the conditions or circumstances under which the incident occurred (if known)? III. Are the basic facts of the incident clear and uncontested, or are there conflicting versions? What are those versions? IV. Is the incident still ongoing or is it contained? V. Have any relevant authorities been informed?

B4: Actions taken to contain the incident			
Short Description of Action	Responsible Party	Expected Date	Status
<b>For incidents involving a contractor:</b> Have the works been suspended under Contract GCC8.9? Yes <input type="checkbox"/> ; No <input type="checkbox"/> ; Name of Contractor:			

B5: What support has been provided to affected people

## 12.18 ANNEX 18: GRIEVANCE FORM

GRIEVANCE FORM		Grievance Nº. 0001
<b>Fill up by Grievance officer</b>		
<b>ENTRY WAY:</b> <input type="checkbox"/> Letter <input type="checkbox"/> Fax <input type="checkbox"/> Telephone <input type="checkbox"/> e-mail <input type="checkbox"/> Personal (verbal)		
<b>ELEMENTS OF THE COMPLAINANT:</b> Name: _____ Signature: _____ Address: _____ Telephone: _____ Fax: _____ e-mail: _____		
<b>DESCRIPTION OF GRIEVANCE:</b>		<b>Redress: [Workers] or [Community]</b>
Date: _____	Time: _____	Place: _____
<div style="display: flex; justify-content: space-between;"> <span><b>Registered by:</b></span> <span><b>Date:</b></span> </div> <small>* Indicate all aspects of grievance if it is about GBV, SH, SEA, VAC, noise, vibrations, (landscape, dust, soil erosion, fauna, flora, habitat, waste management, waste waters, odors from sewage, capture of water or other type of complain.</small>		
<b>Fill up by Committee Chairperson</b>		
<b>ANALYSES OF GRIEVANCE:</b>   		
<div style="display: flex; justify-content: space-between;"> <div> <b>Grievance solved?</b>  <input type="checkbox"/> YES (n.º _____)     <input type="checkbox"/> NO         </div> <div> <b>Responsible by the treatment of grievance</b>            _____         </div> <div> <b>Due date:</b> _____         </div> </div>		
<b>Validation Date:</b> _____		
<b>INFORMATION TO THE COMPLAINANT:</b>   		
<div style="display: flex; justify-content: space-between;"> <span><b>Send by:</b> _____</span> <span><b>Due date:</b> _____</span> </div>		
<b>OBSERVATIONS:</b>   		

(Note: attached to the process all documents (photos, licenses and letters) to support the grievance.

**12.19 ANNEX 19: CHECKLIST FOR ASSESSMENT OF ESMS<sup>21</sup>**

SN	Aspects of ESMS	Response Yes / No	Clarification/ Comments
<b>1.</b>	<b>Environmental and Social Policy (ESS)</b>		
1.1	Does the PFI/LE have an Environmental and Social Policy (ESS) approved at the highest policy of the FI? If no, do you plan to prepare one and when?		
1.2	Does the ESMS reflect the specific type of financial instrument for the Window participating in?		
<b>2</b>	<b>Labour and Working Conditions</b>		
2.1	Does the PFI/LE have a human resource management manual /system that is compliant with national polices and laws and international best practice?		
2.2	Does PFI/LE have as policy on prevention of and response to sexual harassment? If no, do you plan to prepare one and when?		
2.3	Does PFI/LE have an Occupational Health and Safety policy? If no, do you plan to prepare one and when?		
2.4	Does the ESMS comply with the Project Labour Management Procedures?		
<b>3</b>	<b>Identification and Management of Environmental and Social risks and Impacts</b>		
3.1	Does the PFI/LE have a tool for screening loan applications for environmental and social risks and impacts and the required mitigation measures?		

<sup>21</sup> Every PFI should tailor their ESMS to the windows, sector and E&S risks of their activities

SN	Aspects of ESMS	Response Yes / No	Clarification/ Comments
3.2	Does the PFI/LE have a mechanism for classification of project activities/loans based on their potential E &S risks and impacts?		
3.3	Does the PFI/LE have a format of the legal agreement with project activities/loan beneficiaries that includes E&S requirements?		
<b>4</b>	<b>Organizational Capacity and Competency</b>		
4.1	Does the PFI/LE have a documented organizational structure for implementing the FI ESMS?		
4.2	Has the PFI/LE identified a member of senior management to have overall accountability for environmental and social performance?		
4.3	Have any PFI/LE staff undergone training in management of environmental and social risks and impacts?		
<b>5</b>	<b>Stakeholder Engagement and Information Disclosure</b>		
5.1	Is there a plan and a procedure for communication of the PFI/LE ESMS Policy and procedures to staff and other stakeholders including potential borrowers?		
5.2	Is there a plan and a procedure for communication of the loan or grant opportunities to stakeholders including potential borrowers?		
5.3	Does the PFI/LE have specific/tailored procedures and a plan for giving information on loan or grant opportunities to vulnerable and marginalized groups (VMGs) namely ethnic		

SN	Aspects of ESMS	Response Yes / No	Clarification/ Comments
	minorities - the IK, TEPETH, BENET and BATWA and other VMGs including PWD, PLHIV, etc.?		
6	<b>Grievance Redress Mechanism (GRM)</b>		
6.1	Does the PFI/LE have a mechanism for managing grievances associated with its lending and other operations?		
6.2	If the PFI/LE has a GRM, is it GBV sensitive by for example, having confidential avenues for reporting/receiving cases such as sexual harassment and sexual exploitation and abuse and referral of survivors to service providers?		
7	<b>Monitoring and Reporting</b>		
7.1	Does the PFI/LE have tools for monitoring and reporting on its <b>own</b> and <b>borrower</b> compliance with environmental and social risk and impact management requirements?		
7.2	Does the PFI/LE have a procedure for reporting E&S incidents/accidents including those related to GBV such as SEA /SH?		
8	<b>Capacity Building</b>		
8.1	Does the PFI/LE require technical capacity support for ESMS strengthening? If yes, specify the technical capacity support needed.		
9	<b>Any Other PFI/LE Observations and Recommendations on the ESMS</b>		