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**UGANDA: INVESTMENT FOR INDUSTRIAL
TRANSFORMATION AND EMPLOYMENT PROJECT
(INVITE)**

STAKEHOLDER ENGAGEMENT PLAN (SEP)

September, 2020

ACRONYMS/ABBREVIATIONS:

BoU	Bank of Uganda
CEDP	Competitive and Enterprise Development Project
CGF	Credit Guarantee Facility
CGS	Credit guarantee schemes
COVID19	Coronavirus disease 2019
CPF	Country Partnership Framework
CSOs	Civil Society Organizations
DBFOT	Design Build Finance Operate and Transfer
DBOT	Design Build Operate and Transfer
E&S	Environmental and social
ESA	Environmental and Social Assessment
ESAP	Environmental, Social Action Plan
ESHS	Environmental, social, health, and safety
ESIA	Environmental social impact assessment
ESMS	Environmental and social management system
ESRM	Environmental and Social Risk Management
ESS	Environmental and Social Safeguards
FCI	Finance, Competitiveness, and Innovation
FM	Financial Management
FY	Fiscal year
GDP	Gross domestic product
GoU	Government of Uganda
GRM	Grievance Redress Mechanism
HRC	Host and Refugee Communities
IBRD	International Bank for Reconstruction and Development
ICT	Information & communication technology
IDA	International Development Agency
IFL	IBRD Flexible Loan
IFR	Interim Financial Report

INVITE	Investment for Industrial Transformation and Employment
IPF	Investment Project Financing
LIC	Lead Investor Competition
M&E	Monitoring and Evaluation
MDTF	Multi donor trust fund
MFI	Micro Finance Institution
MoFPED	Ministry of Finance Planning and Economic Development
MoGLSD	Ministry of Gender Labor and Social Development
MSME	Micro, Small, and Medium Enterprise
NDP	National Development Plan
NEMA	National Environmental Management Authority
NPL	Non-performing loan
NPP	National Procurement Procedures
PBC	Performance Based Conditions
PCU	Project Coordination Unit
PFI	Participating financial institution
PIU	Project Implementation Unit
PPSD	Project Procurement Strategy for Development
PSFU	Private Sector Foundation Uganda
RFQ	Request for quotations
RHDs	Refugee Hosting Districts
SEP	Stakeholders Engagement Plan
SMEs	Small to Medium Size Enterprises
STEP	Systematic Tracking of Exchanges in Procurement
TA	Technical Assistance
UBOS	Uganda Bureau of Statistics
UDB	Uganda Development Bank
UNBS	Uganda National Bureau of Standards
URA	Uganda Revenue Authority
WB	World Bank

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1. INTRODUCTION/PROJECT DESCRIPTION

1.1 Background

The Stakeholder Engagement Plan (SEP) forms part of the Environmental and Social Commitment Plan (ESCP) of the Investment for Industrial Transformation and Employment Project (INVITE), referred to hereinafter as “the Project” for which the Ministry of Finance, Planning and Economic Development (MoFPED) has entered into an exclusive agreement with World Bank to develop the Project. The Bank will fund the Project which will be implemented by the Private Sector Foundation Uganda (PSFU) and Uganda Development Bank (UDB). The entities will be responsible for ensuring compliance with environmental and social safeguards (ESS) guidelines.

The World Bank (WB) Environmental and Social Framework (ESF) requires the borrower to develop and implement projects that are *environmentally and socially* sustainable by assessing and managing the full range of environmental and social risks¹ and impacts² of the project. The bank has defined specific Environmental and Social Standards (ESSs), which are designed to avoid, minimize, reduce or mitigate the adverse environmental and social risks and impacts of projects.

Therefore, this SEP is developed in line with requirement relating onto Environmental and Social Impact Assessments (ESS1); and Land Acquisition, Restrictions on Land Use and Involuntary Resettlement (ESS5); and Stakeholder Engagement and Information Disclosure (ESS10) which guides on stakeholder engagement planning and implementation process by all the entities. The SEP covers all the five (5) components of INVITE.

1.2 Project Description

The Government of Uganda now faces a dual challenge of addressing the impact of COVID 19 and setting or maintaining the course for increased employment in lagging regions particularly in refugees and host communities. Due to the COVID 19 response measures the Government is experiencing a shortfall in revenues and households a shortfall in incomes as markets have closed and economic activity reduced and restricted. Emerging sectors with significant economic potential, horticulture, tourism, dairy, etc. have experienced a complete slump in demand, resulting immediately in liquidity constraints and increasing risks of insolvency to firms. The proposed project will improve access to financial services in the short-term and provide financial solutions over the medium term. While in parallel a

¹ Environmental and social risk is a combination of the probability of certain hazard occurrences and the severity of impacts resulting from such an occurrence.

² Environmental and social impacts refer to any change, potential or actual to; (i) the physical, natural, or cultural environment, and (ii) impacts on surrounding community and workers, resulting from the project activity to be supported.

complementary Multi Donor Development Fund will provide technical assistance to enhance public services and the capability of firms.

The proposed project will immediately address liquidity constraints faced by firms, particularly MSMEs, in manufacturing, exports, and strategic sectors. A Liquidity Facility will enable PFIs (Participating Financial Institutions) extend the amortization period of existing loans to eligible MSMEs. This facility will also be extended Micro Finance Deposit Taking Institution to create access to liquidity to over 200 000 active Micro Finance borrowers. The facility will offer access to liquidity based on receivables (i.e. the contracted cash flow) to access liquidity immediately on delivery of their products and services. The component will also include a window for Government delinquency on payments to MSMEs.

In the medium-term facility will evolve providing liquidity to financial intermediaries to lend on a longer-term basis for productive investments, without running the maturity mismatch risks associated with using short-term funds. This component will also offer a long-term convertible subordinated loan with a grant element for sectors severally exposed to COVID19 or of strategic interests. In the aftermath of the crisis the partial credit guarantee will encourage financial intermediaries to support expansion of lending in designated new markets segments.

1.3 Project Development Objective (PDO)

To promote private sector investment and employment, particularly for poorer households in lagging regions, during and in the aftermath of the COVID19 crisis.

1.4 Project Components

1.4.1 Component 1: Mitigating the impact of COVID-19.

The objective of this component is to ease liquidity constraints on MSMEs. For the reasons discussed above, the component will seek to prioritize the manufacturing and exporting sectors driving economic transformation. The component will operate three different windows targeting different types of firms within the supply chain.

Window 1 will support the extension of the loan period for well performing firms by financing the cost of providing a grace period. The window will support registered MSMEs that qualify, with an extension of the loan terms – with no incremental cost or debt servicing liability for them for a grace period. This will enable firms to tide over the near term liquidity crunch, while it enables PFIs to continue to receive – via the window – some compensation covering their cost for such an extension (thereby incentivizing this) while also participating in burden sharing through lower margins than

usual.³ The window will focus on firms in the manufacturing and exports sectors. The window can also be used by MFIs or SACCOs, if they are clients of PFIs and have taken out loans from PFIs to fund their operations. The rebate will also contribute towards lessening any liquidity issues that may arise from the foregone interest income resulting from the impact of COVID-19 in this market segment. A strong leverage (10x or more) of project resources is expected in terms of the volumes of loans impacted through the support of this window.

Window 2 (supporting micro firms) will target micro firms to enable them to restart or continue their operations as critical units in funding the link between producers with aggregators, processors, and distributors, also in Refugee and Hosting Community Districts. The window will provide a line of credit to those Micro Finance Deposit-taking institutions (MFDs), Micro Finance Institutions (MFIs) and Savings and Credit Cooperative Societies (SACCOs) regulated by the Bank of Uganda and the Uganda Micro Finance Regulatory Authority (UMRA), thus enabling MFDs, MFIs and SACCOs to offer a “Restart Discount Loan” to those of their clients who have been negatively impacted by COVID-19. Those institutions drawing on the credit line provided by this Window are expected to offer a 50 percent reduction in the annualized interest rate to their borrowers when offering COVID-19 Restart loans. Participating MFDs, MFIs and SACCOs will be eligible for the line of credit upon satisfactorily undergoing due diligence under the project. The line of credit provided will be for 18 months priced at the Central Bank lending rate plus an administration fee. Participating intermediaries will benefit from the relatively cheap cost of funding, a benefit they will be obliged to share with the end borrowers, providing them with a 50 percent reduction in annualized interest payment, thereby helping to rebuild their client base. The project will work with UMRA so as to cater specifically for smaller rural savings groups, particularly those operating in RHDs. In these locations it is envisaged that more hand-holding will be required to be provided through technical assistance programs funded by the collaborating development partners.

Window 3 (receivables financing, including government arrears) will provide finance to MSMEs based on security in the form of their receivables. Buyers, which are usually larger formal enterprises, normally pay their invoices with a delay of up to three months, thereby negatively affecting the liquidity of often small, informal enterprise suppliers. The window will provide

³ The cost of the grace period to the PFI will be estimated based on the weighted average cost of interest-bearing liabilities plus the administrative costs associated with loan generation across the banking sector. In making this calculation it is expected that PFIs will waive any costs associated with the loan restructuring process. With the funding support provided under this component PFIs will be able to extend a grace period to eligible MSME clients at no expense to the borrowers (i.e. no additional payment of interest or capital).

financing to MSMEs based on security in the form of invoices issued by large buyers, thereby building on the credit-standing of these large off-takers and introducing a product that offers lower risk while fostering liquidity in these difficult times. This window will allow MSMEs to receive payment for the goods or services they have delivered immediately. The cost of credit provided to MSMEs by the facility will be significantly lower than were they to avail themselves of invoice discounting provided currently by banks with pricing based on the much weaker creditworthiness of the MSMEs. MSMEs will also be able to discount receivables issued by the Government, thereby enabling a way to create mechanisms to mitigate the negative effects of government arrears being a hindrance for growth. In this case, should the Government agency be in payment arrears on a receivable, the MoFPED will pay the invoice on behalf of the delinquent agency or Ministry. The MoFPED will then deduct the amount of any overdue invoices plus a penalty from its next transfer to the Ministry or Government agency which did not honor its payment obligation in a timely manner.

1.4.2 Component 2: Creating New Productive and Transformative Assets.

These component will focused on enabling new financing to restart and bolster economic growth. The component provides risk coverage for new lending to MSMEs, extends local currency liquidity on a long-term basis to larger investment projects and de-risks or incentivizes private investment in RHDs through a competitive grant program. Component 2 seeks to mitigate the financial sector's risk aversion and thereby improve the availability of credit to MSMEs, and to provide longer-term finance to productive investments.

- *Window 1* will target MSMEs with a focus on manufacturing and export supply chains by setting up a *Credit Guarantee Facility* (CGF) to share the risks associated with new lending on a 50/50 basis with PFIs. The partial credit guarantees will be priced according to performance indicators for each PFI designed to reflect the PFI's track-record in monitoring and controlling the risks associated with its MSME portfolio, chiefly the level of NPLs and write-offs. A situation whereby well-performing PFIs are punished (by charging a fee that is too high) and under-performing banks are subsidized (by charging a fee that is too low) will thereby be avoided. Eventual proceeds from the process of recovery on non-performing loans will be shared *pari passu* between the PFI and the CGF. As the CGF reduces the banks' risk exposures, and thereby allows banks to reduce the amount of security they require in the form of collateral, the CGF may be of benefit to female borrowers, who are less likely to be

registered owners of property or real estate.

- *Window 2* will provide long-term financing in the form of *subordinated/convertible long-term local currency loans* for up to 20 percent of the total project debt plus equity. The purpose of the subordinated debt instrument is to catalyze additional long-term private sector investment. By taking a subordinated position the funding provided by this window will encourage the mobilization of financing by the private sector that would otherwise not be available due to the risks associated with lending to investment projects. The presence of the subordinated debt reduces the probability of default to senior creditors, given that the subordinated creditor will only be able to collect interest and principal once senior creditors have received their amortization payments. Such structuring will also help leverage additional capital and can contribute in the medium term towards IDA's Private Capital Mobilized efforts. Were a borrower definitively unable to amortize the subordinated debt, the terms of the subordinated debt would allow the facility to convert its subordinated debt into equity. In a situation where a significant amount of time elapses without payments being made on the facility's subordinated debt – with no clear evidence of capacity for making future payments – the facility could exercise the option to convert any unpaid principal into equity at a price set in the original loan agreement. The intention is to make this debt to equity swap available to strategic sectors exposed to COVID-19, and for strategic investments with significant [35%] economic and social returns, that have in the past been fully funded by the public sector, such as social and economic infrastructure.
- *Window 3* will facilitate *Investment in Rural Supply Chains in Refugee and Host Districts*. The main objective of this component is to support investment in refugee and host districts by encouraging expansion of existing supply chains or establishment of new supply chains. The component will provide competitively selected lead investors in the refugee and host districts in Western/North/East Uganda with performance-based grants. The component will launch a competition for Lead Investors with well-developed business concepts, or expansion plans for existing or new supply chains. Business plan submissions will have to demonstrate sufficiently large network effects, in terms of the number of local suppliers engaged or the number of local workers employed. Submissions will be assessed using a standardized set of criteria to include level of inclusion of poor households, degree of innovativeness, projected growth and rate of return, job creation potential, feasibility and practicality given local

contexts. Winners of the competition will be provided access to a performance-based grant, which will be made available to the investors over a specific time period and according to a defined investment plan. The competition as a whole is expected to support 12 supply chains to expand their value proposition, providing a performance grant of up to US\$1 million per project depending on specific business needs of the winning supply chain investors. Business and start-up training, including coaching of workers through WhatsApp, will be provided to ensure that communities benefit from the new investment. The design of this component is based on IFC and IBRD/IDA experiences in Haiti, Kenya, Nigeria and Rwanda.

1.4.3 Component 3: Multi Donor Funded Trust Fund (MDTF) for enhancing capabilities in Public Institutions and Private Firms

The MDTF aims to improve the performance and coordination of public institutions and private sector firms critical to job creation. This has posed a constraint to private sector development and if not addressed, will continue to hamper efforts to foster economic transformation. The program will provide technical assistance and hands on capacity building to a preliminary set of institutions i.e. Uganda National Bureau of Standards; the Uganda Bureau of Statistics; the Uganda Ware-House Receipts Authority; Uganda Export Promotion Board; Uganda Microfinance Regulatory Authority; and the Uganda Free Zone Authority, etc. The purpose of the program support provided will be to deliver improved and more effective services to firms and policy makers, to enhance the enabling environment. For example, the MDTF will fund hands-on capacity building of the Uganda Bureau of Statistics through firm-level data collection to set the basis for strengthening evidence-based policymaking. In the case of the Uganda Ware-House Authority the MDTF will support the implementation of systems, performance management, regulation, monitoring, tracking, data collection, etc. and coordination with other institutions e.g. Uganda Bureau of Standards.

The MDTF will also focus on developing firm capacity and expanding access to market opportunities⁴ through different interventions targeting three distinct sub-groups of firms: (1) potential exporters; (2) potential suppliers to large companies and multinational corporations;⁵ and (3) domestic companies expanding their sales and growth through use of digital platforms.⁶ First, the MDTF will support exporters (and potential exporters) to identify export opportunities and meet consumer demand through specialized technical assistance and capacity-building activities using local and international

⁴ Access to demand is an important binding constraint for firm growth, especially in the aftermath of COVID-19.

⁵ The first two groups of firms will typically be firms with a certain scale and initial capacity, firms with more than 10 employees and with capacity to serve large clients or customers abroad (i.e. more likely firms with on average 15-20 employees).

⁶ This group of firms will typically include micro firms with 2 employees or more, and small firms with up to 10-15 employees.

consultants.⁷ Further, specialized international consultants will also be available should firms have need to gain knowledge about how import processes work in foreign markets. Additionally, firms which meet specific agreed-upon milestones will be eligible to receive vouchers: (i) to pay for certification to allow them to market their products on export markets, (ii) to fund participation in international fairs with a view to meeting buyers, and (iii) to cover shipping costs for a “first trial export lot”. Second, the MTDF will finance a supplier development program to build the capacity of local SMEs and enable them to supply large domestic or foreign companies with a focus on the emerging oil and gas industry. Firms participating in the supplier development program which successfully meet specific milestones will be eligible to receive vouchers allowing them to purchase certification services to demonstrate that they are able to meet buyers’ demand. Thirdly, the MTDF will provide MSME with access to digital platforms, including access to support networks, business development services, and grants to reduce the fixed costs of accessing digital platforms. The objective of this support will be to grow business sales, increase profitability and expand employment. This component will also specifically target female-owned enterprises and firms owned by or employing refugees.

1.4.4 Component 4: Implementation Support and Monitoring & Evaluation.

The objective of this component is to assist in the development and implementation of the different facilities, and to provide guidance and support in the setting up and operation of the Project Management Unit. M&E activities undertaken as part of this component will focus on developing an indicator framework with baseline measurements and annual targets, monitoring the economic impact of program activities through data collection and survey implementation, and evaluating the economic impact of the program through a structured impact evaluation at the conclusion of the project. The monitoring component of the M&E approach will require data collection across different dimensions of the Project: (1) Performance Tracking data (e.g. sales, employment, wages, transactions, etc); (2) Activity Tracking data reflecting the Theory of Change (e.g. as reflected by the number of loans serviced on the project’s web platform, the number of receivables purchased on the factoring platform, the number of refugees receiving business training, etc.); (3) Key Results data (e.g. value of private investment in manufacturing firms, formal employment in manufacturing firms, etc); and (4) Key Risks tracking (e.g. project implementation performance, NPL ratio of banks and PAR of MFIs, etc). The evaluation component will build on the data collected under the monitoring component, but additionally focus on implementing a structured impact evaluation process to measure the impact and attribution of the

⁷ This component will be open to both manufacturing and services companies.

program, identifying a benchmark case for comparison of performance, designing and piloting survey instruments, and conducting experimental or quasi-experimental testing on a treatment group.

1.5 Project Beneficiaries

The project direct beneficiaries are owners of firms of all sizes involved in manufacturing and/or exporting supply chains. The program will also focus on economic opportunities for refugees and their host communities by seeking to catalyze investments that enhance economic activity as well as enhancing the capacity of public institutions, i.e. research and training facilities, standards, data gathering and management.

1.5.1 Project Location

Geographically, the project will be implemented countrywide and across multiple industry sectors with the exception of component 3 that is facilitating investment in rural supply chains in refugee and host communities in 3 to 4 geo-political zones cutting in Western Uganda highlighted in figure 1.1 below. However, for components 1 and 2 since the beneficiaries of the projects are likely to be spread countrywide, their locations cannot be readily mapped yet.

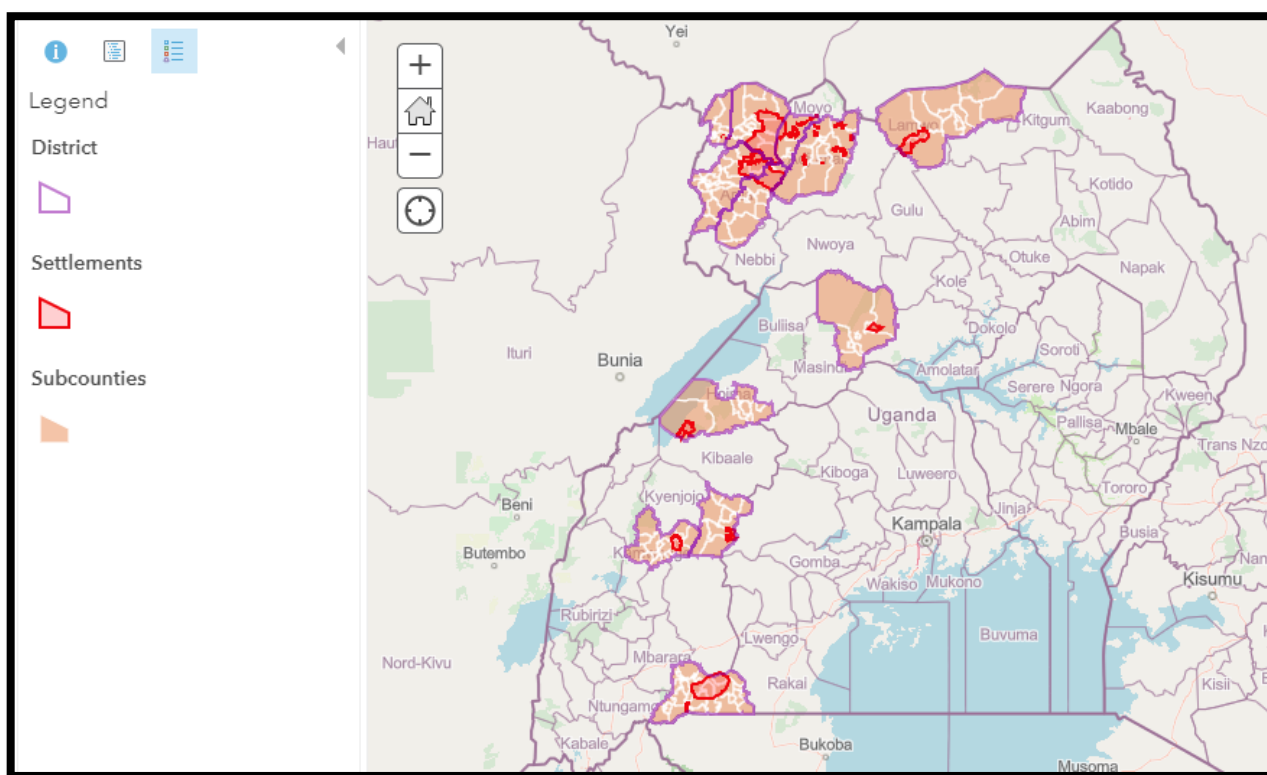


Figure 1.1 Map of Uganda showing Refugee Hosting Project Component 3 Target Districts: Sources: <https://data2.unhcr.org/en/dataviz/128?sv=0&geo=220>

1.6 Potential Social and Environmental Risks and Impacts of the Project

According to the Environmental and Social Risk Classification (ESRC), the project was generally rated as substantial for both environment and social.

The different beneficiary project activities run a risk of generating E&S risk aspects that the project developer has to identify for management. For example, micro and medium scale enterprises (MSMEs) or even individuals that will receive credit lines through Microfinance Institutions (MFIs) and cooperatives (SACCOs) risk fines or closures and asset confiscations in the event of loan management indiscipline. Their valuable employees may also suffer significant Health and Safety impacts, lose jobs and income.

Further, enterprises and projects benefiting from liquidity enhancement facilities to finance productive investments may engage in construction of new factories/ facilities and other infrastructure and are likely to have some significant environmental and social impacts such as ESHS impacts, increased waste generation, air/noise pollution, health and safety risks for workers and communities. Socially, they may also escalate anti-social behaviors like prostitution and crime, weaken family bonds (especially, if women that are married are by regulation required to reside in the construction camps as a health risk

management regulation), transmission of communicable diseases like COVID-19, sexually transmittable diseases like HIV/AIDS, Hepatitis B

1.6.1 Environmental risk

Therefore environmental impacts are expected under Components 1, 2, 3 and 4. Since component 1 will support existing MSMEs and there is a likelihood that these MSMEs may have pre-existing / ongoing environment, health and safety (EHS) issues/risks (use of solvents or toxic substances, industrial accidents, etc.). The extent of the risks posed by beneficiary MSMEs will depend on the sectors in which they operate and on the specific nature and scale of their operations, which is yet to be defined during project implementation.

Whereas under component 2 since the intervention will be medium to long term, for those MSMEs involved in enterprises and projects benefiting from liquidity enhancement facilities to finance more productive investments might involve activities such as construction of new factories/ facilities and other infrastructure, are likely to have more substantial environmental impacts such as increased waste generation, air/noise pollution, health and safety risks for workers and communities, etc. The potential environmental impacts are expected to be site specific, local, reversible and temporary and can be mitigated through appropriate mitigation measures.

Similarly, activities under component 3 are likely to have moderate environmental impacts related to operations of the MSMEs in the rural supply chains that are to be supported and that will benefit from the grants. The types of E&S risks are associated with the range of different financial instruments and the range of MFIs/PFIs that will be involved. Activities under component 4 involving the provision of technical advice meant to address issues hindering accelerated private investment and linkages to lagging regions would not be expected to have significant direct environmental impacts.

1.6.2 Social risk

Social impacts are expected under Components 1, 2, and 3. It is envisaged that under component 1, social risks are likely to include inadequate stakeholder engagement (to inform MSMEs of the project and selection criteria for them to benefit from the credit facilities available), and inaccessible grievance redress mechanisms where these entities could report e.g. perceived lack of fairness or transparency of the process, exclusion factors based on gender, disability, ethnicity, sexual orientation/gender Identity or any other particularity, and/or any additional charges FI might subject them to in order to benefit from these interventions.

In addition to these risks, activities under component 2, which are meant to leverage private sector capacity and financing in large and critical assets that are publicly owned and activities that require large investments (waste treatment facilities, logistics/collection centers, housing facilities for workers, training centers, testing laboratories, research and development facilities, etc.) will likely have downstream impacts associated with the eventuality of civil works that would (i) require land acquisition and cause physical and/or economic displacement, (ii) include risks associated with the influx of workers into communities that might be hosting these facilities (Social conflict, GBV/SEA, etc.), (iii) labor issues, and etc.

Finally those under component 3, which are meant to generate jobs or viable market for refugees and host communities by encouraging expansion of existing supply chains or establishment of new supply chains are also likely to carry E&S impacts that are unknown at this stage. These risks will be addressed the implementation of UDB's ESMS and establishment of Environmental and Social Procedures for the implementing FIs. This will ensure that all relevant national regulations/guidelines provided respectively by the Bank of Uganda, NEMA and MoGLSD are applied throughout the project cycle.

Therefore to manage these E&S risks the INVITE will apply Financial Intermediaries (FIs) ESS9 requirements⁸ (i) negative screening / exclusion of transactions that would present either credit or reputational risk; (ii) requiring regulatory compliance as appropriate and viable given the size of the MSMEs, tenure and size of the transactions; and (iii) conducting positive screening and requiring MSMEs to adhere to certain key E&S performance indicators and/or action plans.

And where investments are expected to be long-term and larger in size, site-specific instruments, including ESIAs, ESMPs, RAPs, Environmental and Social Audits and other management plans, as appropriate will be developed and enforced as a credit facilitation condition. In addition, a local asset fund manager shall also be recruited and will be responsible for the first and second stages of E&S risk screenings for the submissions and in the absence, PSFU/UDB will be directly responsible for this process.

The project will deal with the above E&S risks, by promoting a more sustainable solutions such as renewable energy supply, reuse of storm water, waste recycling programs, HIV/AIDS and COVID-19 risk management, community education programs and a sound civil and criminal incidence grievance

⁸ ESS9 requirements for FIs E&S risks and impact management are to (1) set out how the FI will assess and manage environmental and social risks and impacts associated with the subproject it finances; (2) promote good environmental and social management practices in the subprojects the FIs finances; and promote good environmental and sound human resources management with the FI.

redress management system shall also be encouraged in all the five components of the project. Effective mechanisms that deal with the risks of (in)voluntary displacements, sexual and gender-based exploitation and abuse, child labor, wage and contractual disputes will also need to be designed and operationalized.

Lastly, discrimination of the poor, vulnerable and marginalized groups is a credit risk that has been identified. These include individuals and enterprises that may not have all the beneficiary requirements, those led by individuals who might not understand/know the facilities offered under the project, those who feel excluded because of their background, limited education achievements, age, gender, nationalities, disability and sexual orientation/gender identity. To handle this however, several social opportunities such as engagement of local suppliers and inclusion of poor households have already been identified and included as core selection criteria for credit line beneficiaries. Additionally, the selected winners would be required to adhere to E&S requirements as part of the grant agreement, including certain ESHS benchmarks and compliance with relevant laws in Uganda and World Bank Environmental and Social Standards.

2. BRIEF SUMMARY OF PREVIOUS STAKEHOLDER ENGAGEMENT ACTIVITIES

There have been consultations with some stakeholders at the inception and preliminary proposed project which are described as below.

To discuss INVITE, a team from the IDA has had multiple engagements with officials from the Ministry of Finance, Planning and Economic Development (MoFPED), Ministry of Trade, Industry and Cooperatives (MoTIC), Ministry of Gender, Labor and Social Development, Private Sector Foundation Uganda (PSFU), Uganda Development Bank (UDB) as well as donor representatives of the Kingdom of Netherlands, Sweden, Belgium, the European Union and the United Kingdom (Department for International Development, DFID).

These engagements carried on a pre- appraisal mission virtual meeting held with the Bank team to Mobilize Private Investments for Jobs Project (MOPIJO) on May 20, 2020. Building on it, the Private Sector Foundation-Uganda, Ministry of Finance, Planning and Economic Development and the World Bank delegation held another engagement at the wrap-up meeting of June 1, 2020 chaired by the Permanent Secretary/Secretary to the Treasury.

A virtual meeting on the Environmental and Social Commitment Plan (ESCP) was conducted by the Bank team with the stakeholders from UDB and PSFU on 13th August 2020 and a number of resolutions and action plans were developed for both PSFU and UDB as shown in the Table 2.1 below.

Table 2.1: Agreed ESCP action points.

S/N	E&S Safeguards Tools/Issues preparations and disclosure	Responsible Organization
1	The need to develop a Stakeholders Engagement Plan (SEP)	PSFU
2	The need to develop an Environmental Social Management Framework (ESMF)	PSFU
3	The need to develop a Labor Management Plan (LMP)	PSFU
4	The need to develop a Resettlement Policy Framework (RPF)	PSFU
5	The need to Develop a Vulnerable and Marginalized Group Framework (VMGF)	PSFU
6	The need for provision of update on institutional ESMS	UDB
7	The need for recruitment/assignment of E&S Specialist	UDB
8	The need to revise the existing labour management procedures	UDB
9	The need for an E&S integration plan	UDB
10	The need to develop E&S tools for PFIs	UDB
11	The need for an E&S capacity building plan for PFIs	UDB

3. LEGAL POLICY FRAMEWORK FOR STAKEHOLDERS ENGAGEMENT

Uganda has several policies, laws and regulations relating to ESS assessments, and certain expectations in relation to stakeholder engagement and consultation during the assessment and implementation. Therefore, stakeholder engagement is implied in a number of these policy and legislative frameworks but specifically outlined in the Environmental Impact Assessment Regulations, 1998, Public Finance Management Act 2015 and other laws. There are also recognized international environmental and social safeguard standards (ESSs) in relation to stakeholder engagement and consultation. The legal and policy framework for stakeholder engagement that informs the SEP preparation and its implementation is indicated in Table 3.1 below.

Table 3.1: Legal and Policy Framework for Stakeholder Engagement

Law/Policy	Jurisdiction/Mandate	Relevance
National Legal and Policy Framework for Stakeholder Engagement		
The Constitution of the Republic of Uganda, 1995	<p>This is the apex law of legislation in Uganda. It was enacted with widespread participation of the population, including people with disabilities, women and other minority groups. Each group ensured that their interests are represented. Secondly, it provides for statutory instruments that govern participation in policy and programs. It provides for participatory governance – Under the political objectives;</p> <ul style="list-style-type: none"> -part (i) The State shall be based on democratic principles which empower and encourage the active participation of all citizens at all levels in their own governance; and -(iii), the State shall be guided by the principle of decentralization and devolution of government functions and powers to the people at appropriate levels where they can best manage and direct their own affairs. 	Identify and plan for consultation and active participation of community members, local leadership and other stakeholders along project areas in planning studies and implementation.
	<p>The law provided for Women and Disabilities (Vulnerable groups) thus:</p> <ul style="list-style-type: none"> -Article 33 states that women shall be accorded full and equal dignity of the person with men and that 	The identification of stakeholders for consultation and participation should give equal opportunity and include socially vulnerable

Law/Policy	Jurisdiction/Mandate	Relevance
	<p>women shall have the right to equal treatment with men and that right shall include equal opportunities in political, economic and social activities.</p> <p>- Article 34 states that persons with disabilities have a right to respect and human dignity and the State and society shall take appropriate measures to ensure that they realize their full mental and physical potential. Article 36 on minorities' states that minorities have a right to participate in decision making processes and their views and interests shall be taken into account in the making of national plans and programmes.</p>	groups including women, children persons with disabilities and other minorities such as refugees and noncitizens.
	<p>The law provided for environmental protection and conservation, by offering 'every Ugandan... <i>a right to a clean and healthy environment</i>' (section 39) while at the same time expects citizens to play their part in creating a healthy environment - '<i>it is the duty of every citizen of Uganda to create and protect a clean and healthy environment</i> (section 17).</p>	Stakeholder engagements should include consultation over potential social and environmental impacts and locally agreeable mitigation measures. The SEP should take into consideration likely vulnerabilities among stakeholders and how they are likely to compromise their full participation in planning consultations and mitigation implementation
The Public Finance Management Act 2015	The law provided for Budget Preparation, Approval and Management with consultation of relevant stakeholders during annual budget shall be preparation (Section 13 (2))	Stakeholder Consultations will be held with Central Government at the National Budget Workshop, in Sector Working Groups as well as with Local Governments in Regional workshops as well as with the

Law/Policy	Jurisdiction/Mandate	Relevance
		private sector and Development Partners
The Environmental Impact Assessment Regulations, 1998	These specify the general requirements for good ESIA and RAP practice in Uganda. The Environmental Impact Assessment Regulations, 1998; Sub-regulation (1) of Regulation 12 that requires the developer to take all measures necessary to seek the views of the people in the communities that may be affected by the project. Regulations 19, 20, 21, 22 and 23 outline further requirements for public participation.	Require developers to ensure that the views of stakeholders in affected communities are sought and those potential impacts including benefits are identified and appropriately disclosed.
The Occupational Safety and Health Act, 2006	The OSH Act provides a number of requirements regarding workplace safety, provisions and health of employees / workers.	Require developers to ensure that the occupational safety and health of all the workers are observed at work place as required by act
Refugee Act, 2006	The Refugee Act empowers the refugees to move and work around the country as well as live in the community.	It is important to note that some refugee communities especially in Uganda have settled (in settlements) and some freely interact with the community. It is important therefore to consider such people for beneficiary/employment opportunities on the project and hence the need to be consulted
Bank of Uganda Financial Consumer Protection Guidelines, 2011	Bank of Uganda Financial Consumer Protection Guidelines, applies to: (a) all financial services providers regulated by Bank of Uganda in respect of business they transact in Uganda; and (b) the agents of all financial services providers regulated by Bank of Uganda in respect of business the agent transacts in Uganda.	These guidelines help FIs to - (a) promote <i>fair and equitable</i> financial services practices by setting minimum standards for financial services providers in dealing with consumers; (b) increase <i>transparency</i> in order to inform and empower consumers

Law/Policy	Jurisdiction/Mandate	Relevance
		of financial services; (c) foster <i>confidence</i> in the financial services sector; and (d) provide <i>efficient</i> and <i>effective</i> mechanisms for handling consumer <i>complaints relating</i> to the provision of financial products and services.
The Local Government Act (1997);	The Local Government Act (1997) provides for the system of local governments, which is based on local councils and the participation of the community members in which powers over development planning, budgeting, financial management, human resources and service provision function (including the emerging of safety and security service delivery needs) have been devolved to popularly elected Local Governments.	Identify and plan for meaningful engagement, consultation and involvement of relevant local government stakeholders, community leaders and members. Preceding the preparation of this SEP, was extensive mapping of stakeholders to ensure inclusive public involvement and participation. As the project further evolves, more stakeholders shall be identified and involved as per the prevailing needs and requirements of the project.
National Gender Policy 2007; and National Plan of Action for Women.	These are instruments aimed at narrowing the gender (inequality) gap and promoting equity in access to and control of resources or development outcomes by ensuring that gender concerns are routinely identified and addressed in the identification, design, appraisal, implementation, monitoring and evaluation of national, and local government policies, plans and programs.	These have implications for stakeholder engagement that includes the identification of and consultation with vulnerable social groups such as women, youth and disabled groups in respect to development processes and related impacts.

Law/Policy	Jurisdiction/Mandate	Relevance
Land Act, 1998; and Land Acquisition Act, 1965.	The Land Act, 1998 addresses land holding, management control and dispute resolution and repeats (in Section 3) provisions of Article 237 of the Constitution which vests all land ownership in the citizens of Uganda, to be held under customary, freehold, mailo or leasehold tenure systems. Section 43 of the Act reaffirms the statutory power of compulsory acquisition conferred on the government and local authorities under articles 26 (2) and 237(2) (a) of the Constitution but subject to fair and prompt compensation and where necessary recourse to redress mechanism. This is re-echoed in Land Acquisition Act, 1965.	These have implications for stakeholder engagement that includes the identification of and consultation with relevant land management structures at local government level, the land owners and users under different tenure including vulnerable social groups such as women, youth and children (refugees) that derive sustenance from land in respect to development impacts and mitigation measures.
WB/IDA Policy Frameworks for Stakeholder Engagement		
The World Bank Environmental and Social Standards (ESSs) in relation to stakeholder engagement and consultation	Stakeholder Engagement and Information Disclosure (ESS10): The Bank expects the project proponent to explicitly prepare a SEP that includes among others: Identification of all stakeholders interested in or likely to be impacted by the project, Develop and implement a stakeholder engagement and consultation plan, and Involve all stakeholders in ESA preparation and implementation through appropriate and timely sharing of relevant information and effective consultation and participation. Early stakeholder engagement is also cross referenced as an integral requirement for Environmental and Social Impact Assessment and Management (ESS1) ; the Cultural Heritage (ESS8) ⁹ and Financial Intermediaries (FIs) (ESS9); FIs are required to develop and maintain in the form of an Environmental and Social	Identify and plan for early and appropriate engagement and consultation with all project stakeholders including vulnerable social groups and paying special attention to their needs and concerns.

⁹ The requirement of the ESS8 applies to all projects that are likely to have risks or impacts on cultural heritage and include a project which: (a) Involves excavations, demolition, and movement of earth, flooding or other changes in the physical environment. As such, some of graves along the alignment are likely to be impacted.

Law/Policy	Jurisdiction/Mandate	Relevance
	Management System (ESMS), effective environmental and social systems, procedures and capacity for assessing, managing, and monitoring risks and impacts of FI subprojects ¹⁰ as well as managing overall portfolio risk in responsible manner.	

¹⁰ FI ‘subprojects’ are defined as projects or activities financed by Bank.

4. STAKEHOLDER IDENTIFICATION AND ANALYSIS

The key stakeholders in this project include the owners of Micro, Small and Medium Enterprises (MSMEs) involved in manufacturing and/or exporting supply chains, Micro Finance Institutions (MFIs), Members of Refugee host communities and Refugees. Other major stakeholders include:

- The World Bank (WB)
- Government Ministries Departments and Agencies (MDAs) such as MoFPED, MoGLSD, NEMA, OPM, MoTID, Uganda National Bureau of Standards; the Uganda Bureau of Statistics; the Uganda Ware-House Receipts Authority; Export Promotion Agency; and the Uganda Free Zone Authority
- UNHCR and NGOs implementing in Refugee areas,
- Local Governments and lower local Governments,
- Religious groups, and
- the Media.

4.1 Affected parties

The directly affected stakeholders are the owners of Micro, Small and Medium Enterprises (MSMEs), their employees, customers, suppliers, contractors and sub-contractors, communities where they are located, members of Refugees and Refugees host communities firms/enterprises including the communities their suppliers and sub-contractors may be directly or indirectly affected by the project, positively or negatively.

4.2 Other interested parties

Other interested broader stakeholders who may be interested in the project because of its location, its proximity to natural or other resources, or because of the sector or parties involved in the project. These include national and local government officials, community leaders, and civil society organizations, particularly those who work in or with the affected communities. While these groups may not be directly affected by the project, they may have a role in the project preparation (for example, government permitting) or be in a community affected by the project and have a broader concern than their individual household.

Moreover, civil society and nongovernmental organizations may have in-depth knowledge about the environmental and social characteristics of the project area and the nearby populations, and can help play a role in identifying risks, potential impacts, and opportunities for the borrower to consider and address

in the assessment process. Some groups may be interested in the project because of the sector it is in (for example, trade), and others may wish to have information simply because public finance is being proposed to support the project. It is not important to identify the underlying reasons why people or groups want information about a project—if the information is in the public domain, it should be open to anyone interested.

4.3 Disadvantaged / Vulnerable Individuals or Groups

Individuals and enterprises that may not have all the beneficiary requirement, those led by individuals who might not understand/know the facilities offered under the project, those who feel excluded because of their background, limited education achievements, age, gender, nationalities, disability and sexual orientation/gender identity may be the most disadvantaged/vulnerable in this project. Others include members of minority groups in the tourism corridors such as the Batwa in the Western Uganda and the Ik in Karamoja region. This is because they might not understand/know the services offered under project or how they can benefit from it. To manage their risk of marginalization in the project and engage with them, their locations, key characteristics, language needs, preferred notification means (e-mail, phone, radio, letter), preferred meeting hours, specific needs (accessibility, large print, child care, daytime meetings), barriers to their participation in engagements and what needs to be done to unlock these barriers, interest and what role they could play in the process will be mapped and rationalized. The following approach to understand the viewpoints of these groups will be utilized by:

- Identifying vulnerable or disadvantaged individuals or groups and the limitations they may have in participating and/or in understanding the project information or participating in the consultation process.
- The host communities and the refugees all have different languages their participation may have challenges in process meetings, workshops and radio talk shows will be conducted in the local area during consultation to reach them.
- The communities will be informed through various media, consultation meeting, of local leaders, NGOs, OPMs office, DLGs, projects, activities
- Service providers including BDS; goods and other services
- The project will use resources needed to enable the people to participate in the consultation process e.g. providing translation into a minority language, sign language; choosing accessible venues for events; providing transportation for people in remote areas to the nearest meeting;

having small, focused meetings where vulnerable stakeholders are more comfortable asking questions or raising concerns.

- If there are no organizations active in the project area that work with vulnerable groups, such as persons with disability, contact medical providers/DLG-CDOs, who may be more aware of marginalized groups and how best to communicate with them.

Table 4-1: Summary of Project Stakeholders

S/N	Community	Stakeholder Group
1	The Refugee Host Communities	Business Communities/MSMEs/Firms/local leaders
2	The Refugee Communities	Business People/SMEs/Firms/Local leaders
3	The Manufacturing and Exporting firms	Micro, Small and Medium Enterprises (MSMEs),
4	The Financial Institutions such as tier III and IV in country	FIs (SACCOS, MFI, Commercial Banks)
5	The Local Governments	District, and Sub county Political and Civics leaderships
6	The National Government	OPM, MoGLSD, MTID, NEMA, etc
7	UNHCR	Field offices/
8	Development, Relief and Human Rights Organizations CSOs (NGOs/CBOs and Religious Based Organizations)	Implementing NGOs/Agencies e.g. AAH, WCS, WWF, EA, CRS, RCS, LWF, Fin Church Aid, World Vision, Uganda Red Cross etc.
9	Service providers (Consultants, etc.)	BDS; goods and other services

5. STAKEHOLDER ENGAGEMENT PROGRAM

5.1 Purpose and Objectives of Stakeholder Engagement Plan (SEP)

This SEP is an instrument for identifying, mapping and prioritizing stakeholders across all levels in the regions and country at large for guiding or managing the planned information disclosure or communication and consultation processes with identified stakeholders as they exist through the different project phases. This SEP as a tool allows for stakeholder consultation in a two-way process of communication including managing the feedback process¹¹. Stakeholder engagement and information disclosure will be conducted at all stages of the project lifecycle including during the course of the implementation (subproject activity screening, scoping studies, ESIA, disclosure of the project related information such as ESIA, project briefs, ESMP, GRM procedures, project operationalization and decommissioning). The key objectives of stakeholder engagement include the following:

- ✓ To design stakeholder engagement framework and requirements of the project;
- ✓ Describe the legal requirements for consultation and disclosure;
- ✓ Provide an inventory of key stakeholders who are likely to be affected by the project directly or indirectly;
- ✓ Provide summary of all public consultation and information disclosure activities to date annex 1 and 2;
- ✓ Propose an effective approach and strategy for meaningful and maximized disclosure of relevant project information annex 3;
- ✓ Propose an appropriate stakeholder feedback mechanism and a process for receipt and resolution of project grievances annex 4;
- ✓ Draft a public consultation and disclosure program and schedules against the different stages of the project annex 3;

¹¹ Meaningful consultation is understood as a two-way process, where stakeholder engagement should meet the following criteria: (i) Begins early in the project planning process to gather initial views on the project proposal and inform project design; (ii) Encourages stakeholder feedback, particularly as a way of informing project design and engagement by stakeholders in the identification and mitigation of environmental and social risks and impacts; (iii) Continues on an on-going basis, as risks and impacts arise; (iv) Is based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information in a timeframe that enables meaningful consultations with stakeholders in a culturally appropriate format and relevant local language(s) which is understandable to stakeholders; (v) Considers and responds to feedback; (vi) Supports active and inclusive engagement with project-affected parties; (vii) and is free of external manipulation, interference, coercion, discrimination, and intimidation; and (viii) Is documented and disclosed by the Borrower.

- ✓ Indicate related resources required for project implementation and management.
- ✓ Ensuring that stakeholders understand project and operational aims and requirements, with respect to INVITE, and have confidence in PSFU/UDB's ability to manage environmental/social risks in a responsible and transparent manner

5.2 Risk Rating for Stakeholders

The overall risk rating for stakeholders for this project is moderate mainly due to the possible difficulties to reach some deserving beneficiaries in the country whose needs may not be considered. It is thus important that stakeholder engagement and consultations should identify the most pressing needs and potential beneficiary groups. The project will also create opportunities to generate feedback on improved service delivery including procedures for external communications and a grievance redress mechanism that will respond to public enquiries and concerns.

5.3 Principles of Stakeholder Engagement

The project assessment and implementation procedures should promote and allow for meaningful and culturally appropriate consultation and participation, including that of host communities at the different levels; including the right to public information and disclosure. In order to realize this, the SEP has taken into consideration the following principles including those based on ESS10 and International Best Practice (IBP)¹²: Our stakeholder engagement shall be informed by a set of principles defining core values underpinning interactions with stakeholders. We shall apply the common principles based on IBP include the following:

- Timing and number of engagement events designed to maximize stakeholder involvement and to avoid disruption to the 'daily businesses' of local stakeholders and also stakeholder 'fatigue';
- A project staff member to be present and participate actively at all engagement events;
- Engagement events to occur in line with the SEP schedule so that there is clear linkage between engagement activities and the key stages in the Environmental and Social Safeguards Assessment process;

¹² IFC, 2007, Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets

- Ensure that engagement is managed so that it is culturally appropriate, adequate and timely information and opportunities are provided to all stakeholders to be involved/contribute; and
- Ensure that engagement is free from coercion, undertaken prior to key decisions and informed by provision of objective and meaningful information, and that feedback is provided to stakeholders after engagement has concluded.

This process enables to build the trust and achieve open and meaningful dialogue that respects and upholds a community's beliefs, values and opinions in a transparent¹³ manner.

5.4 Proposed strategy for information disclosure

The project will use various forms of engagement techniques to build relationships with stakeholders, gather information from stakeholders, consult with stakeholders, and disseminate project information to stakeholders.

The following will consider appropriate consultation techniques, taking into consideration culturally appropriate consultation methods, and the purpose for engaging with a stakeholder groups.

However, before any public meeting is organized a risk analysis of COVID 19 infestation and its prevailing levels in the target communities will be reviewed and these will inform the project staff/FIs to select appropriate methods of meeting e.g. where possible a zoom meeting will mostly be encouraged or an open public meetings shall be undertaken with not more than ten members in order to mitigate/prevent cases of public infections. The strategy shall be guided by the availabilities and ease of access to infrastructures in the local community.

Therefore, the techniques mostly proposed to be used in INVITE are as shown in Table 5.1 below but its application shall be determined by the risk level of prevalence for COVID 19 in the target communities:

¹³ Transparency is important and is achieved when stakeholder information needs, other concerns and grievances are managed and responded to in a timely and open manner.

Table 5.1 showing the proposed techniques

Technique for Engagement	Appropriate application of the technique
Correspondences (Phone, Emails, letters)	Distribute information to Government officials, NGOs, Local Government, and organisations/agencies Invite stakeholders to meetings and follow-up
One-on-one meetings	Seeking views and opinions Enable stakeholder to speak freely about sensitive issues Build personal relationships Record meetings
Formal meetings	Present the Project information to a group of stakeholders Allow group to comment – opinions and views Build impersonal relation with high level stakeholders Disseminate technical information Record discussions
Public meetings	Present Project information to a large group of stakeholders, especially communities, (Refugee and host communities, Business firms) Allow the group to provide their views and opinions Build relationship with the communities, especially those impacted Distribute non-technical information Facilitate meetings with presentations, Power Point, posters etc. Record discussions, comments, questions.
Focus group meetings	Present Project information to a group of stakeholders Allow stakeholders to provide their views on targeted baseline information Build relationships with communities Record responses
Project/Institutional websites	Present project information and progress updates Disclose ESIA, ESMP and other relevant project documentation
Direct communication with affected asset owners	Share information on timing of specific project activities Agree options for removing assets e.g. crops and relocation of fences.
Project signs posts	Share information on project activities Reminders of potential impacts

Technique for Engagement	Appropriate application of the technique
Project leaflet	Brief project information to provide regular update Site specific project information.
Electronic Media such as Radios/TVs/print media	Brief project information to provide regular update Site specific project information.
Public address system	Drive through announcements, Church and Mosque announcements, Music, DJ mentions etc.
Information centers and exhibitions or other visual displays	Project information will be displayed at prominent center/boards used by LGs, NGOs, PMO, UNHCR, LCs/RWCs information centers (sites)

However, a precautionary approach will be taken to the consultation process to prevent infection, given the highly infectious nature of COVID-19. The following Coronavirus (COVID-19) prevention guideline issued by Ministry of Health and Public Service Guideline of Uganda Annex 7 shall be followed:

- Maintain a reasonable distance between yourself and someone else of at least 2 metres
- Avoid contact with people who are visibly sick with flu-like symptoms (fever, cough, sneezing).
- Avoid touching your eyes, nose, and mouth. Hands touch many surfaces which can be contaminated with the virus and you can transfer the virus from the contaminated surface to yourself
- Regularly wash your hands often with soap and running water for at least 20 seconds. If soap and water are not available, use an alcohol-based (at least 60% alcohol) hand rub/sanitizer.
- Stay home when you experience the above symptoms to avoid spreading illness to others.
- Wear a face mask if you are sick, or if someone around you is sick.
- Cover your mouth and nose with tissue or a handkerchief when coughing and sneezing. Throw away the used tissue immediately and wash your hands with soap and running water or use an alcohol based hand rub. The handkerchief must be washed by yourself daily and ironed with a hot iron. In this way, you protect others from any virus released through coughs and sneezes.
- Regularly clean and disinfect frequently touched surfaces such as doorknobs/ handles, car doors, elevator buttons etc. daily with regular household disinfectant or soap and water
- Avoid unnecessary movements to prevent the spread of the virus.

In line with the above precautionary approach, different engagement methods will be used to cover different needs of the stakeholders as shown in table 5.1 above.

5.6 Proposed strategy for consultation

The INVITE project will use the outlined processes to consult with each of the stakeholder groups. Methods used may vary according to target audience, for example:

- Interviews with stakeholders and relevant organization
- Surveys, polls, and questionnaires
- Public meetings, workshops, and/or focus groups on specific topic
- Electronic Media such as Radios/TVs talk shows and print media inserts and adverts, Brochure, leaflets, poster, nontechnical summary documents and reports, implementing partners websites and social media platforms will also be used for stakeholders' engagements
- Participatory methods
- Other traditional mechanisms for consultation and decision making.

5.7 Proposed Stakeholder Engagement Plan (SEP)

Table 5.2 shows the proposed stakeholder engagement plan (SEP) for the project. The SEP outlines the consultation and disclosure approaches and efforts already undertaken and to be undertaken in the course of implementation of the project. The SEP has through consultations made so far identified the special needs of the target stakeholders and which are included in the stakeholder engagement plan.

The SEP makes a distinction between “Project-affected parties” (PAPS) and other interested parties” (OIPs). For the purpose of the SEP, the term “Project-affected parties” includes “those likely to be affected by the project because of actual impacts or potential risks to their physical environment, health, security, cultural practices, wellbeing, or livelihoods. These stakeholders may include individuals or groups, including local communities”. They are the individuals or households most likely to observe changes from environmental and social impacts of the project.

The term “Other interested parties” (OIPs) refers to “individuals, groups, or organizations with an interest in the project, which may be because of the project location, its characteristics, its impacts, or matters related to public interest. For example, these parties may include regulators, government officials, the private sector, the scientific community, academics, unions, women’s organizations, other

civil society organizations, and cultural groups”¹⁴

¹⁴ World Bank Environmental and Social Framework, ESS10: Stakeholder Engagement and Information Disclosure.

Table 5.2: Proposed Stakeholder Engagement Plan

S/N	Target Stakeholder	Responsible Entity	Interest/Specific Needs of Stakeholder	Proposed Methods of engagement/How to address the needs	Time frame
PROJECT AFFECTED PARTIES (PAPs)					
01	Owners (Communities and individuals) in the area of the MSMEs, SMEs/firms subproject	PSFU, UDB, and FI	Public information about the subproject Resolving of project-related issues openly and in a mutually satisfactory manner.	Press conferences, community engagement and consultation meetings, mass/social media Communication, disclosure of written information in local languages - brochures, posters, flyers, information desks, at the Upper and lower Local Councils offices and project launches.	Immediately after approval of INVITE funding and throughout the period of project implementation
02	Disadvantaged and vulnerable groups including persons with disabilities, persons with different sexual orientation/gender identity, Ik, Batwa, rural poor women, men and youth, the elderly, Refugees, people living with HIV/AIDS, female headed households ¹⁵	PSFU, UDB, and FI	To be determined at the commencement of the project disclosures at respective beneficiary areas	Community engagement and consultation meetings, focus group discussions and use of relevant NGOs with the disadvantaged and the vulnerable groups; administration of questionnaires, key informant interviews, information desks at the District Council offices, Refugee and Refugee Hosting Districts	Immediately after approval of the project and throughout the period of project implementation
OTHER INTERESTED PARTIES (OIPS)					

¹⁵ Disadvantaged or vulnerable refers to those who 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

S/N	Target Stakeholder	Responsible Entity	Interest/Specific Needs of Stakeholder	Proposed Methods of engagement/How to address the needs	Time frame
03	Project Coordination/Management Units	PSFU/UDB	Capacity building in the area of Environment and Social Risks Management	International and in-county training courses and workshops, tailor made in-house training courses and long term and short-term technical assistance	On need basis and as per training plan throughout project implementation
04	Government Agencies (MoFEPD, MoTID, NEMA, MoGLSD, OPM) including the Project Steering Committee	PSFU/UDB	Environmental and Social Risk Management (ESRM) awareness and updates on project progress	One-on-one meetings and workshops for the relevant government officials to present progress reports and discuss emerging strategic issues	SC meetings quarterly and one-on-one meetings on need basis
05	Project Technical Committee	PSFU/UDB	ESRM awareness	Tailor made orientation courses, conferences and workshops	Immediately after project launch and as needed
06	Banks and other FIs	PSFU/UDB	Training of the staff involved in ESRM issues and updates on project progress and provision of feedback and disclosure of documents	ES risk training sessions for selected PFI members of staff in the risk and compliance Divisions; meetings of all the PFIs to get updates on progress of the activities, share experiences/best practices among PFIs, receive reports on bottlenecks that cut across all the PFIs and provide on spot guidance on ways forward, and disclosure of project related documents of interest to the PFIs during the meetings and on PSFU/UBD Website	As per training plan and progress reporting biannually Disclosure of documents on RBM website is the entire duration of the project
07	Owners of MSMEs/SMEs	FI , UDB, and PSFU	Competitively priced financing for inputs and equipment and machinery, capacity building in	Mentoring support on identification of competitively priced financing; PFI supervision; support in procurement of inputs, equipment and machinery;	Supervisory and monitoring visits – every quarter and as needed; training

S/N	Target Stakeholder	Responsible Entity	Interest/Specific Needs of Stakeholder	Proposed Methods of engagement/How to address the needs	Time frame
			business development basic financial management, leadership and governance, E&S issues, linkage to markets and disclosure	training workshops in areas business development, basic financial management, leadership and governance, E&S issues; disclosure of written documents on RBM website, feedback on quarterly and annual reporting	works- as per training plan; and Feedback on reports to be done quarterly and annually;
08	MSMEs owned by members of vulnerable and marginalized populations, including persons with disabilities, rural poor women, men and youth and the elderly.	PSFU, UDB, and FI	Such MSMEs will be identified and their needs be determined at the commencement of the project	Key informant Interviews including consultations, administration of questionnaires among owners of MSMEs from the disadvantaged and vulnerable groups; information desks at the District Council offices	At the beginning of the project with support provided to continue for the duration of the project
09	Business Development Service providers	PSFU/UDB	Orientation in ES issues	Orientation of Business Development Service providers on issues of Environmental and Social risks management	Immediately after Project launch
10	Development partners and international organizations of mutual interests (World Bank, Kingdom of Netherlands, Sweden, Belgium, the European Union and the United Kingdom (Department for International Development, DFID).	PSFU/UDB	Sharing of experiences and complementing each other's interventions	Donor group meeting, Sector Working Groups meetings and MoFPED Website,	Project preparation and throughout project duration

S/N	Target Stakeholder	Responsible Entity	Interest/Specific Needs of Stakeholder	Proposed Methods of engagement/How to address the needs	Time frame
11	Press and media; NGOs; Businesses and business organizations; Workers' organizations; Academic institutions; District Councils, Farmer Organizations	PSFU, UDB, and FI	Project information, Business opportunities, Research, worker welfare	Press releases, Public meetings, Mass/Social Media Communication -disclosure of written information on PSFU/UDB Website Brochures, posters, flyers, public relations kits, project tours for media and local representatives and District Executive Committee entry and exit meetings	Immediately after project launch and on ongoing basis thereafter

The project will put in place specific measures to ensure the inclusion of disadvantaged and vulnerable groups, such as women, persons with disabilities, youth, the elderly, refugees, the ultra-poor and people from remote/hard to reach areas, persons who are illiterate, and persons with HIV/AIDS. The project will ensure that it provides and seeks feedback from these groups and that members of these groups have equal opportunity to access funding and information, and/or submit grievances. In order to identify and address issues specific to vulnerable groups, stakeholder engagement will use focus group discussions to capture special needs of the vulnerable groups.

6. RESOURCES AND RESPONSIBILITIES FOR IMPLEMENTING STAKEHOLDER ENGAGEMENT ACTIVITIES

6.1 The Roles and Responsibilities of PSFU/ADB

The management, coordination and implementation of the SEP and its integral tasks will be the responsibility of dedicated team members within ADB/PCU and the FIs. The roles and responsibilities of the organizations are presented below. PSFU/ADB is committed to comply with National, Regional and International Obligations¹⁶. This will be expressed through the vision, the mission statement and core values. Our commitments specific to the SEP are expressed in the following core values: The project team is committed to stand public scrutiny and take responsibility for decisions and actions it takes and be credible in the eyes of their stakeholders

PCU has an environmental and social performance team under the management of the Project Coordinator. The key tasks are *inter alia* to:

- Development and approval of the content of the draft SEP (and any further revisions);
- Approval prior to release of all materials used to provide information associated with the INVITE ESIA (such as introductory letters, question and answer sheets, PowerPoint materials, posters, leaflets and brochures explaining INVITE and ESIA process);
- Approval and facilitation of all stakeholder engagement events and disclosure of material to support stakeholder engagement events;
- Participation either themselves, or identification of a suitable PSFU/ADB staff representative, during all face-to-face stakeholder meetings;
- Reviewing and signing off minutes of all engagement events; and
- Maintaining the stakeholder database.
- Ensure all the implementing agencies staff/FIs comply with the ESHS code of conduct prepared and implement them so that the issues of sexual exploitation and abuse including gender based violence (Annex 9) are avoid during project implementation.

¹⁶ The World Bank Environmental and Social Framework

6.2 The Roles and Responsibilities of FIs/MFIs

The Financial Intermediaries (FIs) are key partners in the implementation of this project. They play a key role as an intermediary to benefiting MSMEs/other individuals. They will be provided with access to concessional credit lines, in a limited volume and only over the COVID period so as not to distort the market for loan capital. The subordinated loan facility will be capped at agreed percent of the total project size, include other private financial institutions, and repayment conditions will be structured in such a way that it ensure the financial health of the investment project, with repayments on the subordinated loan occurring only when there is sufficient revenue cash flow.

MFIs will also determine how to provide the COVID support to their clients so as not to disrupt their lending model. The receivables financing mitigates risk late and non-payment improving overall building credit relationships with large buyers in the economy.

- Create awareness on the INVITE project and disseminate information to their clients
- They will also be required to develop tools as part of the relevant safeguards instruments to be prepared prior to implementation of the project
- Furthermore, it will only engage with PFIs consistent with the Bank of Uganda prudential regulatory requirements.
- Finally the FIs will be required to put in place and maintain an ESMS to identify, assess, manage and monitor the environmental and social risks and impacts of FI subprojects on an ongoing basis.

The ESMS will be commensurate with the nature and magnitude of environmental and social risks and impacts of FI subprojects the types of financing and the overall risk aggregated at the portfolio level¹⁷.

¹⁷ For the purpose of assessing the adequacy of ESMS, the FI portfolio means the portfolio of current and/or proposed subprojects to which ESS applies.

7. GRIEVANCE MECHANISM

7.1 Overview and Grievance Mechanism

The World Bank environmental and social standards provide for Borrower to ensure that a grievance mechanism for the project is in place, as early as possible in project development to address specific grievances-civil or criminal arising from the project traction. Such grievances may be social, environmental or health related and may among others involve (in)voluntary displacements, sexual and gender-based exploitation and abuse, child labor, wage and contractual disputes, workers welfare or environmental and noise pollution. Where possible, such grievance mechanisms will utilize existing formal or informal grievance mechanisms suitable for project purposes, supplemented as needed with project-specific arrangements designed to resolve disputes in an impartial manner as shown in figure 7.1

It's anticipated that most of the grievances received by FIs and project management units may relate to the table 7.1 shown below;

Table 7.1 Anticipated lists of grievances/complaints

S/N	Grievances/complaints	Responsible Stakeholders
01	Financial services poor customer care services, technology failure, lack of transparency and full disclosure of all financial risks as well as reward of their products, unfair contract terms and misrepresentation of financial services and deceptive advertising.	FIs
02	The potential grievances of much interest to this project are those related to the negative environmental and social impacts arising from the implementation of the subprojects and as observed earlier, among others involve e.g. selection of the sub project beneficiaries, application procedures, delays of payment, (in)voluntary displacements, sexual and gender based exploitation and abuse, child labor, wage and contractual disputes, workers welfare or environmental and noise pollution.	PCU/PMU

Note: There are various acts of parliament and regulations that provide remedies to grievances related to, employments, and safety of the workers, and communities, compensation and land disputes as well as negative environmental and social impacts amongst others.

7.2.INVITE Project GRM

Grievance mechanism (Annex 8) must be present and made available to PAPs who have grievances or are not satisfied with project related activities can submit their complaints including GBV&SEA etc. These grievances could relate to the unfair compensation, delays in compensation/payments of money, encumbrances amongst PAPs and their relatives, valuation of assets, level of consultation, non-fulfilment of contracts, and timing of compensation, amongst others. Complaints and grievances also concern issues related to construction safety and nuisances caused by construction.

The goal of the Grievance Redress Mechanism (GRM) is to promote a mutually constructive relationship and enhance the achievement of project development objectives. The GRM is to ensure that complaints are directed and expeditiously addressed by the relevant agencies which are to enhance responsiveness and accountability

While a project-specific feedback and complaints mechanism is set up (Annex 8), the project will incorporate the existing grievance mechanism that has been used in the past experiences.

A stakeholder engagement framework as part of the GRM will involve identification of likely people to be affected and consultations with them will have to be undertaken. A disclosure of the review will have to be done.

7.2.1 Typical Grievance under INVITE

Likely common grievances in the project implementation areas will include:

- a) Delayed processing of loans or grants
- b) Non-payment of work done;
- c) Non-payments of infrastructure construction materials;
- d) Non-payment for land taken up by the project related infrastructures funded by INVITE;
- e) Occupation, health and safety:
- f) Sexual exploitation and abuse and
- g) Gender based violence.

At project level, each project site/FIs is expected to operate its mechanisms of handling feedback and complaints on the project (See Annex 8). Such a mechanism will be checked to ascertain its effectiveness, accessible and transparent procedures to receive and resolve complaints and where need be and for purposes of delivering this project, it shall then be reviewed and modified accordingly.

Feedback or complaints shall be encouraged among all workers and community members throughout the project and resolved without undue delay. This will also be closely monitored and reported. It is important that, concerns are raised on project level before they are brought to the PCU level.

7.2.3 Steps of Grievance Redress

A verbal or a written complaint from aggrieved person will be received by the Project Manager/Project Coordinator or a person assigned in the project as the Grievance Officer (GO) and recorded in a grievance log (electronically if possible). Grievances can be lodged at any time, either directly to the FIs, Contractor, or to the Sub Project component/Developer.

- **Registration:** This should be the first step and will involve the social contact person/institution receiving the complaint from the complainant. The complainant is expected to fill out and return a “complainant form” or by use of toll free line, suggestion box and email to the PCU (E&S Contact person/institution) who in turn will acknowledge receipt of the complaint within 2 business working days and log the complaint in the Program GRM log managed by the PCU.
- **Verification:** The verification will determine among other things whether the matter has any relationship with the Project and whether the level at which it is presented can handle it. A preliminary assessment will be undertaken to ensure that the matter is indeed needs further investigation. Also rejection of claims should be validated by E&S staff of the PCU and referrals outside need to be done carefully if at all and in agreement with the complainant. This will mean a quick referral of the case either to the next level or survivors care centers or to law enforcement using the basic principles of survivor centric approaches and confidentiality. Part of investigation will also be assessing the cost of loss or risk involved in the grievance.
- **Processing:** The processing step is when options for the approach to resolving the case are weighed and determined. Parties involved in the case are brought together by the PCU for a first attempt at resolution with suggestion from the parties by the social contact personnel. The social personnel at a certain level then decide where the case should go to for hearing and resolution if complainant decides to pursue the matter further. This should happen within five days from investigation and if more information is require then it can be handled based on its circumstances
- **Implementation and case closing:** Generally the first level is local or involves the FIs, contractor or service provider, the second could be the PCU, the third the GRC. The composition and functioning of the GRC needs to be established as part of the GRM procedure and communicated to PAPs. The GRC should include community representation (men and women). An independent

mediation step should be offered. Complainants should be advised that they have the option to use the judicial system (or the GRS/IP) at any time

In addition to this GRM, communities and individuals who believe that they are adversely affected by the WB supported project may submit complaints to the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel, which determines whether harm occurred, or could occur, because of WB 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 given an opportunity 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, as indicated in the below Figure 7.1.

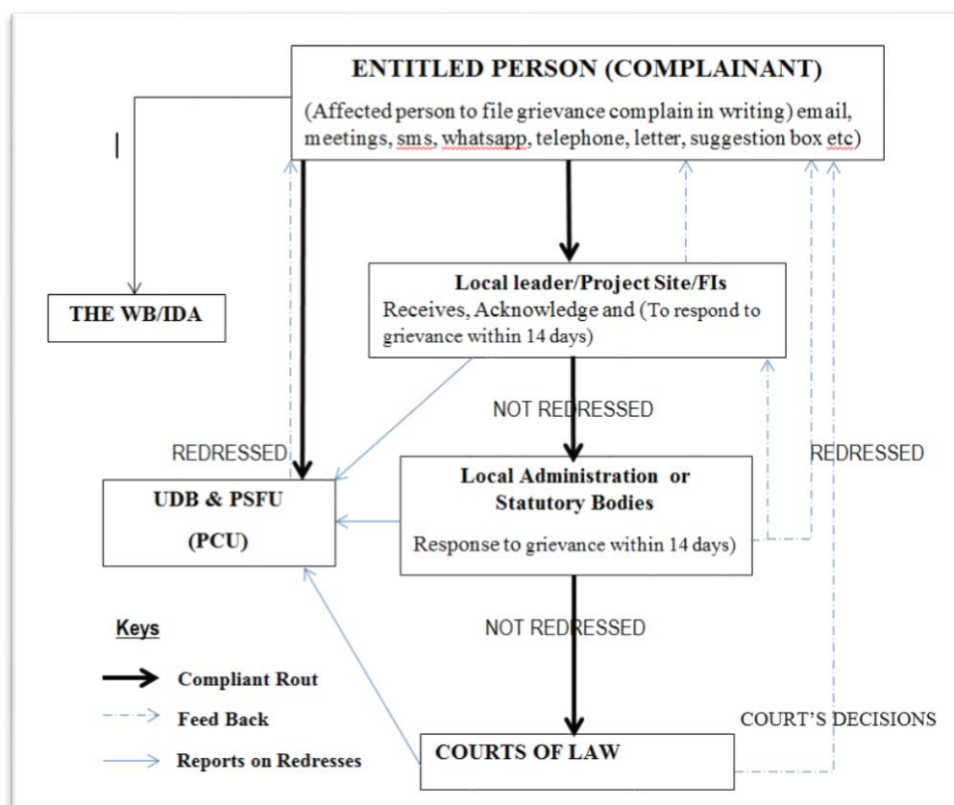


Figure 7.1 Grievance Redress Mechanisms

7.3 Grievance Mechanisms of FIs

In addition to section 7.2.3 Bank of Uganda Financial Consumer Protection Guidelines, 2011 shall also be applied to all FIs participating in the project. The Bank of Uganda Financial Consumer Protection 2011 guideline applies to:

- ✓ all financial services providers regulated by the Bank of Uganda in respect of business they transact in Uganda; and
- ✓ the agents of all financial services providers regulated by the Bank of Uganda in respect of business the agent transacts in Uganda.

The objectives of these guidelines are to:-

- 1) promote fair and equitable financial services practices by setting minimum standards for financial services providers in dealing with consumers;
- 2) increase transparency in order to inform and empower consumers of financial services;
- 3) foster confidence in the financial services sector; and
- 4) provide efficient and effective mechanisms for handling consumer complaints relating to the provision of financial products and services.

The process of GRM should be followed by all categories of persons .i.e. project implementation teams and the stakeholders i.e.[Project affected Persons(PAPs)]¹⁸ with potential to register grievances including (i) business owners applying for the facilities provided under the project, (ii) Individuals/communities that might be affected by activities from the SMEs, (iii) Refugees and Members of host communities benefiting/being affected by the project, (iv) workers that might be employed by SMEs to expand using these funds and (v) Service providers including BDS; goods and other services with the help of a grievance registration form in annex 4. All resolved grievances must be closed out using a grievance resolution form. A grievance log for monitoring purposes shall be placed at all points for grievance registration. The direction of grievance reporting depends on whether is criminal or civil as highlighted in figure 7.2 with the waiting period in days for grievance resolution.

The grievance mechanisms outlined above are not directly linked and it is the duty of the relevant GRC to ensure that project affected persons are given the option of using the grievances redress mechanisms that are led by local authorities where project led negotiations have not been able to provide a satisfactory

¹⁸PAPs that might need to raise complaints: (i) business owners applying for the facilities provided under the project, (ii) Individuals/communities that might be affected by activities from the SMEs, (iii) Refugees and Members of host communities benefiting/being affected by the project, and (iv) workers that might be employed by SMEs to expand using these funds.

solution to the complaint. The project is duty bound to forward to the relevant local authority the complaints they receive that, in their view, can be better resolved by the local government led dispute resolution systems.

The FIs will be duty bound to use in-house intelligence mechanisms and routine supervisory visits to register grievances affecting the disadvantage and vulnerable groups.

The aspiration of the GRS is to have as many issues as possible administratively resolved outside court as means to avoid delays, backlogs and to make justice as accessible as possible especially, to persons that may be vulnerable and less able.

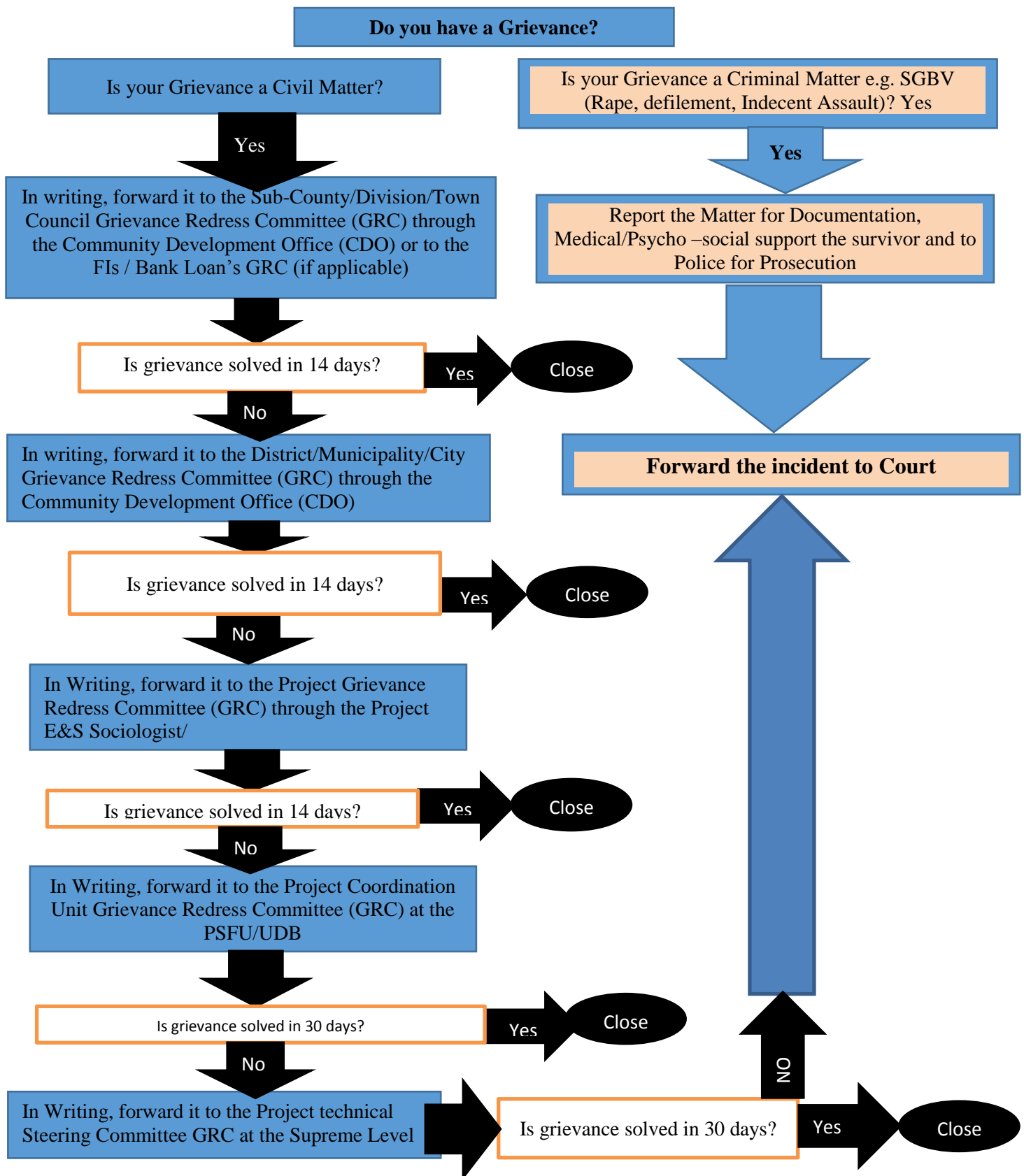


Figure 7.2 Grievance Redress Mechanism Flowchart

8. MONITORING AND REPORTING

Monitoring and evaluation of the stakeholder process is considered vital to ensure INVITE Project is able to respond to identified issues and alter the schedule and nature of engagement activities to make them more effective. Adherence to the following characteristics/commitments/activities will assist in achieving successful engagement:

- Sufficient resources to undertake the engagement;
- Inclusivity (inclusion of key groups) of interactions with stakeholders;
- Promotion of stakeholder involvement;
- Sense of trust in UDB/PSFU shown by all stakeholders;
- Clearly defined approaches; and
- Transparency in all activities.

Monitoring of the stakeholder engagement process allows the efficacy of the process to be evaluated. Specifically, by identifying key performance indicators that reflect the objectives of the SEP and the specific actions and timings, it is possible to both monitor and evaluate the process undertaken.

Two distinct but related monitoring activities in terms of timing will be implemented:

- During the engagement activities: short-term monitoring to allow for adjustments/improvements to be made during engagement; and
- Following completion of all engagement activities: review of outputs at the end of engagement to evaluate the effectiveness of the SEP as implemented.

A series of key performance indicators for each stakeholder engagement stage have been developed. Table 4 shows the indicators, and performance against the indicators will show successful completion of engagement tasks.

A series of key performance indicators for each stakeholder engagement stage have been developed. Table 8.1 shows the indicators, and performance against the indicators will show successful completion of engagement tasks.

Table 8.1: **Key Performance Indicators by Project phase**

Phase activities	Inputs Indicator	Output Indicator
Project Planning	Share updates on project activities	Project Websites
ESCP	Share and discuss the ESCP for INVITE and agree of key E&S issues to be addressed	Key E&S Issues agreed upon with action point
Project Screening/ESIA Report Implementation		<p>Affected community stakeholders, with gender responsive, have received and understand the INVITE Screening/ESIA information disclosed and attended the public meetings;</p> <p>Communities provided feedback;</p> <p>No complaints about non-receipt of materials received.</p>
	Confirmation that the ESMP tasks are defined as specific individual or grouped environmental and social clauses in contract documents.	PCU (Project Coordinator/ Manager) to draw on ESIA/ESMP/SEP/ESAP for bidding documents
	Confirmation that environmental management criteria are included as part of the contractor selection process, including their experience preparing and implementing ESMPs, etc	PCU (Project Coordinator/Contract Manager) to draw on ESIA/ESMP/SEP/ESAP for Contractor selection process

Phase activities	Inputs Indicator	Output Indicator
	A safeguards advisor located and retained as an advisor by the PCU, providing assistance with ESMP implementation, contractor briefing on habitat protection, contractor ESMP supervision (including observations during construction), and participation in community consultation	PCU safeguard strengthening
	Compliance monitoring checklists prepared and being used by the contractor and safeguards consultant and due diligence notes, completed as defined in the ESMP, and making the notes available in an easily accessible file for the contractor, Technical Coordinator, PMU Project Manager and others to use.	ESIA/ESMP/SEP/ESAP to guide management and monitoring processes

The identification of INVITE-related impacts and concerns is a key element of stakeholder engagement that will occur over the complete INVITE life-cycle. As such, the identification of new concerns and impacts as the Project Screening/ESIA and INVITE progresses will serve as an overall indicator for the utility of the stakeholder engagement process.

In the Project Screening/ESIA Reports there will be a review of the engagement activities conducted; levels of stakeholder involvement (particularly for affected communities, women and vulnerable people/groups); the issues discussed and outcomes; and the extent to which stakeholder issues, priorities and concerns are reflected in the Project Screening/ESIA Report, particularly with respect to mitigation and monitoring strategies contained in the Environmental and Social Action Plan.

9. ANNEXES

ANNEX I: MINUTES OF STAKEHOLDER CONSULTATIONS-INCEPTION PHASE

Date of the Meeting	
Place of meeting	
Meeting Proceedings Recorded by	
Subject of the Meeting	
Summary of Proceedings	
The agenda for the meeting	
Meeting proceedings	Action By

Signed Chairperson: _____

Secretary: _____

ANNEX 2: SAMPLE OF STAKEHOLDERS LOG

Date /place	Firm/Company/Organization Staff in Attendance	Contact Person	Meeting Summary Key Issues Raised	Follow up Action

ANNEX 3: DISCLOSURE OF THE DRAFT ENVIRONMENTAL AND SOCIAL ASSESSMENT REPORT

[**Company name**], [**Company structure and main investors**], propose to [**build/operate/manage/expand**] a [**type of project**] at [**location(s)**].

Construction of the project is expected to commence on [**date**] and completion is targeted for [**date**].

A draft Social and Environmental Assessment (SEA) for the [**project activities**] has been completed by [**consultant's name**].

The draft SEA report includes information on the:

- Project description
- Relevant legislation
- Potential impacts and benefits
- Proposed mitigation measures
- Environmental and social action plan
- Other supporting studies

The draft SEA documents will be available for public review and comment on [**dates and time of availability**] at the following places:

[**Address of government**]

[**Address of company**]

[**Address of other institutions/libraries/community centers accessible to local stakeholders**]

Members of the public are invited to comment on the draft documents by [**date of comment deadline**].

Those unable to review the documents at the location(s) mentioned above, please contact [**project company name**] at [**project sponsor's address**] or on [**project sponsor's telephone number and email address**].

ANNEX 4: GRIEVENCE REGISTRATION FORM

GRIEVENCE REGISTRATION FORM																	
<h1 style="margin: 0;">INVITE</h1>	<p>Serial No-----</p> <p>Ref No-----</p> <p>Date-----</p>																
<p>Name of Complainant: Gender: Male <input type="checkbox"/> Female <input type="checkbox"/></p> <p>Telephone Number: Age:.....</p> <p>ID Type and No:</p> <p>Description of Complaint;</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>Name & Contact details of witness (If available):</p>																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left; padding: 2px;">Location of Receipt of Grievance</th> <th style="width: 50%; text-align: left; padding: 2px;">Location of occurrence of Grievance</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">District:</td> <td style="padding: 2px;">District:</td> </tr> <tr> <td style="padding: 2px;">County:</td> <td style="padding: 2px;">County:</td> </tr> <tr> <td style="padding: 2px;">Sub county/Town council:</td> <td style="padding: 2px;">Sub county/Town council:</td> </tr> <tr> <td style="padding: 2px;">Village/Cell:</td> <td style="padding: 2px;">Village/Cell:</td> </tr> <tr> <td style="padding: 2px;">LC Chairperson's Name:</td> <td style="padding: 2px;">Line Number:</td> </tr> <tr> <td style="padding: 2px;">Grievance No in village:</td> <td style="padding: 2px;">Name of execution contractor:</td> </tr> <tr> <td style="padding: 2px;">Other (Specify)</td> <td style="padding: 2px;">Other (Specify)</td> </tr> </tbody> </table> <p><i>Description of Activity/Project/ line that Grievance is related to</i></p> <p>.....</p> <p>Signature or thumbprint:</p>		Location of Receipt of Grievance	Location of occurrence of Grievance	District:	District:	County:	County:	Sub county/Town council:	Sub county/Town council:	Village/Cell:	Village/Cell:	LC Chairperson's Name:	Line Number:	Grievance No in village:	Name of execution contractor:	Other (Specify)	Other (Specify)
Location of Receipt of Grievance	Location of occurrence of Grievance																
District:	District:																
County:	County:																
Sub county/Town council:	Sub county/Town council:																
Village/Cell:	Village/Cell:																
LC Chairperson's Name:	Line Number:																
Grievance No in village:	Name of execution contractor:																
Other (Specify)	Other (Specify)																
<p>FOR OFFICIAL USE ONLY: Received by:</p> <p>Observation of receiving Officer: Issue <input type="checkbox"/> Grievance <input type="checkbox"/> Non Grievance <input type="checkbox"/></p> <p>Method of receipt: Letter <input type="checkbox"/> Email <input type="checkbox"/> Face to face <input type="checkbox"/> Telephone call <input type="checkbox"/></p> <p>WhatsApp <input type="checkbox"/> Etc...(Please specify)</p> <p>Support documents provided by Complainant (<i>if any</i>)</p>																	

ANNEX 5: GRIEVENCE RESOLUTION FORM

GRIEVENCE RESOLUTION FORM	
<h1>INVITE</h1>	Closure Date: _____
	Ref No (Pick from Reg No) _____
<p>Name of Complainant: Gender: Male <input type="checkbox"/> Female <input type="checkbox"/></p> <p>Telephone Number: Age:</p> <p>ID Type and No:</p> <p>Grievance registration Form Details:</p> <p>Serial No: System Ref No. Date of receipt</p> <p>Response to Complaint (detailed-Utilize overleaf/ additional paper if required)</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>Name & Contact details of witness (If available).....</p> <p>.....</p> <p>Iacknowledge that I agree to the solution proposed in respect to the above grievance and that the solution has been implemented to my satisfaction.</p> <p>Complainant's Name & Signature:</p> <p>Witness' Name & Signature:</p> <p>Company representative Name & Signature:</p>	

ANNEX 6: GRM LOG

Location (District).....

Sub County.....

Village:.....

Ref No.	Date Received	Mode of Receipt	Name of Complainant	Contacts of Complainant	Description of Complaint	Action Taken

ANNEX 7. POST COVID LOCKDOWN STANDARD OPERATING PROCEDURES FOR OPERATION IN UGANDA

Minister : +256 414 250 557/8
Minister of State : +256 414 251003
Permanent Secretary : +256 414 251004
Email : ps@publicservice.go.ug
Website : www.publicservice.go.ug



MINISTRY OF PUBLIC SERVICE
PLOT 12 NAKASERO HILL ROAD
P.O. BOX 7003
KAMPALA
UGANDA

In any correspondence on
this subject please quote no. **PMD 80/80/01 Vol: 7** THE REPUBLIC OF UGANDA

5th June 2020

To all Responsible Officers
Ministries, Departments, Agencies and Local Governments

CIRCULAR LETTER NO. 7 OF 2020

POST-LOCKDOWN STANDARD OPERATING PROCEDURES FOR OFFICE OPERATIONS IN THE PUBLIC SERVICE OF UGANDA

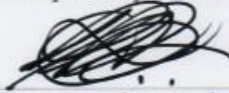
Following the directive of His Excellency the President of Uganda on partial lifting of the lockdown specifically permitting private vehicles and Public Transport services to operate at one half capacity, movement of Public Officers to and from their work premises has been eased and a number of them have resumed work.

To ensure that Government continues to deliver quality services while mitigating the spread of COVID-19, the Ministry of Public Service has developed post-lockdown Standard Operating Procedures (SOPs) to guide the operations of the Public Service.

1. Staffing:

- a) Each Ministry, Department, Agency and Local Government should identify 30% of its total workforce to remain on duty to ensure that critical services are provided promptly.

- b) 70% of the workforce will continue to offer their services remotely in line with Circular letter No. 6 of 2020.
- c) When exigencies of duty/service demand that an employee in category (b) above is required to handle specific assignments that may require his/her physical presence at the workplace, nothing in this circular will deter a Responsible Officer from calling the Officer back to office.
- d) Employees in category (a) and (b) should avail themselves physically or remotely whenever called upon to perform their duties.



Mission: To provide human resource policies, management systems and structures that facilitate efficient and effective public service performance for national development and improved quality of life in Uganda

2. Decongesting office premises and limiting physical interaction:

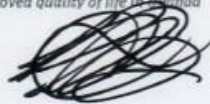
- a) Responsible Officers must put in place crowd management strategies at the work premises while ensuring social distancing in all their engagements with their external and internal clients.
- b) Responsible Officers should provide the general Public with vital institutional contacts. Clients seeking for guidance or intending to make consultations with Public Offices should be encouraged to use the officially publicized websites, emails and telephone lines of Ministries, Departments, Agencies and Local Governments. This will limit physical interaction.

- c) Visitors/clients should not be allowed entry into office premises with exception of services where personal presence is inevitable for example Medical treatment.

3. Employee Health and safety:

- a) Ensure and enforce mandatory use of face masks, thermal scanning, sanitization at entrances and office premises. Employees are required to sanitize their hands before proceeding to their work spaces. Inevitable visitors are required to sanitize their hands before approaching Public offices and staff.
- b) Employees with flu, cough, cold and fever must stay home and seek medical treatment after informing their respective Responsible Officers.
- c) While within the office premises, employees should limit physical interaction with fellow employees.
- d) Responsible officers must ensure that appropriate protective equipment as guided by Ministry of Health is made available to all employees and usage is adhered to by all employees.
- e) Employees should be encouraged to use their personal vehicles or officially allocated vehicles for commuting to and from the workplace. Official vehicles may be provided to pick and drop required Officers who don't have private vehicles.
- f) Physical Meetings should not be held, Video conferences/conference calls should be used as an alternative. For emergency situations where a physical meeting is inevitable, it should be held outdoors, with a composition of up to

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a maximum of ten (10) participants and social distance should be observed in line with the guidelines issued by Ministry of Health.

- g) Employees within the advanced age bracket, persons with co-morbidities and breast-feeding mothers should be supported to work from home.
- h) Intensive communication and training on good hygiene practices should be undertaken following the Ministry of Health guidelines.
- i) Responsible Officers should ensure that there is a gap of one hour between shifts for employees working in shifts. Lunch breaks should also be staggered to ensure social distancing in cafeteria/canteens hosted at work premises. Alternatively, employees should be encouraged to come with their own packed food.
- j) Responsible Officers should ensure that lifts/hoists/elevators operate at one half capacity where they exist. Use of staircase/ramps is highly encouraged.
- k) Frequent disinfection of high-touch surfaces such as door handles, lifts/elevators and their buttons, vehicles (especially commonly used vehicles), shuttle buses, and all other surfaces such as hand railings and office tables should be done.

4. Emergency response:

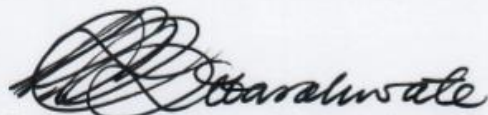
- a) A list of hospitals/clinics/health facilities authorized to test and treat COVID-19 patients in areas near the office premises should be displayed in strategic places at the work place at all the times.
- b) In case of emergence of Covid-19 like symptoms in any employee, Responsible Officers should report the case to the contacts given by the Ministry of Health.

You are required to implement and bring the content of this Circular letter to the attention of all staff under your jurisdiction. It should be implemented together with the earlier guidelines issued by this Ministry and the Ministry of Health.



Mission: To provide human resource policies, management systems and structures that facilitate efficient and effective public service performance for national development and improved quality of life in Uganda

This circular letter can be accessed on the Ministry of Public Service Website:
www.publicservice.go.ug



Catherine Bitarakwate Musingwiire (Mrs.)
PERMANENT SECRETARY

ANNEX 8. GRIEVANCE REDRESS MECHANISM ADMINISTRATIVE PROCEDURE CIVIL OFFENSES PATH

Tier One: Site specific GRC that sits weekly to handle grievances and provides feedback in 7 days. If the grievance is settled, the complaint is closed. If not, it goes to the next tier

Tier Two: Project Coordination Unit GRC that sits every 2 weeks and provides feedback in 14 days. If the grievance is settled, the complaint is closed. If not, it goes to the next tier

Tier Three: Project Technical GR Committee that sits monthly to handle grievances and provides feedback in 30 days. If the grievance is settled, the complaint is closed. If not, it goes to the next tier

Tier Four: CEDP Steering GR Committee that sits Quarterly to handle grievances and provides feedback in 30 days. If the grievance is settled, the complaint is closed. If not, it goes to the next tier

Tier Five: Court adjudication.

Criminal/GBV/SEA Offenses Path

Tier One: Documentation of the incident by a trained and provision of psychosocial support to the victim by the Sociologist/GBV incident or service providers

Tier Two: Handling of the incident by Police where form 3 will be completed. This tier includes medical examination of the incident by police surgeon and completion of the charge sheet

Tier Three: Forwarding of the incident to the resident state prosecutor

Tier Four: Criminal proceedings in court

ANNEX 9. ESHS CODES OF CONDUCT FOR INVITE

Gender-Based Violence and Child Protection Code of Conduct

The company is obliged to create and maintain an environment which prevents gender based violence (GBV) and child abuse/exploitation (CAE) issues, and where the unacceptability of GBV and actions against children are clearly communicated to all those engaged on the project. In order to prevent GBV and CAE, the following core principles and minimum standards of behavior will apply to all employees without exception:

1. GBV or CAE constitutes acts of gross misconduct and are therefore grounds for sanctions, penalties and/or termination of employment. All forms of GBV and CAE including grooming are unacceptable be it on the work site, the work site surroundings, or at worker's camps. Prosecution of those who commit GBV or CAE will be pursued.
2. Treat women, children (persons under the age of 18), and men with respect regardless of race, color, language, religion, political or other opinion, national, ethnic or social origin, property, disability, birth or other status.
3. Do not use language or behavior towards women, children and men that is inappropriate, harassing, abusive, sexually provocative, demeaning or culturally inappropriate.
4. Sexual activity with children under 18 - is prohibited. Mistaken belief regarding the age of a child and consent from the child is not a defense.
5. Sexual favors or other forms of humiliating, degrading or exploitative behavior is prohibited.
6. Sexual interactions between contractor's and consultant's employees at any level and member of the communities surrounding the work place that are not agreed to with full consent by all parties

involved in the sexual act are prohibited (see definition of consent above). This includes relationships involving the withholding/promise of actual provision of benefit (monetary or non-monetary) to community members in exchange for sex – such sexual activity is considered “non-consensual” within the scope of this Code.

7. All staff, volunteers, consultants and sub-contractors are highly encouraged to report suspected or actual GBV and/or CAE by a fellow worker, whether in the same contracting firm or not. Reports must be made in accordance with Standard Reporting Procedures.
8. All employees are required to attend an induction training course prior to commencing work on site to ensure they are familiar with the GBV and CAE Code of Conduct.
9. All employees must attend a mandatory training course once a month for the duration of the contract starting from the first induction training prior to commencement of work to reinforce the understanding of the institutional GBV and CAE Code of Conduct.
10. All employees will be required to sign an individual Code of Conduct confirming their agreement to support GBV and CAE activities.

I do hereby acknowledge that I have read the foregoing Code of Conduct, do agree to comply with the standards contained therein and understand my roles and responsibilities to prevent and respond to GBV and CAE. I understand that any action inconsistent with this Code of Conduct or failure to take action mandated by this Code of Conduct may result in disciplinary action.

FOR THE COMPANY

Signed by _____

Title: _____

Date: _____

Manager’s Gender Based Violence and Child Protection Code of Conduct

Managers at all levels have particular responsibilities to create and maintain an environment that prevents GBV and CAE. They need to support and promote the implementation of the Company Codes of Conduct. To that end, they must adhere to the Manager’s Codes of Conduct and also sign the Individual Codes of Conduct. This commits them to support and develop systems that facilitate the implementation of this action plan and maintain a GBV free and child-safe work environment. These responsibilities include but are not limited to:

Mobilization

1. Establish a GBV and CAE Compliance Team (GCCT) from the contractor's and consultant's staff to write an Action Plan that will implement the GBV and CAE Codes of Conduct.
2. The Action Plan shall, as a minimum, include the
 - i. Standard Reporting Procedure to report GBV and CAE issues through the project Grievance Response Mechanism (GRM);
 - ii. Accountability Measures to protect confidentiality of all involved; and,
 - iii. Response Protocol applicable to GBV survivors/survivors and perpetrators.
3. Coordinate and monitor the development of the Action Plan and submit for review to the CPU and SE safeguards teams, as well as the World Bank prior to mobilization.
4. Update the Action Plan to reflect feedback and ensure the Action Plan is carried out in its entirety.
5. Provide appropriate resources and training opportunities for capacity building so members of the GCCT feel confident in performing their duties. Participation in the GCCT will be recognized in employee's scope of work and performance evaluations.
6. Ensure that contractor, consultant and client staff are familiar with the CEDP GRM and that they can use it to anonymously report concerns over GBV and CAE.
7. Hold quarterly update meetings with the GCCT to discuss ways to strengthen resources and GBV and CAE support for employees and community members.
8. In compliance with applicable laws and to the best of your abilities, prevent perpetrators of sexual exploitation and abuse from being hired, re-hired or deployed. Use background and criminal reference checks for all employees.
9. Ensure that when engaging in partnership, sub-grant or sub-recipient agreements, these agreements
 - a) incorporate this Code of Conduct as an attachment;
 - b) include the appropriate language requiring such contracting entities and individuals, and their employees and volunteers to comply with this Code of Conduct; and
 - c) expressly state that the failure of those entities or individuals, as appropriate, to take preventive measures against GBV and CAE, to investigate allegations thereof, or to take

corrective actions when GBV and/or CAE has occurred, shall constitute grounds for sanctions and penalties.

Training

1. All managers are required to attend an induction manager training course prior to commencing work on site to ensure that they are familiar with their roles and responsibilities in upholding the GBV and CAE Codes of Conduct. This training will be separate from the induction training course required of all employees and will provide managers with the necessary understanding and technical support needed to begin to develop the Action Plan for addressing GBV and CAE issues.
2. Provide time during work hours to ensure that direct reports attend the mandatory CEDP facilitated induction GBV and CAE training required of all employees prior to commencing work on site.
3. Ensure that direct reports attend the monthly mandatory refresher training course required of all employees to combat increased risk of GBV and CAE during civil works.
4. Managers are required to attend and assist with the CEDP facilitated monthly training courses for all employees. Managers will be required to introduce the trainings and announce the self-evaluations.
5. Collect satisfaction surveys to evaluate training experiences and provide advice on improving the effectiveness of training.

Prevention

1. All managers and employees shall receive a clear written statement of the company's requirements with regards to preventing GBV and CAE in addition to the training.
2. Managers must verbally and in writing explain the company and individual codes of conduct to all direct reports.
3. All managers and employees must sign the individual 'Code of Conduct for GBV and CAE', including acknowledgment that they have read and agree with the code of conduct.
4. To ensure maximum effectiveness of the Codes of Conduct, managers are required to prominently display the Company and Individual Codes of Conduct in clear view in public areas of the work space. Examples of areas include waiting, rest and lobby areas of sites, canteen areas, health clinics.

5. All posted and distributed copies of the Company and Individual Codes of Conduct should be translated into the appropriate language of use in the work site areas (Local languages, Kiswahili, etc).
6. Managers will explain the GRM process to all employees and encourage them to report suspected or actual GBV and/or CAE.
7. Managers should also promote internal sensitization initiatives (e.g. workshops, campaigns, on-site demonstrations etc.) throughout the entire duration of their appointment in collaboration with the GCCT and in accordance to the Action Plan.
8. Managers must provide support and resources to the GCCT to create and disseminate the internal sensitization initiatives through the Awareness-raising strategy under the Action Plan.

Response

1. Managers will be required to provide input, final decisions and sign off on the **Standard Reporting Procedures and Response Protocol** developed by the GCCT as part of the Action Plan.
2. Once signed off, managers will uphold the **Accountability Measures** set forth in the Action Plan to maintain the confidentiality of all employees who report or (allegedly) perpetrate incidences of GBV and CAE (unless a breach of confidentiality is required to protect persons or property from serious harm or where required by law).
3. If a manager develops concerns or suspicions regarding any form of GBV or CAE by one of his/her direct reports, or by an employee working for another contractor on the same work site, s/he is highly encouraged to report the case using the identified reporting mechanism.
4. Once a sanction has been determined, the relevant manager(s) is/are expected to be personally responsible for ensuring that the measure is effectively enforced, within a maximum timeframe of **14 days** from the date on which the decision was made.
5. Managers failing to comply with such provision can be in turn subject to disciplinary measures, to be determined and enacted by the company's CEO, Managing Director or equivalent highest-ranking manager. Those measures may include:
 - i. Informal warning
 - ii. Formal warning

iii. Additional Training

iv. Loss of up to one week's salary.

v. Suspension of employment (without payment of salary), for a minimum period of 1 month up to a maximum of 6 months.

vi. Termination of employment.

6. 6. Ultimately, failure to effectively respond to GBV and CAE cases on the work site by the contractor's managers or CEO may provide grounds for legal actions by authorities.

I do hereby acknowledge that I have read the foregoing Code of Conduct, do agree to comply with the standards contained therein and understand my roles and responsibilities to prevent and respond to GBV and CAE. I understand that any action inconsistent with this Code of Conduct or failure to take action mandated by this Code of Conduct may result in disciplinary action.

FOR THE EMPLOYER

Signed by _____

Title: _____

Date: _____

Individual Gender Based Violence and Child Protection Code of Conduct

I, _____, acknowledge that preventing gender based violence (GBV) and child abuse/exploitation (CAE) are important. GBV or CAE activities constitute acts of gross misconduct and are therefore grounds for sanctions, penalties or termination of employment. All forms of GBV or CAE are unacceptable be it on the work site, the work site surroundings, or at worker's camps. Prosecution of those who commit GBV or CAE will be pursued as appropriate. I agree that while working on the CEDP project, I will:

☐ Consent to police background check.

☐ Treat women, children (persons under the age of 18), and men with respect regardless of race, color, language, religion, political or other opinion, national, ethnic or social origin, property, disability, birth or other status.

☐ Not use language or behavior towards women, children or men that is inappropriate, harassing, abusive, sexually provocative, demeaning or culturally inappropriate.

☐ Not participate in sexual activity with children—including grooming or through digital media.

Mistaken belief regarding the age of a child and consent from the child is not a defense.

- ☐ Not engage in sexual favors or other forms of humiliating, degrading or exploitative behavior.
- ☐ Not have sexual interactions with members of the communities surrounding the work place and worker's camps that are not agreed to with full consent by all parties involved in the sexual act (see definition of consent above). This includes relationships involving the withholding or promise of actual provision of benefit (monetary or non-monetary) to community members in exchange for sex—such sexual activity is considered “non-consensual” within the scope of this Code.
- ☐ Attend and actively partake in training courses related to HIV/AIDS, GBV and CAE as requested by my employer.
- ☐ Report through the GRM or to my manager suspected or actual GBV and/or CAE by a fellow worker, whether in my company or not, or any breaches of this code of conduct.

With regard to children under the age of 18:

- Wherever possible, ensure that another adult is present when working in the proximity of children.
- Not invite unaccompanied children into my home, unless they are at immediate risk of injury or in physical danger.
- Not sleep close to unsupervised children unless absolutely necessary, in which case I must obtain my supervisor's permission, and ensure that another adult is present if possible.
- Use any computers, mobile phones, or video and digital cameras appropriately, and never to exploit or harass children or to access child pornography through any medium (see also “Use of children's images for work related purposes”).
- Refrain from physical punishment or discipline of children.
- Refrain from hiring children for domestic or other labor which is inappropriate given their age or developmental stage, which interferes with their time available for education and recreational activities, or which places them at significant risk of injury.
- Comply with all relevant local legislation, including labor laws in relation to child labor.

Use of children's images for work related purposes

When photographing or filming a child for work related purposes, I must:

- Before photographing or filming a child, assess and endeavor to comply with local traditions or restrictions for reproducing personal images.

- Before photographing or filming a child, obtain informed consent from the child and a parent or guardian of the child. As part of this I must explain how the photograph or film will be used.
- Ensure photographs, films, videos and DVDs present children in a dignified and respectful manner and not in a vulnerable or submissive manner. Children should be adequately clothed and not in poses that could be seen as sexually suggestive.
- Ensure images are honest representations of the context and the facts.
- Ensure file labels do not reveal identifying information about a child when sending images electronically.

I understand that it is my responsibility to use common sense and avoid actions or behaviors that could be construed as GBV or CAE or breach this code of conduct. I do hereby acknowledge that I have read the foregoing Code of Conduct, do agree to comply with the standards contained therein and understand my roles and responsibilities to prevent and respond to GBV and CAE. I understand that any action inconsistent with this Code of Conduct or failure to take action mandated by this Code of Conduct may result in disciplinary action and may affect my ongoing employment.

Signed by _____

Title: _____

Date: _____