

May 21, 2019

Mr. Osvaldo L. Gratacós
Compliance Advisor Ombudsman
International Finance Corporation
2121 Pennsylvania Avenue, N.W.
Washington DC 20433

Subject: IFC Response to CAO Monitoring Report of IFC's Investment in Bujagali Energy Limited (BEL), Uganda (Project #39102)

Dear Mr. Gratacós,

IFC thanks CAO for its first Monitoring Report related to IFC's investment in BEL. As noted in the report, on May 22, 2018, IFC disclosed an Addendum to the IFC Management Responses to the CAO Investigation Report on BEL, Uganda (CAO cases 04, 06, and 07), which outlined a set of activities to which IFC's Management has committed.¹ Since then, IFC has made progress in implementing the activities, as outlined below:

Bujagali 04: IFC's Advisory Services (AS) led the follow-up actions on Bujagali 04. AS undertook two scoping visits to Uganda in June and November 2018 and produced a scoping report with a set of recommendations that was shared with BEL in January 2019 for comment and approval. IFC will continue to work with BEL and other stakeholders to develop and implement a support program for the injured workers, based on the recommendations of this report.

Bujagali 06: IFC drafted a Terms of Reference (ToR) to assess the workers' claims in relation to unpaid wages and disclosed it on the CAO's website on 30 June 2018.² In December 2018, IFC contracted the services of a Ugandan law firm to undertake this assignment. The firm is in the process of searching for and analyzing any available information to determine if there is sufficient evidence available to verify the workers' claims and is expected to finalize its report in 1-2 months.

Bujagali 07: IFC drafted a ToR for the transmission line resettlement completion review and disclosed it on the CAO's website on 30 June 2018.³ In August 2018, IFC initiated a competitive procurement process for a consultant and, in December 2018, contracted a consulting firm to undertake this assignment. The consultant completed Task 1 of the Terms of Reference – "Gap Analysis of Existing Closure Reports" – and submitted a final report of their findings to IFC in January 2019. The Task 1 report has been shared

¹ <http://www.cao-ombudsman.org/cases/document-links/documents/AddendumtoIFCManagementResponsetoCAOInvestigationReportforBujagaliEnergyLtd-Bujagali-04-06-0.pdf>

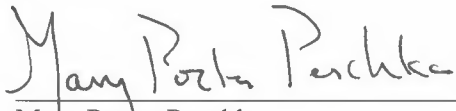
² http://www.cao-ombudsman.org/cases/document-links/documents/TORinrelationtoAddendumtoIFCManagementResponsetoCAOInvestigationReport_BujagaliEnergyLtd-06.pdf

³ http://www.cao-ombudsman.org/cases/document-links/documents/TORinrelationtoAddendumtoIFCManagementResponsetoCAOInvestigationReport_BujagaliEnergyLtd-Buj.pdf

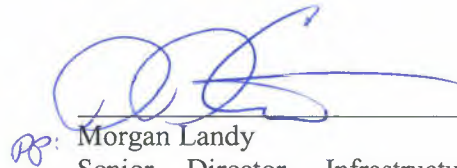
with UETCL for comment and approval. The consultant will commence Task 2 of the ToR – “Supplemental External Completion Report” – upon acceptance by IFC and UETCL of the Task 1 report.

IFC continues to supervise this investment and is working to complete the follow up activities for Bujagali 04, 06 and 07. Any further IFC Management actions will be assessed, based upon the findings from these activities. IFC will provide updates to CAO as and when milestones are achieved.⁴

Sincerely,



Mary Porter Peschka
Director, Environment, Social and Governance



Morgan Landy
Senior Director, Infrastructure and Natural Resources

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