OUTCOME OF MEDIATION PROCESS

COMPLAINTS ON ALLEGED EFFECTS OF BLASTING ON BUILDINGS DURING CONSTRUCTION OF BUJAGALI HEP

A Mediation process initiated in March 2012 and facilitated by the European Investment Bank Complaints Mechanism (EIB-CM) involving five Parties namely; Government of Uganda (represented by Ministry of Energy and Minerals Development (MEMD), Bujagali Energy Limited (BEL), National Association of Professional Environmentalist (NAPE), National Environment Management Authority (NEMA) and European Investment Bank (EIB-CM), has concluded successfully by resolving to repair cracks in 240 buildings within the Bujagali Hydropower Project area in the villages of Wakisi and Budondo sub counties of Buikwe and Jinja districts as the Settlement to the Complaints. The Mediation process was spearheaded by Alex Muhweezi of Future Dialogues International Ltd as an independent Mediator.

The Mediation process considered 842 complainants registered with BEL/SALINI, 105 complaints who petitioned IFC/CAO and 688 complaints who petitioned EIB — CM through NAPE, Counterbalance and Sherpa. In December 2012, the mediation process received an additional 231 complaints from the Associations of the Dam Affected People.

The Mediation process involved five (5) formal meetings of the Mediation Parties, consultations with affected people through their Associations, verification of existence of cracks and distances from cracked building to blasting points, technical appraisal of blasting records, estimated costs for conducting repairs and, assessment of socio-political issues pertaining to the complaints.

The Mediation process took into account the following principles in order to conclude the settlement of the complaints:

- a. Technical merits of blasting effects: Mediation Parties noted that the blasting standards that were approved for use in Uganda were complied with by BEL and the likely effects on buildings in form of formation or propagation of cracks beyond 500m were expected to be minimal or no impacts. In this regard, Mediation Parties adopted the European Blasting Standards for fragile constructions to determine the likely cut off distance where blasting vibration could cause an effect such as cracks on fragile buildings.
- b. Social and political landscape in the project area: the Mediation Parties considered the need for ensuring continued harmonious co-existence between the Bujagali HEP and neighbours as well as between the Government of Uganda and its citizens.

On the basis of the above considerations, the Mediation process concluded that complainants of alleged cracks on buildings whose names appeared in the three registers and whose locations fall within a distance of 1.8km from the blasting points would be eligible for settlement. Further, Mediation process recommended in kind settlement in form of repairing cracks of the approved buildings.

The Government of Uganda approved a budget for supporting repairs of approved cracks as a Bujagali project cost. The implementation of the mediation settlement is underway and Mediation Parties will monitor the implementation and ensure effective and transparent implementation.

For further information, please contact:

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- 2. Mediator (Mr. Alex B. Muhweezi) at: <u>Alex.Muhweezi@fdiug.org</u> (before 30th June 2013)

Issued by Mediator on 31st May, 2013.