

Business Call to Action Project
Social and Environmental Compliance Unit, OAI, UNDP

Row	Paragraph #/Section/General of Report	Comment	Submitted by	SECU Response
1.	General	We believe that the report should recommend that Bidco be removed from Business Call to Action either permanently or until further due diligence is done on the company. We believe that this is the right decision based on the results of the draft report, which suggests that internal UNDP due diligence procedures were lacking and that Bidco could be a risky partner.	Bugala Farmers Association, John Muyisa	Report revised to include a recommendation that UNDP provide documentation consistent with UNDP's full Policy on Due Diligence and Partnerships with the Private Sector, complete Risk Assessment Tool, and Guidance, to ensure the due diligence with respect to Bidco's membership in BCtA is adequate and outcomes of due diligence support Bidco's membership in BCtA.
2.	General	Despite a well-publicized investigative phase: the Draft Compliance Report stubbornly refuses to accept and publicly acknowledge vital facts such as: That the allegations made in the complaint to UNDP are WIDELY exaggerated.	Bidco Africa and Bidco Uganda, Pharis Kimaru	As noted in the TOR for the investigation and in the draft investigation report, a detailed examination of human rights related concerns underpinning the complaint were beyond the scope of the investigation and not within SECU's mandate. SECU is mandated to examine compliance with UNDP standards, the most of relevant of which, in this context, were those related to due diligence. SECU examined allegations related to due diligence – this examination revealed that human rights-related concerns did not appear to be considered fully during due diligence. SECU pursued no detailed examination of these issues, and the report draws no conclusions related to any underlying human rights claims or any issues related to legal cases pending before the Ugandan courts.
3.	General	The Draft report conveniently fails to report that out of the acquisition of	Bidco Africa and Bidco	See response above. SECU did not make any determinations relating to land-grabbing/human rights violations, including

		8,500 acres only 25 hectares is in dispute.	Uganda, Pharis Kimaru	the amount of land in dispute (numbers provided to SECU varied widely, and it was outside the scope of SECU's investigation to determine the correct number in dispute).
4.	General	That the land in dispute has not been used or touched for the Oil Palm Project. (Evidence of this was provided to the investigators.) That therefore the claims of land grabbing and gross violation of human rights are not applicable to this set of facts which the report does not dispute or contradict.	Bidco Africa and Bidco Uganda, Pharis Kimaru	As noted in the report, due diligence relating to a potential partner to BCtA includes consideration not only of activities proposed under the partnership, but also other activities that raise human rights-related concerns.
5.	General	That there is no body known as the Bugala Farmers Association in Bugala and there still exists none to date.	Bidco Africa and Bidco Uganda, Pharis Kimaru	The complainants refer to themselves as the Bugala Farmers Association. It is beyond the scope of SECU's investigation to determine if this is a formal, registered, or legally recognized entity. SECU's reference to this group is not an endorsement of its legal status.
6.	General	That the Oil Palm Project has transformed Kalangala district socially and economically including millions of dollars in infrastructure projects-ferries, roads and an ultra-modern power plant.	Bidco Africa and Bidco Uganda, Pharis Kimaru	The investigation report notes previous evaluations that indicated benefits of the Oil Palm Project. It was beyond the scope of the investigation, however, to determine the relative benefits, costs, and risks of that project.
7.	General	That 1,800 farmers are benefitting from the project and earning Billions of Ugandan Shillings every month. All the above are the fundamental facts of the situation in Uganda but lacking from the Draft Compliance Report	Bidco Africa and Bidco Uganda, Pharis Kimaru	See response above.
8.	General		Bidco Africa and Bidco Uganda,	

			Pharis Kimaru	
9.	General	Indeed the report on most occasions seems to argue with the facts: For Instance: That Bidco Africa is the relevant member of the Business Call to Action and not Bidco Uganda;	Bidco Africa and Bidco Uganda, Pharis Kimaru	Report revised to include additional information outlining the ties between Bidco Africa and Bidco Uganda. As explained in the investigation report, for purposes of BCtA/UNDP conducting its due diligence and risk assessment the ties connecting Bidco Africa with Bidco Uganda are sufficient such that UNDP should have considered both entities' activities and risks when deciding whether to accept Bidco into the BCtA alliance. It was beyond the scope of the investigation to determine the exact legal and financial relationship between the two companies.
10.	General	That Bidco Uganda is not a subsidiary of Bidco Africa but a separate entity on its own;	Bidco Africa and Bidco Uganda, Pharis Kimaru	See response above, and a description in the investigation report of relevant connections between the entities. The investigation report cites to language in the Bidco Africa website describing Oil Palm Uganda Limited as one of Bidco Africa's operations. In a recent decision in a lawsuit relating to land acquired for the OPUL palm oil project, the High Court's judgment noted that not only Bidco Uganda and OPUL, but also Bidco Oil Refineries Ltd (Bidco Africa's prior name) were valid defendants in the suit – given Bidco Africa's participation in the agreement with the Ugandan government.
11.	General	That Bidco Africa has no operational control of Bidco Uganda.	Bidco Africa and Bidco Uganda, Pharis Kimaru	See response above noting the clear ties between Bidco Africa and Bidco Uganda.
12.	General	WE REITERATE AND CLARIFY THAT: Bidco Uganda limited was never associated directly or indirectly in acquisition of land for project. The responsibility of Government of	Bidco Africa and Bidco Uganda, Pharis Kimaru	The investigation report notes that Bidco Uganda was not directly involved in the acquisition of land for the project, but rather relying on the acquisition of this land - including acquisition of the 'nucleus estate' apparently supported by and benefiting Bidco Uganda. The report describes why this

		<p>Uganda was to acquire land free off any encumbrances and provide for the project on leasehold basis for the development of Oil Palm and we are aware of process of land acquisition process followed by the government as detailed below. A land acquisition task force, composed of representatives of 1. Kalangala District Local Government 2. Ministry of Agriculture, Animal Industry and Fisheries 3. Ministry of Lands, Housing and Urban Development (represented by Commissioner Land Registration) 4. National Environment Management Authority 5. Ministry of Finance, Planning and Economic Development 6. Ministry of Justice and Constitutional Affairs 7. Uganda Investment Authority 8. Chief Government Valuer, representing all stakeholders impacted by the land acquisition.</p>		<p>relevant to the due diligence analysis.</p>
<p>13.</p>	<p>General</p>	<p>The investigators failed to properly investigate claims made in interviews taking information at face value: Meetings with a group of individuals included assertions that 29 families were wrongly displaced. <u>Questions</u> From what land specifically? How were they displaced? By whom? What is the present state of the land? Have they sought any legal redress?</p>	<p>Bidco Africa and Bidco Uganda, Pharis Kimaru</p>	<p>SECU did not in its report accept as ‘true’ the assertions that illegal land acquisitions and human rights violations took place. Such a finding is outside the scope of the investigation and outside the scope of SECU’s investigatory mandate. The report did note that we heard these views, as well as challenges to these views. The presence of these conflicting views is relevant to BCtA’s due diligence analysis in deciding whether a partnership would be appropriate.</p>

14.	General	Anyone can make a claim. The role of an investigation is to ascertain the veracity of the claims not to use them to make fresh assertions.	Bidco Africa and Bidco Uganda, Pharis Kimaru	The purpose of this investigation was to review UNDP's compliance with its policies, particularly, in this context, policies related to due diligence. See response in Row 2.
15.	General	The Ugandan High Court has since cleared the Oil Palm Project and Bidco Uganda of environmental degradation charges. (LCDS Case no 215 of 2007) Judgment attached.	Bidco Africa and Bidco Uganda, Pharis Kimaru	Noted that Bidco Uganda, OPUL, and Bidco Oil Refineries (aka Bidco Africa) were cleared of environmental degradation charges in that case.
16.	General	The Draft Compliance Report goes out of its way to legitimize and normalize the exaggerated claims in the complaint:		The quotation referenced is excerpted from a report issued by IFAD and IDS. The investigation report includes both positive and negative observations by IFAD and IDS. See paras. 111 to 116.
17.	General	<p>‘But there have also been some less positive outcomes. Many of the new job opportunities have been filled by migrants, putting pressure on local health and education services. The rising price of land as a result of the development has increased tensions and led to rising conflicts, particularly as some absentee landowners have begun to return. There are concerns about longer-term impacts on household food security when the oil palm trees become too large to allow intercropping. And the environmental impacts have led to a great deal of public scrutiny, particularly given the size of the investment. Finally, at household level, there has been a reported increase in domestic conflict, although more positive impacts are evident in terms of</p>	Bidco Africa and Bidco Uganda, Pharis Kimaru	

		women’s empowerment and building capacity of farmers’ organizations.” None of these outcomes are Bidco Uganda specific and they are nothing close to the exaggerated claims of ‘gross violation of human rights and land grabbing” attributed to Bidco Uganda in the complaint.		
18.	1			
19.	2	Please note that BCtA’s role characterization as a platform that “will facilitate and support engagement between private sector and low income people” is inaccurate. As mentioned in the feedback to the TORs of this investigation on May 19, 2016, BCtA does not link private sector companies to low income populations as it does not provide matchmaking/linkages services between companies and farmers or any target beneficiaries. Rather, as stated in the project document, in addition to driving private sector commitments, facilitating impact measurement and knowledge capture etc., it facilitates linkages and referrals between businesses, knowledge partners, funders, and other resources through periodic peer-to-peer learning opportunities through workshops, webinars, and	On behalf of the Bureau for Policy and Programme Support (BPPS), UNDP Development Impact Group and Istanbul International Center for Private Sector in Development, (hereafter referred to as UNDP BPPS / DIG / IICPSD)	The investigation report does not indicate that UNDP provides matchmaking/linkages services – we removed this specific language in response to comments on the TOR. However, ‘driving private sector commitments’ explicitly includes driving private business commitments to engage low-income people as ‘consumers, producers, suppliers, and distributors.’ In this sense, UNDP is at least encouraging and supporting engagement between private sector and low income people albeit not providing links between specific businesses and specific individuals. We have revised the text to reflect this.

		the Practitioner Hub partnership.		
20.		Mobilize Select Country-level Inclusive Business Efforts. Please note IDB's Opportunity for the Majority Initiative is no longer a collaborating institution.	UNDP BPPS / DIG / IICPSD	Noted. Report revised accordingly.
21.		Accordingly, suggest replacing the following sentence "The project is premised on the idea that the platform will facilitate and support engagements between private businesses and low-income people...." with "Companies join the Business Call to Action by making inclusive business commitments to improve the lives and livelihoods of millions of people living at the base of the economic pyramid (BoP) by engaging them as consumers, producers, suppliers and distributors of goods and services in their value chains." This would be consistent with BCtA's ProDoc which states the following: "BCtA is a global joint advocacy platform providing public recognition for the private sector's contribution to development. BCtA's mission is to challenge companies to advance core business activities that are inclusive of core populations. To do so BCtA: <ul style="list-style-type: none"> o Drives Private Sector Commitments for Pro-Poor Inclusive Business 	UNDP BPPS / DIG / IICPSD	The Investigation report will include the proposed language as complementary (not replacement) language to the existing sentence, which is intended to describe briefly not what the BCtA is (as the proposed language does), but what it accomplishes. When BCtA seeks commitments from private business to engage poor people, its purpose is clearly to support and encourage engagements between private business and low-income people.

		<ul style="list-style-type: none"> o Facilitates Impact Measurement and Knowledge Capture o Offers Linkages to Services, Finance, and Peer to Peer Learning 		
22.	3			
23.		Please use the exact institutional title: UNDP International Center for Private Sector Development to “UNDP Istanbul International Center for Private Sector in Development”.	UNDP BPPS / DIG / IICPSD	Report revised accordingly.
24.	4	Please indicate which “other relevant stakeholders” were interviewed. For instance BCtA had provided a list including: Kalangala Oil Palm Growers Association, a formal association of 1,800 farmers in Kalangala District involved in the oil palm development project; Kalangala District Local Government as the district level government entity in Kalangala; Oil Palm Uganda Limited; IFC as the main investor in Bidco Africa business activities related to Bidco Africa’s commitment to BCtA to “integrate over 30,000 Kenyan small holder farmers into agricultural value chains and create over 60,000 direct and indirect jobs by the end of 2019 through opening its value chains for small scale entrepreneurs by 2019.”; and Uganda Ministry of Agriculture,	UNDP BPPS / DIG / IICPSD	Attached to the investigation report is a list of stakeholders interviewed. SECU interviewed stakeholders it believed would inform its understanding of the extent to which UNDP complied with its policies.

		Animal Industry and Fisheries as the main government partner of OPUL and the Vegetable Development Oil Project through the PPP.		
25.	5	Under paragraph 5, it is stated that “ The investigations, including fieldwork, was focused on the adequacy of UNDP’s due diligence and related transparency in the context of the BCtA project – no on whether Bidco has or has not violated human rights or is complicit in human rights violations. The latter determinations is beyond the scope of the report”, the report seems to suggest that Bidco intentionally or knowingly incolved itself in depriving the public of their land and livelihood, which we find to be untrue.	Ministry of Agriculture, Animal Industry and Fisheries; Vegetable and Oil Department Project (VODP), C.M. Masaba	The investigation report notes explicitly that SECU is not drawing any conclusions related to this issue. The report describes the land-rights-related issues only to indicate that these were outstanding issues that did not appear to be considered fully by UNDP during its due diligence process.
26.	6			
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28.	8			
29.	9	Please note that the ProDoc was reviewed by the PAC July 2014; endorsed by DSC September 2014; and due to the restructuring and relocation of BCtA to Istanbul, the ProDoc budget and logframe were updated in March 2015. The end date of the ProDoc is June 2017.	UNDP BPPS / DIG / IICPSD	SECU has included in the report all information available to i regarding the timeline of the PAC and Prodoc approval process.

30.	10			
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35.	15	As per the comment above regarding paragraph 2, please correct the premise that BCtA's role is to "facilitate and support engagements between private sector businesses and low-income people...".	UNDP BPPS / DIG / IICPSD	See response in Row 21.
36.		Annex 2 is currently unavailable on SECU's webpage for this case.	UNDP BPPS / DIG / IICPSD	SECU has added a blank version of the UNDP/PSD form used by the BCtA when it screened Bidco for admission. Please see the Case Registry.
37.	16	The reference to "BCtA's exclusionary criteria" should say "UNDP's exclusionary criteria," as referenced in ProDoc, Annex 2, p. 70, footnote 14.	UNDP BPPS / DIG / IICPSD	The language is a direct quote from p. 70, para. 1 of the Proc – 'checking the company against the BCtA's exclusionary criteria.' And, on page 70, the apparent screenshot of the 'BCtA Risk Screening Process' includes only three of the eleven exclusionary criteria UNDP is required to use – the same three in the UNDP/PSD form used by the BCtA Secretariat.
38.	17	"This form contains a summary....application form filled that is filled in by the company" (remove repetitive "filled")	UNDP BPPS / DIG / IICPSD	Report revised accordingly.
39.		Change the wording from "excerpted from the UNDP/PSD form" to	UNDP BPPS / DIG / IICPSD	The full required UNDP Risk Assessment Tool was not applied a shortcoming described in the investigation report. The

		“excerpted from the UNDP Risk Assessment Tool”.		information was excerpted from the UNDP/PSD form used by BCTA. Much of the investigation report describes differences between the form used – the UNDP/PSD form – and the required form – the UNDP RAT – and the implications of not using the required form.
40.	18			
41.	19	A consistent style and protocol should be adopted throughout the report in regards to mentioning the names of stakeholders. In the draft no stakeholder (internal or external) are mentioned by name except for Mr. Sohmani. If names will not be used for all stakeholders, Mr. Sohmani can be referred to as the “Global Programme Advisor and acting BCTA Programme Manager at the time”.	UNDP BPPS / DIG / IICPSD	Report revised accordingly.
42.	20	Please note that application to BCTA has 2 separate steps. The first is the due diligence process. The second step is in relation to the criteria mentioned in paragraph 20, which assesses the eligibility of the Inclusive Business Commitment of the company	UNDP BPPS / DIG / IICPSD	Noted. Report revised to ensure that point is clear.
43.	21	Please note that the specific inclusive business commitment from Bidco to BCTA in Kenya (and different from the Uganda Palm Oil model) is:	UNDP BPPS / DIG / IICPSD	Noted.

		<p>“Through the Bidco Full Value Chain Initiative, the company is expanding local sourcing of raw materials (wheat, maize, sunflower, soya, rice, pulses, sugar cane and tomatoes) from smallholder farmers. Bidco offers farmers off-take contracts that specify upfront market price and supply conditions, as well as offer technical training to ensure increased productivity.”</p>		
44.	22	<p>It’s important to make the distinction that the initiative was not a pilot but rather a scale-up of an already existing inclusive business efforts that had already demonstrated benefits to the local communities. The BCtA initiative aimed to further these benefits to a larger number of farmers. The way point 22 is currently phrased leads the reader to believe UNDP is approving a start-up initiative with tenuous benefits.</p>	UNDP BPPS / DIG / IICPSD	Report revised accordingly.
45.	23			
46.	24	<p>Bidco’s commitment, along with 4 other applications, was sent to the DSC for review on September 11th. The review email “asked to provide feedback and comments back to the BCtA Secretariat by September 16th” and stated that “if no objections arise during the review, the Secretariat will extend membership to the</p>	UNDP BPPS / DIG / IICPSD	<p>Report revised to reflect language in the September 11 email</p> <p>Report further revised to reflect that language in this email is not consistent with the process for DSC approval as described in a letter dated 11 March 2016 from Mr. Sobhani to Dr. Biss (SECU Lead Compliance Officer), which notes that partners have two weeks to review and raise any objections.</p> <p>The report is further revised to indicate that although ‘no</p>

		applicants.” The acceptance email to Mr. Shah was sent on September 18th, after all questions were addressed and “no objections” response was secured from all DSC members.		objections’ were made by 16 September (the cited approval date) the SIDA representative to the DSC raised a question on 16 September related to Bidco and palm oil, and a response was provided 17 September – after BCtA approved Bidco’s membership. The DSC representative responded with a brief thank you note on 18 September.
47.	25			
48.	26			
49.	27	<p>That the dispute is in court and there are only 3 official plaintiffs in the court records. The claim of 100 farmers made in the complaint is therefore an exaggeration as well. Clause 27 of the Draft compliance report buys 100% into this exaggeration:</p> <p>The complaint claims that 100 such farmers have accused a Bidco Africa Ltd venture in Uganda, Oil Palm Uganda Limited (OPUL) of 'violating human rights, destroying the environment and grabbing land from smallholder farmers'. At the time, these farmers were attempting to secure a response to these concerns in the context of this Uganda project, and were awaiting a court decision in their lawsuit against OPUL.</p>	Bidco Africa and Bidco Uganda, Pharis Kimaru	The investigation report notes that it is only a ‘claim’ there are 100 such farmers. It was beyond the scope of the report to determine the precise number. We agree, however, that it would be clearer not to use the phrase ‘these farmers’ as it could be read as supportive of the claim. We have revised the text accordingly.
50.	28	In order to clarify the UN Global Compact role and position, we would recommend to include an additional	UN Global Compact, Tulsi Byrne	Report revised with the proposed language.

paragraph on pg. 28 that reads as follows:

As mentioned on the UN Global Compact websites "The UN Global Compact is not a performance or assessment tool. It does not provide a seal of approval, nor does it make judgments on performance". It is also explained that new applications for participation are checked against a global database to see if the company concerned is the subject of a sanction or other measure by the UN Security Council or other international institution, which is reason for exclusion, as well as being involved in the manufacture, sale etc. of anti-personnel landmines or cluster bombs. Any other information from the database is shared with the Local Network where the country is located asking if there is any good reason they are aware of why the company ought not to be permitted to join the initiative. No objections were raised on Bidco Africa at time of its application to join the UN Global Compact, hence the company was admitted as a participant in October 2009. However, it should be noted that the complaint that is the object of this report was not raised at the

		<p>time of the company's application to join the initiative.</p> <p>The UN Global Compact is a voluntary initiative, and therefore does not police or enforce behavior or actions of companies. Rather the initiative encourages companies to report their sustainability actions to their stakeholders through the UN Global Compact platform- the Communication on Progress (COP), an annual report that details the company's work to embed the Ten Principles into strategies and operations, as well as efforts to support societal priorities. Bidco last submitted a <u>Communication on Progress</u> on 25 October 2016 and is active standing (COP that meets the <u>minimum requirements</u>) . The next one is due 25 October 2017.</p>		
51.	29	Please note that the abbreviation of Oil Palm Uganda Limited (OPUL) is incorrect (UPOL) in this paragraph as well as in paragraphs 91 and 93.	UNDP BPPS / DIG / IICPSD	Report revised accordingly.
52.	30			
53.	31			
54.	32	<p>*Comment on para 32-36*</p> <p>Paragraph 32 notes that “Social and environmental commitments that apply to UNDP projects are reflected in UNDP’s POPP and in each Prodoc.”</p>	UNDP BPPS / DIG / IICPSD	Paras. 51 to 63 of the investigation report indicate how the UNDP Policy and human rights and gender considerations were relevant to the project. Report revised to reflect acknowledgement that the UNDP Policy on Due Diligence an Partnerships with the Private Sector and the gender and

		Based on this definition, this section should reference the UNDP Policy on Due Diligence and Partnerships with the Private Sector (in the POPP) and the gender and human rights considerations (Annex 6 of Prodoc), as key social and environmental commitments related to the project.		human rights considerations in Annex 6 of Prodoc were key commitments of the project.
55.	33			
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62.	40	The inclusion of a mandatory due diligence process and commitments specific to human rights and gender in the Prodoc constitute the key management measures aimed to avoid and mitigate the risks associated with the private sector partners and their voluntary actions.	UNDP BPPS / DIG / IICPSD	<p>The Prodoc includes commitments to human rights and gender, but documentation related to Bidco’s admission into the BCtA does not indicate that these specific commitments were met during the due diligence process, i.e., documentation related to Bidco’s admission into the BCtA does not reflect explicit, thorough consideration of the human rights criteria and/or checklist in Annex 6. The investigation report endeavors to describe these shortcomings.</p> <p>In other words, the presence of this language in the Prodoc is not evidence that commitments were met.</p>

63.	41			
64.	42			
65.	43			
66.	44	<p>Please note that the human rights and gender commitments (Annex 6 which is part of the ProDoc) states: “BCtA Screening Criteria and Due Diligence Procedures for Gender and Human Rights Inclusion”</p> <p>The Business Call to Action Secretariat performs a due diligence review of all companies prior to submitting their BCtA applications for membership consideration. This due diligence review examines any major environmental, social, and governance controversies associated with the applicant, which includes any human rights violations, and/or controversies involving vulnerable or diverse groups such as women, youth, and indigenous peoples. This review results in a decision to either engage or disengage with the company, with the intention of limiting any risks of association with the BCtA and its supporting Partners.</p>	<p>UNDP BPPS / DIG / IICPSD</p>	<p>Text in paras. 71 through 91 in the investigation report references this language and describes shortcomings related to UNDP attention to these commitments and existing UNDP Policy.</p> <p>See, also, response in Row 62.</p> <p>The presence of this language in the Prodoc is not evidence that commitments were met.</p>

67.		<p>Gender: The due diligence review also includes an assessment of any controversies related to discrimination at work or social discrimination. This includes an explicit assessment of the company’s commitment to gender equity and the review includes any significant criticisms from local and global NGOs and media, local and global partners of the UNDP, governmental agencies/political parties, as well as an assessment of any legal cases or public demonstrations. If any major controversies are discovered and the company does not appear to be addressing the issue, BCtA will follow UNDP’s policy to discontinue engagement with the company.”</p>	<p>UNDP BPPS / DIG / IICPSD</p>	<p>See response in Row 62, and description in the investigation report of shortcomings related to due diligence.</p>
68.		<p>Violation of human rights or complicity in human rights violations: Based on the UN Guiding Principles on Business and Human Rights, responsibility for respecting human rights requires that companies seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships (business partners, entities in its value chain, other non-State or State entity), even if the</p>	<p>UNDP BPPS / DIG / IICPSD</p>	<p>This information and quote are in the draft investigation report in para. 76 and fn 7.</p>

		company itself has not contributed to those impacts. These include violation of human rights or complicity in human rights violations, use or toleration of forced or compulsory labor, and use or toleration of child labor, among others. Should any evidence be found of ongoing violations during the due diligence review, BCtA will follow UNDP’s policy to discontinue engagement with the company.		
69.	45			
70.	46	Paragraph 46 should also acknowledge that the due diligence process and human rights and gender considerations that are integrated into the project were intended to address the social and environmental risks associated with engagement.	UNDP BPPS / DIG / IICPSD	See response in Row 62. The presence of this language in the Prodoc is not evidence that commitments were met.
71.	47	Suggesting a Category 2 seems inaccurate. Given BCtA’s nature as a voluntary commitment platform on inclusive business from companies, whose specific activities include dissemination of results, knowledge exchange, communication, and training it would more likely be Category 1. UNDP ESSP Guidance Note describes Category 1: “Projects that include activities solely related to procurement, report preparation, training, event coordination, communication and dissemination of	UNDP BPPS / DIG / IICPSD	BCtA is seeking actual (though voluntary) commitments from companies, promoting brand recognition through a global platform, and lending legitimacy to companies in their effort to include poor people in their supply chains/business. As such, it appears to do more than ‘disseminate results’ (even this activity implies that BCtA is attempting to produce results related to the commitments), knowledge exchange, communication and training. If BCtA is not responsible for commitments made by companies, i.e., if these commitments have been made already, including to funders to company activities, this should be clear.

		results will be Category 1 projects)”. However, whether the project was Category 1 or 2, this would not change the need to ensure strong due diligence processes are in place prior to the acceptance of new members into the BCtA.		
72.	48	Stressing the application of the mandatory UNDP Policy on Due Diligence and Partnerships with the Private Sector as well as the focus on gender and human rights into the BCtA Phase II Prodoc were partly in response to feedback received from non-project staff during the appraisal process. Paragraph 48 does not acknowledge that these elements were included in the project as a result.	UNDP BPPS / DIG / IICPSD	<p>Para. 48 is revised to note that the Prodoc was revised to include these UNDP commitments in response to feedback during the appraisal process.</p> <p>Paras. 53 and 54 of the investigation report already indicate that the Prodoc includes these UNDP commitments.</p> <p>Note, however, beginning with para. 61, the investigation report describes SECU findings that these were not fully applied in this context. Para. 64 and subsequent paragraphs describe how what was actually done by UNDP compared to what was required under the UNDP Policy and relative to human rights.</p>
73.	49			
74.	50	As mentioned during the interviews with the BCtA team, BCtA began using the latest RAT form in October 2015. This includes, as suggested in Paragraph 50, the assessment of companies willingness and capacity to address social and environmental concerns. BCtA’s ongoing improved practices since October 2015 could be acknowledged in the report.	UNDP BPPS / DIG / IICPSD	Revised to note UNDP statement that BCtA began using the latest UNDP RAT form in October 2015 when screening potential BCtA members.

75.	51	Change the wording to: “Complemented by the Risk Assessment Tool (See Annex 3) – designed to support implementation of the Policy - and the Guidelines for Private Sector Partner Risk Assessment Tool (Guidelines) – designed to guide the completion of the RAT.”	UNDP BPPS / DIG / IICPSD	Report revised to include most of the proposed language.
76.	52	The document should mention that prior to the RAT becoming a mandatory requirement for all private sector partnerships, UNDP’s standard was the PSD due diligence form.	UNDP BPPS / DIG / IICPSD	The UNDP Executive Office indicated that they were unable to find in their records any applicable version of the UNDP/PSD form that matched the one used by the BCtA to screen Bidco. Additionally, the Executive Office noted that there was nothing in their records indicating consideration of any official PSD form prior to 2013.
77.	53			
78.	54			
79.	55	*Comments on para 55-59* Please note that when companies become members of BCtA, they receive a welcoming letter from BCtA on behalf of all its partners. No MoU is ever signed with UNDP. However, we do recognize that within the existing policy, there is no clarification on this type of multi-partner alliance, with stand-alone branding and governance. To address this, a policy review and update will be conducted in 2017 which will include consideration of	UNDP BPPS / DIG / IICPSD	Noted.

		how to amend the Policy on Due Diligence and Partnerships with the Private Sector to clarify application in multi-partner alliances, where stakeholders don't have or are perceived to have a direct relationship with UNDP.		
80.	56			
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84.	60			
85.	61	Please note, that when Bidco was accepted in to the BCtA, the UNDP Policy on Due Diligence and Partnerships with the Private Sector was applied; however, by mistake the RAT form that was used to record the due diligence findings was an outdated version of the official UNDP due diligence form (updated to the RAT in November 2014).	UNDP BPPS / DIG / IICPSD	As detailed in the investigation report, project documentatic does not support the assertion that the UNDP Policy was full applied. To the contrary, for the reasons explained in the report, it appears it was not. See, also, response in Row 76.
86.	62	Please note that while the BCtA Secretariat added this sentence on the website, the intent was not to be excluded from the policy but rather to	UNDP BPPS / DIG / IICPSD	Noted. Report revised to reflect the Secretariat's acknowledgment that the full Policy and RAT apply.

		clarify to companies and other stakeholders their relationship to BCtA as a multi-stakeholder partnership. This is demonstrated by the continued application of Policy on Due Diligence and Partnerships with the Private Sector in the context of BCtA.		
87.	63			
88.	64	This section should clarify that UNDP/PSD form was not “another risk assessment tool” but a form that was part of UNDP’s due diligence process prior to the development and wide dissemination of the current RAT form (launched in November 2014). The PSD form complemented the Risk Assessment Tool and provided an overview of corporate controversies and other, relevant corporate social responsibility information. BCtA had diligently followed the guidance provided in the Risk Assessment Tool albeit it continued to use the old form after the new one had been approved and disseminated.	UNDP BPPS / DIG / IICPSD	As detailed in the investigation report, project documentation does not support the assertion that the UNDP Policy was fully applied. To the contrary, for the reasons explained in the report, it appears it was not. See, also, response in Row 76.
89.	65			
90.	66			

91.	67	The statement that PSD due diligence form “appears explicitly tailored for use only in prescreening” is inaccurate as the PSD was a UNDP due diligence form used prior to the current RAT form.	UNDP BPPS / DIG / IICPSD	Report revised to remove reference to the form’s tailored use in prescreening. See response in Row 76.
92.	68			
93.	69			
94.	70			
95.	71			
96.	72	The statement that the “BCtA’s exclusionary criteria include only three of UNDP’s exclusionary criteria” is inaccurate. The ProDoc, Annex 2, p.70, which the SECU report cites, lists all 11 exclusionary criteria, in line with UNDP’s exclusionary criteria. There might have been a confusion with the fact that the UNDP/PSD form only lists three exclusionary criteria – two relating to the manufacture of armaments and one relating to	UNDP BPPS / DIG / IICPSD	Despite mention of all 11 exclusionary criteria in the Prodoc, all 11 were not clearly applied. The presence of this language in the Prodoc is not evidence that commitments were met. The only exclusionary criteria clearly applied were the 3 listed in the UNDP/PSD form. See, also, responses in Rows 37 and 88.

		marketing of breast milk. However, the important distinction needs to be made – UNDP/PSD form is not a form developed by the BCtA, it was a UNDP Agency-wide form prior to November 2014. Therefore, the ProDoc does not introduce a “separate” BCtA list of exclusionary criteria.		
97.	73			
98.	74	As per point above on paragraph 72, this statement is inaccurate.	UNDP BPPS / DIG / IICPSD	See response in Row 96 .
99.	75			
100.	76			

101.	77			
102.	78			
103.	79			
104.	80			
105.	81			
106.	82			
107.	83			
108.	84	The UNDP/PSD form did not differentiate between “limited” and “normal” due diligence. The BCtA conducted due diligence in line with the UNDP Policy on Due Diligence and Partnerships with the Private Sector.	UNDP BPPS / DIG / IICPSD	As detailed in the investigation report, project documentation does not support the assertion that the UNDP Policy was fully applied. To the contrary, for the reasons explained in the report, it appears it was not.
109.	85			
110.	86	The Full Value Chain Initiative submitted by Bidco Africa to the Business Call to Action –has nothing	Bidco Africa and Bidco Uganda,	As noted in the investigation report, UNDP’s Policy indicates that the ‘ ‘Growing of crops, including palm oil or other large monocultures’ may be considered high risk, and for such sectors, ‘

		<p>to do with Oil Palm. Bidco Africa’s Initiative focuses on Sunflower and Soya Beans in Kenya. The extra careful approach is not required.</p>		<p>extra careful approach is required’ (Policy, pg. 5). SECU notes this potentially relevant, and worthy of consideration by UNDP.</p>
<p>111.</p>	<p>86</p>	<p>The investigators seem to rely on anything but legal and formal documentation to establish a link between the two organizations: ‘A UNDP staff member with the BCtA Secretariat indicated in an email that Bidco Uganda is ‘a joint venture between Wilmar Group...and Bidco [Africa] with financing from IFAD.’ This statement would mean that IFAD is a financier of Bidco Uganda-an otherworldly claim by any measure. IFAD is only involved in the Vegetable Oil Development Project and funds farmers not Bidco Uganda. Point 86 represents the true effect of failing to appreciate this demarcations. It reads: Bidco made no financial contribution to BCtA, but the sector of activity at the center of the partnership may be considered risky. Promoting inclusive business is not inherently ‘high risk,’ but Bidco’s proposed initiative for BCtA membership – the Full Value Chain Initiative – involved agriculture supply chains. As noted in the Policy, the ‘Growing of crops, including palm oil or other large monocultures’ may be considered high risk, and for such</p>	<p>Bidco Africa and Bidco Uganda, Pharis Kimaru</p>	<p>The statement that ‘Bidco Uganda is a joint venture between Wilmar Group...and Bidco with financing from IFAD’ is not a SECU statement. It was a statement from a UNDP member of the BCtA Secretariat to a Donor Steering Committee member.</p> <p>The investigation report is revised to reflect this disagreement with this statement.</p>

		sectors, ‘an extra careful approach is required’ (Policy, pg. 5)		
112.	87	The statement that “not all exclusionary criteria were included and considered during due diligence” is inaccurate. BCtA had conducted the due diligence in line with the Risk Assessment Tool guidance which lists all relevant exclusionary criteria. Thus, all of the criteria were considered when assessing the company.	UNDP BPPS / DIG / IICPSD	Project documentation does not reflect full and adequate consideration of all exclusionary criteria. To the contrary, as detailed in the investigation report, documentation provided reflects inadequate attention to UNDP Policy.
113.	88	<p>*Comments for para 88-89 and 117-118*</p> <p>In addition to the careful review of IFAD’s assessments of OPUL (a.i the joint venture between government of Uganda and Bidco, financed by IFAD) , the BCtA team also relied on IFC’s Environment and Social Review Summary that pertains to the bank’s US\$ 36.5 million loan to BIDCO in July 2014 to support expansion of the company’s consumer goods operations into new market categories and create more opportunities for small farmers to enhance productivity and earn better incomes. These findings were also shared with the donors following SIDA’s additional inquiry (as mentioned by SECU report in point 24).</p>	UNDP BPPS / DIG / IICPSD	<p>The report is revised to reflect UNDP assertions related to reliance on IFC’s due diligence for IFC’s Bidco project and SEC findings related to these assertions.</p> <p>Findings include the following:</p> <p>BCtA’s public Bidco-related documentation does not mention the IFC-supported Bidco project or reliance on IFC’s due diligence. Interviews with UNDP BCtA Secretariat staff indicated differing/conflicting views on the extent to which IFC’s due diligence was used. In any event, given that the IFC supported project was not mentioned in BCtA Bidco-related documentation, the relationship between IFC’s due diligence for Bidco’s project to construct new physical facilities and BCtA’s due diligence for Bidco’s initiative to use low-income farmers for sources of raw materials is not apparent. If the IFC-supported project and Bidco’s Full Value Chain Initiative are related, claims made by Bidco for each effort would need to be reconciled, e.g., claims relating to potential outcomes, including the number of people to be employed.</p>

*IFC assigns the following types of categories to its investment projects – Category A, B, C and FIs (for financial investment activities). Category A covers projects with significant adverse impacts, Category B – projects with limited adverse impacts that can be mitigated, and Category C – projects with minimal or no adverse impacts. These are taken from IFC’s ESR Procedure Manual.

The findings of IFC’s Environmental and Social Review, (which included site visits of Bidco factories in Kenya, interviews with key personnel, review of documents, etc.) stated that “the proposed investment is expected to have limited environmental and social impacts. Further, the impacts can be avoided or mitigated by adhering to recognized performance standards, procedures, guidelines and design criteria as described in the following sections. This is therefore a Category B project in accordance with IFC’s Environmental and Social Sustainability Policy.” In IFC’s categorization level*, Category B is assigned to the projects “with potential limited adverse social or environmental impacts that are few in number, site-specific, largely reversible, and readily addressed through mitigation measures.”

114.		IFC assessed the following key issues (among other): OHS standards, adherence to Kenyan labor law, working conditions, standards and OHS risk prevention and management, Land Acquisition and Involuntary Resettlement, Biodiversity Conservation and Sustainable Natural Resources Management, Indigenous Peoples and Cultural Heritage. The latter three categories were assessed as not impacted by the investment. The IFC's assessment also provided a detailed E&S action plan that Bidco were to implement to improve identified potential controversies and mitigate potential risks.	UNDP BPPS / DIG / IICPSD	<p>IFC's due diligence is not referenced in BCtA-related project documentation, and, therefore, it is unclear how IFC's due diligence for the construction of physical facilities relates to BCtA's due diligence for the Full Value Chain Initiative.</p> <p>SECU could not find written assurances that commitments Bidco made in the context of the IFC project would apply in the context of the Full Value Chain Initiative. And it is unclear how or if they could apply, e.g., the grievance mechanism for the IFC project is not clearly applicable.</p> <p>See, also, response in Row 114.</p>
115.	89			
116.	90			
117.	91			
118.	92			
119.	93			
120.	94	Labor-rights related concerns at Bidco Africa's operation in Kenya were given in-depth consideration and	UNDP BPPS / DIG / IICPSD	As noted in your comment in Row 122, labor-rights concerns involved multiple disputes, not just one. The UNDP/PSD findings notes, 'Bidco Africa in Kenya suffered from issues with poor

		research at the time showed that there had been one specific dispute, which had been resolved.		working conditions for a number of years: 2011 workers strike paralyzed the factory. Protests resurfaced in March 2015.’ The investigation report notes that the due diligence form fails to describe if these issues were ignored or addressed. If they were addressed, this should have been described in the due diligence form.
121.	95	Please note that as mentioned on comment above to paragraphs 88-89 and 117-118 the findings from IFC’s ES review and IFAD’s assessment of OPUL were also considered.	UNDP BPPS / DIG / IICPSD	See response in Row 113.
122.	96	Please note that the subtitle above paragraph 96 characterizing land related claims “insignificant” is inaccurate and misleading. The due diligence form mentions: “The following moderate-risk controversies were identified: – Land grab controversy in Uganda: Bidco was accused of land grabbing in Kalangala District in Uganda, leaving thousands displaced. Other related accusations included poor labor standards and deforestation. However, Ugandan government has cleared Bidco in land claim. Nevertheless, Ugandan farmers who were evicted have taken the case to court. The proceedings are ongoing. If the decision is not in favor of Bidco, the reputational risks are significant given the company’s commitment to working with	UNDP BPPS / DIG / IICPSD	Title revised, and report revised to indicate that UNDP staff characterized controversies as ‘moderate-risk’, further noted that reputational risks would be ‘significant’ if the court decided against the company, and ultimately stated that the analysis of performance and strategy ‘does not indicate any reputational risks for BCtA; the company is a solid candidate to join the global platform of inclusive business.’

		<p>smallholder farmers.</p> <ul style="list-style-type: none"> – Bidco Africa in Kenya suffered from issues with poor working conditions for a number of years: 2011 workers stike paralyzed the factory. Protests resurfaced in March 2015. – Tax impropriety allegations in 2012: Bidco Africa contested in court a huge tax bill from the Kenyan Tax Authorities where the company lost the case and had to pay.” 		
123.	97			
124.	98			
125.	99	<p>Paragraph 99 seems to imply that Bidco was actively involved in the process of land acquisition. The role of the land acquisition solely rested on the Government as per the cooperating agreement between Government of Uganda and Bidco that was signed in April 2003. Indeed Government acquired 8,500 hectares of land for the nucleus estate, from which Bidco was able to establish 6,200 hectares oil palm plantation. Out of this land, only about 25 hectares of land is contested and is subject of the case in Court here refereed to. This is 0.29% of all the land acquired. This should say a lot on the materiality of the land in dispute</p>	<p>Ministry of Agriculture, Animal Industry and Fisheries; Vegetable and Oil Department Project (VODP), C.M. Masaba</p>	<p>See response in Row 12.</p>

in relation to the whole project. Considering how many smallholder farmer are involved in the project currently (1,800) with an assured access to market for the produce and a monthly income from sale of their crops, this is one of the few successful cases of inclusive investment. Farmers have a 10% shareholding in Oil Palm Uganda Limited (OPUL) and two positions on the Board of Directors. There is a pricing formula in place that ensures fair pricing for farmers' oil palm fresh fruit bunches, hence addressing challenges associated with a monopoly, and Bidco has signed off the agreement accepting to follow the formula. The company ensures that farmers use the same quality of inputs used by the company like seeding and fertilizers and in addition, provides technical knowhow to the farmers. The company meets with farmer leaders every month to discuss the price through application of the pricing formula and any other issues pertaining to the oil palm business. The company provides the inputs on credit that is paid by the project over a period of one year. These efforts ensure inclusiveness of the business by involving smallholder farmers in the production chain and also

		protecting their interest.		
126.		<p>Despite recording and acknowledging that Bidco Uganda was not directly involved in any land transactions the draft report goes to ARGUE against this fact:</p> <p>Information gathered during the investigation indicated that while Bidco Uganda was not directly involved in acquiring land for crops for its refinery, it knew of, relied on, and encouraged this purchase by the government. Bidco Uganda also, apparently, was engaged in decisions and discussions related to the purchase.</p> <p>What information is this referred in clause 99?</p>	Bidco Africa and Bidco Uganda, Pharis Kimaru	See, also, response in Row 12.
127.		<p>To the best of our knowledge, there was no compulsory acquisition of land, and all the land provided by the government was acquired on willing buyer willing seller basis following Chief Government Valuer's valuation and inputs from the other members of the taskforce. There were no evictions of people on the land acquired for the project. The Project has a clear mandate that ensured taking possession of such land which is free off any encumbrances. We reconfirm that company have not taken possession of any land which</p>	Bidco Africa and Bidco Uganda, Pharis Kimaru	See response in Row 2.

		has any economic or commercial crop Value. This is evident from the fact that though the government acquired 8500 Ha of land for the project, only 6200 has been used for the development of Oil Palm under the project leaving 1,500 Ha towards environmental zone and 800 Ha to communities to continue with their economic activities. Does the information gathered referred to in clause 99 contradict or dispute this narrative?		
128.		The fact that there is cross-shareholding between the two companies is not enough to dismiss the above demarcations as read in clause 99: “However, Bidco Africa has at least financial links to Bidco Uganda and the Kalangala oil palm project referenced in the complaint.”	Bidco Africa and Bidco Uganda, Pharis Kimaru	See responses in Row 9.
129.		Under paragraph 100, it is stated that “It is not good for Bidco event if they weren’t involved in land acquisition, it looks bad. They have title (lease) by Uganda Land Commission. Even if Bidco wins the case, if a local man is not happy, it doesn’t look good”. While this is a comment by an individual entitled to his or her views, it is not tenable for the company or government to stop activities because	Ministry of Agriculture, Animal Industry and Fisheries; Vegetable and Oil Department Project (VODP), C.M. Masaba	The investigation report used this quote as one example of the importance of robust due diligence to reputational risk. Nevertheless, the report has been revised to delete the quote.

		of any and every complaint or claim raised without considering the merit of the issue. Otherwise, it will not be possible to implement the project or any other development initiative. Each case has to be considered depending on how material it is. In this case, only about 0.29% of the land is under contention.		
130.	100	Clause 100 seeks to assign reputational responsibility to Bidco Uganda based on nothing but the view of one individual. "It is not good for Bidco. Even if they weren't involved in land acquisition, it looks bad. They have title (lease) by Uganda Land Commission. Even if Bidco wins the case, if a local man is not happy, it doesn't look good."	Bidco Africa and Bidco Uganda, Pharis Kimaru	Report revised to clarify. See response in Row 129.
131.	101	Paragraph 101 seems to imply that there are other areas where there are complaints concerning the land acquired for the project. It also quotes 29 families that were displaced and women with families who have been deprived of livelihood. This is to clarify that to the best of our knowledge, only one piece of land has been contested and is about 0.29% of the total land acquired. In addition, facts of survey of the area before acquisition should have been received by your team from Kalangala District headquarters	Ministry of Agriculture, Animal Industry and Fisheries; Vegetable and Oil Department Project (VODP), C.M. Masaba	Report revised to indicate this strong disagreement with the claims that 29 families were displaced.

that led the land identification process. Facts of no houses and commercial cropping found on the land should have come up. One needs to appreciate that in this part of Uganda, a tenant has right of use on the area that is cultivated and not areas that are forested because the land belongs to the registered owner. From our records, there were 11 people that had subsistence agricultural activities on about 45 acres land, without the knowledge of the landowner. During the process of negotiations with the landowner, these issues of tenants on land were raised and the landlord agreed to put aside 49 acres of land for community, and lease 330 acres of the land that was not utilized, to the project. In addition, he compensated 10 tenants who accepted payments and only one turned down the offer to be compensated. The complainants still live on the land belonging to this landowner. The practice of a tenant being recognized by the registered landowner is known in the area. A token pay 'kanzu' is supported to be made to the landlord, for the tenant to be recognized by the landlord. It is hoped that during the research, these facts were collected and therefore informed the report. The 29 families

		supposedly displaced are therefore a surprise to the Project. Such claims need to be checked out with the leaders of the community in the area and the district and corroborated before they can be written down as facts.		
132.		This paragraph is unclear, as it is mixing possible impact on individuals with number of geographical locations. Public records indicate only one location – Kalangala district, Bugala Island.	UNDP BPPS / DIG / IICPSD	Report revised to indicate that all concerns relate to Kalangala district.
133.	102			
134.	103			
135.	104			
136.	105			
137.	106			
138.	107	Please note that the court case is a dispute between Muyisa (the complainant) and the landlord (as respondent 1) and OPUL (as respondent 2).	UNDP BPPS / DIG / IICPSD	Comment noted.

139.	108			
140.	109			
141.	110	<p>Title above paragraph 110 is unclear</p> <p>Please note the sources used by BCtA during the due diligence included:</p> <ul style="list-style-type: none"> o IFAD report, o IFC environment and social assessment o Government of Uganda statements from The Ugandan Ministry of Agriculture, Animal Industry and Fisheries. o Comprehensive internet search and analysis of publicly available information, including 	UNDP BPPS / DIG / IICPSD	Report revised to include this information as well as a SECU finding that this information should have been included in BCtA's due diligence documentation.

		through topic-related websites, resource centers and databases (separate ESG and Controversy report for Bidco was not available in the Sustainalytics database).		
142.	111			
143.	112			
144.	113	The Draft Compliance Report goes out of its way to legitimize and normalize the exaggerated claims in the complaint: In Clause 113 it reads: However, a subsequent report by IFAD and the Institute of Development Studies (IDS) highlights not only many of the benefits described in the earlier IFAD report, but also several negative unintended consequences – including some that are reflected in the complaint.	Bidco Africa and Bidco Uganda, Pharis Kimaru	The report endeavors to include all perspectives, including those reflected in both IFAD reports.
145.	114			
146.	115			
147.	116			
148.	117			
149.	118	Please note that membership status to UN Global Compact is publicly	UNDP BPPS / DIG / IICPSD	See response in Row 50 provided by the UN Global Compact re: reliance on UN Global Compact membership as part of d

		<p>available on their website, and Bidco has been and is active and has regularly submitted its Communication on Progress (COP) for the past 6 years. https://www.unglobalcompact.org/what-is-gc/participants/1314#cop</p>		<p>diligence.</p>
150.		<p>Also, please note that IFC’s assessment does find that Bidco has an established grievance mechanism in place, and a community grievance mechanism as part of its management system.</p> <p>“Bidco will adopt a formal Stakeholder Engagement Plan incorporating a Community Grievance Mechanism as part of its EHS management system, as articulated in the attached ESAP. A specific management procedure will be developed and implemented before construction phase. Its implementation will be assigned to the Corporate Communications & Public Relations (CCPR) Team Leader who is currently responsible for communications”</p> <p>http://ifcext.ifc.org/ifcext/spiwebsite1.nsf/651aeb16abd09c1f8525797d006976ba/49fa276de3012f8285257ccd004e82c8?opendocument; http://ifcext.ifc.org/ifcext/spiwebsi</p>	<p>UNDP BPPS / DIG / IICPSD</p>	<p>The grievance mechanism established as part of the IFC project is not clearly relevant for low-income suppliers who are the primary stakeholders of the Full Value Chain Initiative.</p> <p>IFC documentation for its project in support of new physical facilities for Bidco notes the following regarding this mechanism: It ‘has been adopted in order to receive and to address any issues and/or complaints raised by <i>surrounding stakeholders</i> and <i>end-customers</i> resulting from production and transport activities.’ This mechanism appears to target those possibly impacted by construction of the physical facilities and customers of produced products. The mechanism does not appear to be available to low-income suppliers under the Full Value Chain Initiative.</p> <p>The Prodoc does not mention this mechanism, much less describe how a commitment by Bidco to the IFC to create such a mechanism relates to the BCtA project.</p> <p>See, also, response in Row 13.</p>
151.		<p>http://ifcext.ifc.org/ifcext/spiwebsite1.nsf/651aeb16abd09c1f8525797d006976ba/49fa276de3012f8285257ccd004e82c8?opendocument; http://ifcext.ifc.org/ifcext/spiwebsi</p>		

		te1.nsf/651aeb16abd09c1f8525797d006976ba/49fa276de3012f8285257ccd004e82c8?opendocument		
152.	119	Please clarify which outside vendor has assigned Bidco an average score.	UNDP BPPS / DIG / IICPSD	The report has been revised to reflect the UN Global Compact’s terminology. Bidco last submitted a Communication on Progress to the UN Global Compact on 25 October 2016 and is in “Active” standing (COP that meets the minimum requirements). “Active” level is the middle rating for the UN Global Compact, above “Learner” and below “Advanced.”
153.	120	Please note it is inaccurate to state that “Staff appeared to rely heavily on assurances from the company ...” BCtA relied on the following sources: <ul style="list-style-type: none"> o Desk review of publicly available sources o Expertise of local consultants o IFC environmental and social assessment o IFAD report o Active membership in UN Global Compact o Letter from the Government of Uganda 	UNDP BPPS / DIG / IICPSD	Revised to clarify. The reliance mentioned in the report also refers to the initiative itself, and not exclusively the due diligence process. During interviews with BCtA staff, the team responsible for conducting due diligence on Bidco’s application indicated reliance on assurances from the company that the company would resolve concerns identified by the review process. In the UNDP/PSD form, under the section “What sources we checked for this company?” it says “ Main media (NGOs and newspapers), online sources, UNGC, Bidco Africa website.” It makes no mention of expertise of local consultants, the IFC assessment, the IFAD report, or any letter from the Government of Uganda.

154.	121	<p>Please note that IFC's assessment (IFC as an investor in the Kenya Value Chain Project), includes provisions for community engagement, supplier code of conduct, responsible sourcing.</p> <p>http://ifcext.ifc.org/ifcext/spiwebsite1.nsf/651aeb16abd09c1f8525797d006976ba/49fa276de3012f8285257ccd004e82c8?opendocument</p>	UNDP BPPS / DIG / IICPSD	See responses in Row 113.
155.	122			
156.	123			
157.	124			
158.	125			
159.	126			
160.	127			
161.	128			
162.	129	<p>*Comment on para 129-130* We are not sure what is meant by</p>	UNDP BPPS / DIG / IICPSD	Report revised to 'assessment of the project.'

“assessment” of the BCtA Prodoc. An environmental and social impact assessment of the Prodoc would not be required.

163.

130

164.	131	Please note a description of each inclusive business commitment including objectives and measurable targets have always been publicly available on the BCtA website.	UNDP BPPS / DIG / IICPSD	Report revised to avoid perception that no information is currently available on BCtA's website related to member companies' commitments.
165.	132			
166.	133	As mentioned during the interview with the SECU team, since October 2015 BCtA has been using the RAT. We request that this be stated in the report.	UNDP BPPS / DIG / IICPSD	Report revised to indicate that according to the BCtA the RA form has been used since October 2015.
167.	134			
168.	135	Please note that since BCtA does not have/develop community-level initiatives itself, this recommendation does not seem to apply or be viable. However, we do agree and plan to have in place a publicly available recourse mechanism to receive concerns from communities related to BCtA member company commitments.	UNDP BPPS / DIG / IICPSD	If local communities are 'key stakeholders' of the BCtA project their views must somehow be considered.
169.	136			
170.	137			
171.	138			
172.	139	Since February 2016, to create such separation, BCtA shares the due diligence RAT forms with the DIG team for their comments and review. This is to address	UNDP BPPS / DIG / IICPSD	Noted.

		the current lack of clarity in the private sector due diligence policy related to multi-partner initiatives. As part of the policy review and update that UNDP is planning to initiate in 2017, further clarity on this will be considered in the revised Policy on Due Diligence and Partnerships with the Private Sector.		
173.	140			
174.	141	We acknowledge and appreciate the efforts by UNDP to protect the rights of population but request that the report reflects the facts on ground and corroborated information gathered from communities, to revise and finalize the report.	Ministry of Agriculture, Animal Industry and Fisheries;	Noted.