



# ASSESSING THE IMPACTS OF THE OIL REFINERY LAND ACQUISITION AND RESETTLEMENT PROJECT ON THE AFFECTED PEOPLE (2012 - 2020)



A RESEARCH REPORT  
BY  
AFRICA INSTITUTE FOR ENERGY GOVERNANCE

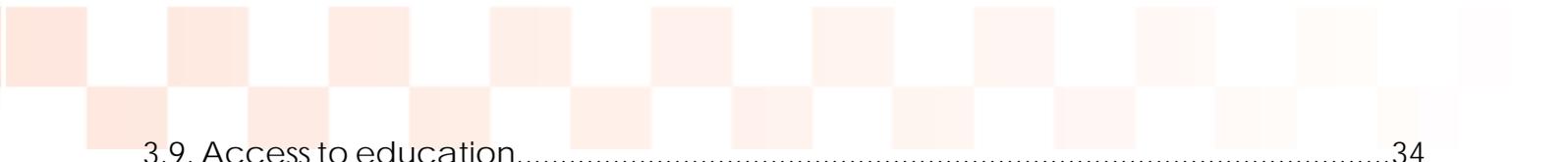
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## ACRONYMS

| Acronym | Meaning  |
|---------|--|
| AFIEGO  | Africa Institute for Energy Governance             |
| ACODE   | Advocates Coalition on Development and Environment |
| AG      | Auditor General                                    |
| ASF     | Avocats Sans Frontiers                             |
| CGV     | Chief Government Valuer                            |
| DLB     | District Land Board                                |
| DRC     | Democratic Republic of Congo                       |
| EIA     | Environmental Impact Assessment                    |
| ESIA    | Environmental and Social Impact Assessment         |
| FGDs    | Focus Group Discussions                            |
| GRA     | Global Rights Alert                                |
| HDLB    | Hoima District Land Board                          |
| IDs     | In-depth interviews                                |
| KIIs    | Key informant interviews                           |
| MEMD    | Ministry of Energy and Mineral Development         |
| MoES    | Ministry of Education and Sports                   |
| MoGLSD  | Ministry of Gender, Labour and Social Development  |
| NCDC    | National Curriculum Development Centre             |
| NEMA    | National Environment Management Authority          |
| OAG     | Office of the Auditor General                      |
| PAPs    | Project-affected persons                           |
| RAP     | Resettlement Action Plan                           |
| RAPIA   | Resettlement Action Plan Implementation Agency     |
| SFI     | Strategic Friends International                    |
| UHRC    | Uganda Human Rights Commission                     |
| UNRA    | Uganda National Roads Authority                    |

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## EXECUTIVE SUMMARY

Between August 2019 and June 2020, Africa Institute for Energy Governance (AFIEGO) conducted research through which the organisation assessed the impacts of the oil refinery land acquisition and resettlement project on the project-affected persons (PAPs). The research was undertaken seven years after the land acquisition and resettlement was embarked on by government.

The main objective of the study was to assess the impacts of the oil refinery land acquisition and resettlement project on the socio-economic conditions of the PAPs. The study also audited whether commitments in [the 2012 Resettlement Action Plan \(RAP\) for the oil refinery project](#) were implemented and what impact compliance or non-compliance to the commitments had on the socio-economic conditions of the PAPs. The RAP guided Ministry of Energy and Mineral Development (MEMD) during its acquisition of over 29 sq. km of land for the oil refinery project.

Emphasis was placed on assessing the impacts of the RAP implementation on the socio-economic conditions of the PAPs who received cash compensation and those who opted for physical relocation.

The study employed a cross-sectional research design and a mixed methods research approach. Both qualitative and quantitative data collection techniques were employed.

A total of 237 respondents, who were either randomly or purposively sampled, participated in the study. The respondents included the oil refinery PAPs, the refinery PAPs' leaders, cultural leaders and L.C.1, L.C.2 in addition to L.C. 5 chairpersons. The above respondents were drawn from five districts, nine sub-counties and 32 villages. The districts from which the respondents were drawn included Hoima, Kikuube, Bullisa, Kiryandongo and Kakumiro. These are the districts in which the majority of the PAPs relocated or were physically resettled when government acquired land from 1,221 households in Hoima district.

Data from the above respondents was collected using Focus group discussions



(FGDs), in-depth interviews (IDIs) and key informant interviews (KIIs). FGDs and IDIs with 230 PAPs and their leaders were conducted in Hoima, Kikuube, Buliisa, Kakumiro and Kiryandongo districts.

Seven KIIs were conducted with selected cultural leaders from Bunyoro Kingdom and the selected L.C.1, L.C.2 in addition to L.C.5 chairpersons from the aforementioned five districts. The leaders that were selected to participate in this study were sampled because they had knowledge of the socio-economic conditions of the PAPs before and after the resettlement. The leaders who were sampled are also knowledgeable about the impacts of the oil refinery project on the PAPs as they are updated on the same through interactions with the PAPs, civil society organisations (CSOs), government and other stakeholders.

After the field research, the collected data was cleaned, edited and analysed. The qualitative data was coded into themes and was analysed using NVIVO. The quantitative data was analysed using the Statistical Package for Social Scientists (SPSS).

The socio-economic conditions of the PAPs as at 2019 as they were established by this study were compared to the baseline socio-economic conditions of the PAPs as identified in the 2012 RAP report for the oil refinery project. Through this comparison, the impact of the oil refinery land acquisition and resettlement on the socio-economic conditions of the PAPs was deduced.

In addition, the study assessed whether the commitments outlined in the 2012 RAP including adhering to national legislation and international best practices especially the International Finance Corporation (IFC) Performance Standard 5 and the World Bank Operational Manual 4.12 were implemented. The impacts of compliance or non-compliance by government to the aforementioned commitments was assessed.

## KEY FINDINGS

The following are the key findings of the study:

**Land ownership:** This study found that the percentage of PAPs who owned land reduced after resettlement. This was found in relation to the PAPs who received cash compensation. The study found that 93.5% of the PAPs who took part in this research owned land before the resettlement. However, only 86.57% of the PAPs said that they own land following the resettlement. The other 13.43% said that they do not own land. However, all (100%) the PAPs who were physically relocated reported that they own land as their land was replaced by government.

**Land ownership documents:** This study assessed whether the PAPs have land ownership documents such as land titles or sales agreements. The study showed that 79.1% of the PAPs who received cash compensation had land ownership documents in the form of land titles, customary land ownership documents, or sales agreements. Of these, 61.69% had sales agreements, 7.96% had land titles while 9.45% had customary land ownership documents. All the PAPs who participated in this study that were physically relocated by government said that they had no land ownership documents as government was yet to issue them with the land titles that it had committed to in the RAP report.

**Land size:** This study found that the size of land owned by the PAPs who received cash compensation reduced after resettlement. Only 16.92% of the PAPs who received cash compensation reported that they own land above five acres compared to 36.32% who owned the same size of land prior to the resettlement. This means that 19.4% of the PAPs were unable to replace the land they lost to government. In addition, this study found that 14.43% of the PAPs are landless today compared to only 6.47% of the PAPs who reported that they did not own land prior to the resettlement. It is noteworthy however that 100% of the PAPs who were physically relocated by government got replacement land that was equivalent to what was acquired by government. However, these PAPs reported that some of the PAPs' farmlands were far away from their homes.

**Economic conditions:** This study established that the average annual incomes of the PAPs reduced after resettlement. While 71.1% of the PAPs reported that they used to earn an average annual income of over UGX 300,000/= prior to the resettlement, only 31.8% of the PAPs who participated in this study reported that they earn an

average annual income of over 300,000/ after resettlement. This represents a decline of 39.3%. It is noteworthy that the RAP reported that the average annual income of the PAPs was UGX 6, 226, 177 or USD 2,537 at an exchange rate of 1USD = UGX2,470 (RAP report, p.16). This study also found that the majority of the PAPs -78.11%- are engaged in subsistence farming. This was also the PAPs' main economic activity prior to resettlement as identified in the RAP report (RAP report, p.15). Through the RAP, government had committed to lift the PAPs from subsistence agriculture so that they could engage in commercial agriculture (RAP report, p.37). This study established that this commitment was not fulfilled.

**Education conditions:** The percentage of primary and secondary school age-going children that was captured by this study is 65.7%. In the RAP report however, the school enrollment rates for primary and secondary school pupils were captured as being 94.6% and 94.3% respectively (RAP report, p.18). This study therefore confirmed that there was a decline in school enrollment rates for both the PAPs who received cash compensation and those who were physically relocated. Indeed, the percentage of primary and secondary school-age going children that was not in school as reported by the PAPs who participated in this study was 34.3%. The fact that school enrollment rates declined was a failure on the part of the RAP implementers as through the RAP, government had committed to minimise the negative impacts the land acquisition would have on vulnerable people including children (RAP report; p.40).

**Access to social services:** This study found that the PAPs' access to social services such as schools and health centres was limited. For instance, 37.3% of the PAPs who received cash compensation reported that the nearest school to them was over 3km away. The PAPs reported that this limited access to education especially for younger school age-going children. The PAPs who were physically relocated have access to a school that was constructed for them by government near the resettlement. However, this school was commissioned over five years after the land acquisition processes commenced. This led to children dropping out of school. In addition, 26.4% of the PAPs reported that the nearest government health centre was over 4km from them, constraining the PAPs' access to health services. It is noteworthy that the average distance between the nearest government health centre and the PAPs prior to the resettlement was 4.4km (RAP report, p.19). This means that the PAPs' access to health services was neither improved nor worsened by the oil refinery project. Yet through the RAP, government committed to improving the living conditions of the PAPs (RAP report, p.xi).



**Social discrimination:** During FGDs, the PAPs who received cash compensation reported that in the areas where they relocated to, they are looked at as rich oil people. As such, when they were buying land in districts such as Kakumiro and Kiryandongo, the land prices were hiked. This contributed to failure by the PAPs who received cash compensation to replace all the land they lost. Under-compensation and delayed compensation also contributed to the PAPs' failure to replace all land that they lost to government. In addition, the PAPs in Kikuube district reported that they are discriminated against because they are perceived as being richer than others. This discrimination sees them being denied community support during burials. The PAPs also reported that they are denied business and that locals who were not affected by the refinery project do not buy from their shops.

In Chapter 3, more findings are discussed. This study also shows how the implementation or failure to implement commitments in the RAP led to the above impacts. Recommendations are also made in Chapter 4.

# CHAPTER ONE

## 1.0. Introduction

This chapter discusses the background, problem statement and objectives of this study. Further, this chapter discusses the methodology used, the literature that was reviewed for this study and the legal framework that guided the oil refinery displacement and resettlement process.

## 1.1. Background

In 2010, the Government of Uganda (GoU) conducted a feasibility study for the development of an oil refinery to add value to commercial oil deposits that were discovered in the Albertine Graben in 2006. Following conclusion of the study, in 2012, the GoU through the MEMD took a decision to construct an oil refinery in Kabaale parish, Buseruka sub-county, Hoima district.

To achieve this, the Ugandan government compulsorily acquired over 29sq. km of land beginning in 2012. The acquisition affected 13 villages, 1,221 households and 7,118 people. The land acquisition is the biggest in the oil sector to date based on the number of people that were displaced.

To acquire their land, government had to compensate the affected people in line with Article 26 of the 1995 Uganda Constitution. Article 26 mandates government to pay prompt, fair and adequate compensation before compulsorily acquiring citizens' land.

As such, government through the MEMD contracted Strategic Friends International (SFI) to prepare a Resettlement Action Plan (RAP) for the refinery project. The RAP, whose general objective was to put in place a framework to guide the land acquisition for the refinery project while minimising the economic and social impacts of the project, was completed in October 2012.

The RAP documented the categories of people and their property that were to be affected and therefore required compensation. The categories that were identified included landowners, licensee owners, women, children, the elderly, the chronically sick and others.

Through the RAP, government offered the affected households two options for resettlement: cash compensation or physical relocation. Twenty-seven of the affected households opted for physical relocation while 1,194 opted for cash compensation (RAP report, p.viii). The number of affected households that opted for physical relocation later increased to 93 households after which it reduced to 76 when government failed to implement some of the commitments in the RAP (Interview with the Chairperson of the Oil Refinery Residents' Association [ORRA] on August 7, 2019).

The RAP also identified the socio-economic status of the PAPs in 2012. Information on the PAPs' economic activities, average annual incomes, accessibility to social services, social networks and others was provided.

Through the RAP, government made a number of commitments including adhering to national legislation and international best practices on land acquisition, minimising the negative impacts of cash compensation on the affected households, restoring the livelihoods of affected households and others (RAP report, p.31).

This study assessed whether or not the above commitments were fulfilled and their implications on the socio-economic conditions of the PAPs as of 2019.

## 1.2. The problem

At the time this study was undertaken, several studies to assess the socio-economic impacts of the refinery land acquisition and resettlement on the PAPs had been done. However, all the said studies mainly concentrated on studying communities that relocated within Hoima. In addition, none of the studies assessed whether the commitments that were made in the RAP were implemented.

Government failure to fulfill commitments in the RAP including commitments to pay prompt, fair and adequate compensation in conformity with national legislation and international best practices, provide PAPs with social services including schools and water, adequately implement a livelihood restoration programme, monitor the impacts of the project including on the elderly to support them to restore their livelihoods, hire an independent NGO to monitor implementation of the RAP and others had far-reaching impacts on land access, the PAPs' level of income, food security, water security and education for the refinery-affected children among others.

The above impacts had not been documented as no study to audit whether commitments by government in the RAP had been implemented and what positive and negative socio-economic impacts arose from implementation or failure to implement commitments in the RAP.

This study was therefore undertaken to fill the above gap in order to create knowledge that is necessary for policy reforms to protect citizens' land, economic, social, cultural and other rights.

### **1.3. Objectives of the study**

#### **1.3.1. Overall objective**

The overall objective of this study was to assess the impacts of the oil refinery land acquisition and resettlement on the PAPs.

#### **1.3.2. Specific objectives**

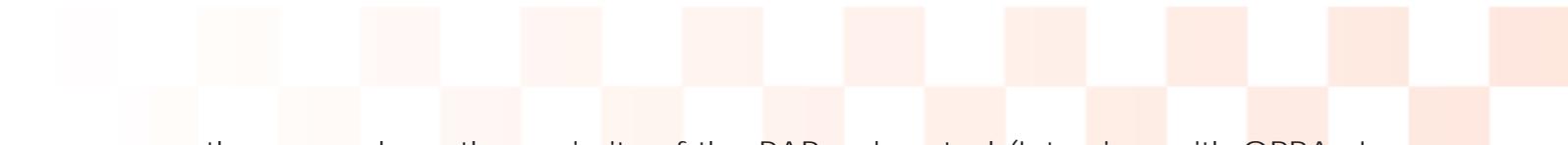
The specific objectives of the study were:

- (i) To establish the economic conditions of the refinery PAPs in 2012 and as of 2019;
- (ii) To examine the social changes that have occurred amongst the PAPs since 2012;
- (iii) To assess the RAP implementation and determine whether commitments in the RAP were implemented and;
- (iv) To make recommendations to improve land acquisition, resettlement and rehabilitation policies and practices in Uganda.

### **1.4. Methodology**

This study employed a mixed method research approach. Both quantitative and qualitative data collection methods were employed. Data was collected using documentary review, KIIs, IDIs and FGDs.

The study area consisted of five districts including Hoima, Kikuube, Kakumiro, Buliisa and Kiryandongo in the Albertine Graben. The above districts were selected as they



are the ones where the majority of the PAPs relocated (Interview with ORRA, June 2019).

The targeted population for this study was the 1,221 households which were affected by the oil refinery land acquisition project (RAP report, p.vii). Using the Krejcie and Morgan (1970) table for selecting samples, the sample size of the study at household level was determined to be 291 households. The number of households that were reached during the study was 230. This was a significant representative sample size for the study.

In addition, seven cultural in addition to local council and district leaders with knowledge of the socio-economic conditions of the refinery PAPs at the time of the study and before the PAPs were resettled were sampled for this study.

FGDs and IDIs were conducted with the PAPs in the above-mentioned five districts. KIs were also conducted with selected Bunyoro Kingdom leaders and selected L.C.1, L.C.2 in addition to L.C.5 chairpersons of the districts where the PAPs relocated.

The data that was collected was analysed using the following procedure: Qualitative primary data generated from the audio-recorded interviews and notes from the KIs and FGDs was transcribed verbatim, word processed, printed and read. Key themes were identified. A coding sheet to enable coding of data from the identified themes was developed. The coded data was analysed using NVIVO.

In addition, the quantitative data was entered into SPSS and was analysed based on the themes that were identified during designing of the quantitative research instrument.

## CHAPTER TWO

### 2.0. Literature review

Literature was reviewed based on the objectives and five themes of this study. The RAP was also reviewed to provide information on the socio-economic status of the PAPs and commitments government made in the RAP. The following were the observations that were made from the literature that was reviewed.

### 2.1. RAP review

The purpose of the RAP report was identified as being, “to mitigate the project impacts on the affected community. It is aimed at restoring the livelihoods of the affected persons to same or better level compared to the baseline,” (RAP report, p.xi). To achieve the above purpose, government undertook a census of the PAPs and identified their demographic characteristics and socio-economic status among others with the view of improving or restoring it following resettlement (RAP report, pp. 31, 36 and 37).

The RAP noted that a total of 7,118 persons and 1,221 households were affected by the land acquisition. Of these, 3,514 were women while 1,344 were children under 5. In addition, 181 were elderly among others (RAP report, pp. vii and 27).

The RAP also identified the types of PAPs with interests on land. They included landowners who were 63.4%, co-owners who were 18.8%, squatters who were 10.8%, tenants who were 6.6% and licensees who were 0.2% (RAP report, p.14). 45.6% of landowners had land ownership documents such as land titles or land sale and lease agreements. 54.3% of the affected people did not have land ownership documents (RAP report, p.14).

The RAP also identified the socio-economic conditions of the PAPs as follows: majority (90.9%) of the PAPs made a living through subsistence farming. Other economic activities engaged in by the PAPs as documented in the RAP included animal rearing, fishing and retail trade among others (RAP report, p.15). The RAP noted that the average annual income for the affected households was UGX 6, 226, 177 or USD 2,537 at an exchange rate of 1USD = UGX2,470 (RAP report, p.16).

Further, the RAP identified the following as being the social assets that were in the 13 villages that were affected by the land acquisition: four schools with 926 pupils; 14 water sources; 13 churches; six (6) diesel-grinding machines; and three (3) football

pitches. Other social assets included one (1) mosque; one (1) market and; and one (1) video hall (RAP report, pp vii and 24).

The PAPs had access to the following public services:

- Education facilities including nursery, secondary and vocational schools. The enrollment rate for children ages 6-12 was 94.6%, 13-17 was 94.3% and that of 18-24 was 61.8% (RAP report; pp. 17-18).
- Health centers (public and private) with the average distance travelled by PAPs to access government or privately owned health centers being 2.85km (RAP report; p.19).
- Ownership of pit latrines and rubbish pits among other sanitation facilities stood at 81.3% and 39% respectively (RAP report, p.21).

Through the RAP therefore, government committed to do the following for the PAPs to restore them or improve the above socio-economic conditions:

### **Commitments in the RAP**

- (i) Compensate the PAPs in conformity with national legislation and international best practices especially the IFC Performance Standard 5 and the World Bank Operational Manual 4.12 on Involuntary Resettlement (RAP report, p.31);
- (ii) Pay the PAPs (land owners, licensees and tenants) a disturbance allowance of 30% in conformity with Section 77 of the 1998 Land Act (RAP report, p.34);
- (iii) Relocate the PAPs who opted for physical resettlement within the neighborhood of the refinery area, resettle them on a case-by-case basis and not in a special settlement and provide them with land titles in addition to social amenities such as water, electricity, community center, schools and others (RAP report, p.viii);
- (iv) Implement a livelihood restoration programme by training PAPs in financial literacy, modern farming to lift the PAPs from subsistence agriculture and training in business (RAP report, pp. 36-37);

- (v) Ensure that the National Agricultural Advisory Services (NAADS) supports the PAPs until their livelihoods are restored;
- (vi) Identify and support vulnerable people including women, the elderly and others during negotiation, compensation and relocation to minimise the negative impacts of the project on the vulnerable (RAP report, p.40);
- (vii) Put in place a grievance handling mechanism including sensitisation to avoid grievances. Where grievances arise, support mediation by a committee that would include respected community members. Arbitration by courts of law was also provided for (RAP report, p.43);
- (viii) Undertake monitoring to minimise impacts of the refinery project on the PAPs and especially the vulnerable groups (RAP report, p. 46);
- (ix) Minimise the cultural impacts of the project through working with Bunyoro Kingdom to relocate graves, shrines and sacred natural sites (RAP report, p.39);
- (x) Hire an NGO to independently monitor the RAP implementation to protect the PAPs' rights (RAP report, p.47) and;
- (xi) Recruit an independent auditor to undertake compliance and completion audits in addition to evaluate the project to ascertain its impact on the livelihoods of the PAPs (RAP report, p.48).

As the findings of this study indicate, the majority of the above commitments were not implemented.

## 2.2. Land access

A review of available literature shows that government through the MEMD failed to respect commitments in the RAP. In 2016, Advocates Coalition on Development and Environment (ACODE) published a report<sup>1</sup> that showed that though the RAP laid out a detailed criteria for resettlement of the PAPs including the payment of compensation and physical relocation of PAPs who chose this option, the “RAP that aspired to follow international best practice faced a varying number of challenges.”

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1 ACODE Policy Research Series No.75, 2016 report titled, *Balancing Development and Community Livelihoods: A Framework for Land Acquisition and Resettlement in Uganda*

They included failure to ensure that the PAPs who opted for physical resettlement were relocated by 2016, delayed payment of compensation to PAPs who opted for cash compensation, contested valuations and assessments of affected land in addition to exposure of the PAPs to livelihood risk following directives by MEMD not to continue with developments upon the pronouncement of a cut-off date for compensation. Such livelihood risks included refusing the PAPs to grow perennial food and cash crops.

Through the [2017 annual report of the Office of the Auditor General \(OAG\)](#), the Auditor General (AG) confirmed the above ACODE findings and noted that 96% of the oil refinery PAPs suffered delayed compensation. The AG particularly noted that by the time the OAG's audit was undertaken in 2017, all the PAPs who opted for physical relocation were yet to be relocated. Further, the AG noted that 43.2% of the PAPs had their crops valued at rates that were different from those set by the Hoima District Land Board (HDLB) (Auditor General's 2017 annual report, p.110). In addition, the AG affirmed that unapproved, obsolete and outdated rates were used in the compensation process (Auditor General's 2017 annual report, p.110). This resulted in under-compensation. The AG also averred that the PAPs were paid unfair compensation.

The research carried out by the Auditor General and ACODE reported that PAPs were unable to replace the land they lost because of delayed compensation. The AG noted that, "[Because of delayed compensation], by the time they [PAPs] received their money, the price of land in neighboring villages had risen, making it difficult for them to acquire land of equivalent size" (AG annual report, 2019, p.107). Like the ACODE and OAG's studies, this study by AFIEGO also found that that some PAPs who received cash compensation were unable to replace all the land they lost to government. This study added to the above knowledge by showing that the PAPs' failure to replace all the land they lost resulted in a reduction in their average annual incomes. Their food security was also compromised as small land sizes resulted in the growth of less food. The PAPs' ability to pay school fees for their children was also compromised due to the reduction in their average annual incomes. Other impacts were also experienced as this study shows.

### 2.3. Economic activities

The RAP indicated that the main activity engaged in by the oil refinery PAPs was subsistence farming (RAP report, p.15). A 2018 study<sup>2</sup> by researcher Caroline Aboda

2 Caroline Aboda, 2018, *Livelihood adaptation to displacement and resettlement due to oil refinery in Uganda*, <http://www.unulrt.is/static/fellows/document/aboda2018.pdf>

on the livelihood and adaptation strategies of the oil refinery PAPs after displacement confirmed that farming remains a dominant activity for the oil refinery PAPs. The report however noted that the oil refinery PAPs “face several challenges such as reduced access to land” due to the oil refinery land acquisition. This had had a negative impact on the ability to farm.

In addition, the study affirmed that women, divorced women and widows found it difficult to adjust after the resettlement. The women, who used to have vegetable gardens, could no longer grow vegetables because their families’ land had reduced. This study confirmed the above findings.

#### 2.4. Access to social and public services

In 2014, Avocats Sans Frontiers (ASF)<sup>3</sup> undertook a study on the human rights implications of extractive activities in Uganda. The impact of the refinery project was assessed. It was found that community access to public services such as boreholes was negatively impacted by the oil refinery land acquisition. The communities that were affected were those neighboring the refinery area. Boreholes broke down after the resettlement process and they were not repaired.

Further, Aboda (2018) also documented lack of access to public and social services by the refinery PAPs. Aboda (2018) noted that, “Lack of access to infrastructural facilities including roads, markets, schools, and health centers was emphasized during interviews and affected the coping strategies of displaced households in relocation areas”. The above-mentioned study also found that though the PAPs were building **social networks** through making new friends in the areas they resettled in, they have fewer friends. This study built on the above knowledge by showing, in chapter 3, the implications of disintegration of the PAPs’ social networks following the displacement.

#### 2.5. Gender and inclusiveness

Available literature shows that information sharing and community involvement in oil and gas activities is low. In 2013, the Uganda Human Rights Commission (UHRC) undertook a study on the emerging human rights challenges in Uganda’s oil and gas

<sup>3</sup> *Human Rights Implications Of Extractive Industry Activities In Uganda, A Study of the Mineral Sector in Karamoja and the Oil Refinery in Bunyoro*, [https://asf.be/wp-content/uploads/2014/09/ASF\\_UG\\_ExtractiveSectorHRImplications.pdf](https://asf.be/wp-content/uploads/2014/09/ASF_UG_ExtractiveSectorHRImplications.pdf)

sector. One of its key findings was that, “generally there was inadequate information regarding the oil and gas industry at the national level and that inadequacy got worse at the district and community levels, creating disempowerment and vulnerability.”

The UHRC noted that lack of information “expose[s] individuals, families and communities to misinformation, speculation and deception thereby making them susceptible to manipulation, violations and abuse.”

Women and the elderly were especially left out in the oil refinery resettlement process. A 2015 report by Global Rights Alert<sup>4</sup> on tracking progress in resettling the refinery PAPs noted that, there [were] concerns within some families, especially raised by women, that money from compensation would not be well utilised”.

This study contributed to the available body of knowledge by showing, in chapter 3, how failure to adequately include women in compensation resulted in misuse of compensation money by men. This led to reduced land sizes, reduced average annual incomes and caused food insecurity in addition to school drop-outs among other impacts.

While the above literature existed prior to this study, gaps existed. For instance, no study to assess the impacts of the oil refinery land acquisition project seven years after the project was implemented had been undertaken. This study filled the above gap. Further, the majority of the above studies limited themselves to assessing failures or impacts of the refinery project.

However, no study to assess how compliance or non-compliance to the commitments made by government in the 2012 RAP impacted the socio-economic conditions of the PAPs had been undertaken. This study filled the above gap.

## 2.6. Legal framework

The following are the laws that govern land acquisitions in Uganda. Relevant regional and international laws or best practices are also discussed. Through the RAP, government committed to adhere to Uganda’s national legislation and international best practices especially the IFC Performance Standard 5 and the World Bank Operational Manual 1.42 on Involuntary Resettlement.

**Uganda Constitution (1995):** Article 26(1) of the Constitution provides that, “Every person has a right to own property either individually or in association with others.

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<sup>4</sup>*Acquisition of land for the oil refinery: tracking progress in resettling project affected persons who opted for land for land compensation, 2015 report By Global Rights Alert*

Article 26(2a) empowers government to compulsorily acquire land for “public use or in the interest of defence, public safety, public order, public morality or public health.” Article 26(2b) provides that the “compulsory taking of possession or acquisition of property [must be done after] prompt payment of fair and adequate compensation, prior to the taking of possession or acquisition of the property”.

**Land Act (1998):** Section 42 of the 1998 Land Act affirms that, “Government or a local government may acquire land in accordance with articles 26 and 237(2) of the Constitution.” On the other hand, Section 56 of the Land Act establishes district land boards (DLBs). The DLBs are mandated to act independently under Section 60 of the Land Act, which provides that, “[The DLBs] shall be independent of the Uganda Land Commission and shall not be subject to the direction or control of any person or authority.” Further, under Section 59, the DLBs are empowered to compile and update compensation rates for crops and buildings of a non-permanent nature on an annual basis.

Despite the above provisions, this study found that Hoima District Land Board (HDLB) did not act independently as the rates it set were subjected to revisions by the Chief Government Valuer (CGV). The AG noted this in his 2017 annual report following an audit of the refinery project. In addition, despite Section 56 providing that “The [DLBs] shall be a body corporate with perpetual succession and a common seal”, this study found that the seal of the HDLB wasn’t used on the 2010/2011 compensation rates that were used to compensate the PAPs. Instead, the stamp of the district valuer was used. Moreover, the compensation rates were unapproved. Since 2014, the oil refinery PAPs have been in court because they aver that unapproved compensation rates that were not signed by the HDLB were used to compensate them. As such, they argue that they suffered under-compensation.

**Land Acquisition Act (1965):** The Land Acquisition Act provides for compulsory acquisition of property by government. It has shortcomings such as failure to provide for fair and adequate compensation as provided for in the Constitution. “The Supreme Court upheld the Constitutional Court decision that section 7 of the Land Acquisition Act was inconsistent with Article 26 of the Constitution and therefore unconstitutional. The Supreme Court held further that whereas Article 26 was not among the non-derogable rights, this does not give powers to Government to compulsorily acquire people’s land without prior payment” (MMAKS Advocates, 2015).

The above judgment was made following Irumba and Magelah lodging an application in court in which they challenged the constitutionality of Section 7 of the Land Acquisition Act (Cap 226). Irumba was one of the people affected by the Uganda National Roads Authority's (UNRA) Hoima-Kaiso-Tonya road project. UNRA had taken over their land before compensation using section 7 of the Land Acquisition Act. In court, they successfully argued that section 7 of the Act was in contravention of Article 26 of the Constitution. The Supreme Court ruled in their favor following an appeal by UNRA.

**Wandera John Bosco, AFIEGO & 10 others vs Attorney General, Civil Suit No 343 of 2014:** Under Article 50 of the Constitution, 11 refinery affected PAPs are challenging the human rights violations and unconstitutionality of the refinery land acquisition process of 2012. The case is being heard at the High Court in Kampala. Among the questions to be determined by court are:

- Whether or not the rates used by government in determining the PAPs' compensation of land, crops and buildings of non-permanent nature were fair and adequate.
- Whether or not government violated the plaintiffs' right to prompt compensation prior to acquisition or possession under Article 26 of the Constitution.
- Whether or not in setting a cut-off date of June 2, 2012 for eligibility of properties to be compensated, the RAP violated Article 26 of the Constitution.
- Whether or not the defendant has failed and/or inordinately delayed to relocate/ resettle the plaintiffs.

The above case serves to indicate the grievances of the PAPs right from 2012. Unfortunately, the case is still ongoing in court five years since it was filed. In future, more research needs to be done to assess the impact of delayed justice on land acquisition processes in Uganda.

**International best practices:** Through the RAP, government committed to adhere to the IFC Performance Standard 5 (2012) which, under sections 8-15, provides the following:

- The client will consider feasible alternative project designs to avoid or minimise physical and/or economic displacement.

- When displacement cannot be avoided, the client will offer displaced communities and persons compensation for loss of assets at full replacement cost and other assistance to help them improve or restore their standards of living or livelihoods.
- The client will take possession of acquired land and related assets only after compensation has been made available and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons in addition to compensation.
- The client will also provide opportunities to displaced communities and persons to derive appropriate development benefits from the project.
- The client will establish a grievance mechanism consistent with Performance Standard 1 as early as possible in the project development phase.
- The client will establish procedures to monitor and evaluate the implementation of a Resettlement Action Plan or Livelihood Restoration Plan and take corrective action as necessary.
- The extent of monitoring activities will be commensurate with the project's risks and impacts. For projects with significant involuntary resettlement risks, the client will retain competent resettlement professionals to provide advice on compliance with this Performance Standard and to verify the clients' monitoring information. Affected persons will be consulted during the monitoring process.

On the other hand, the World Bank's Operational Manual OP 4.12 on Involuntary Resettlement provides the following:

- That in order to address the impacts of compulsory land acquisitions, borrowers/ developers should prepare resettlement plans or a resettlement policy framework that covers the following:
  - (a) The resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are:
    - (i) Informed about their options and rights pertaining to resettlement;
    - (ii) Consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; and

(iii) Provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project.

(b) If the impacts include physical relocation, the resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are:

(i) Provided assistance (such as moving allowances) during relocation and;

(ii) Provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site.

(c) Where necessary to achieve the objectives of the policy, the resettlement plan or resettlement policy framework also include measures to ensure that displaced persons are:

(i) Offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living and;

(ii) Provided with development assistance in addition to compensation measures such as land preparation, credit facilities, training, or job opportunities.

This study found that government adhered to some of the above principles. For instance, government offered the PAPs choices as to whether to be physically relocated or paid cash compensation. Government also constructed houses and replaced the farmlands of the PAPs who were physically relocated. The PAPs who were physically relocated were also provided with food assistance after their relocation. The above is in conformity with the World Bank's Operational Manual OP 4.12 on Involuntary Resettlement.

While the above is the case, government failed to adhere to the above international principles in some regards. For instance, the PAPs were not restored to their former or better position after resettlement as aspired to under the IFC Performance Standard 5 and World Bank Operational Manual 4.12 on Involuntary Resettlement. For instance, this study found that the PAPs' land sizes reduced and their incomes declined among other impacts after the resettlement.



Further, the PAPs especially the youth PAPs who dropped out of school are not benefitting from the refinery project as aspired to under the IFC Performance Standard 5.

More so, the PAPs who opted for physical relocation reported that their views were not considered in decision-making as they were resettled in a camp contrary to their requests among others; this was in contravention of standards set in the World Bank's Operational Manual 4.12. Further, in contravention of the same manual, this study found that government did not construct houses for 27 PAPs who opted for physical relocation.

It is noteworthy that this study affirmed that the IFC Performance Standard 5 and the World Bank's Operational Manual 4.12 on Involuntary Resettlement have provisions that are critical for the protection of PAPs' rights including the conduct and implementation of RAPs, restoring the livelihoods of PAPs, undertaking independent audits of the RAP implementation and others. However, implementation of the standards remains voluntary if government does not borrow finances from the IFC and World Bank to implement land acquisition projects.

A number of these standards including the development of a RAP, putting in place grievance handling mechanisms, restoring the PAPs to their original or better position after resettlement, undertaking compliance and completion audits, constructing all PAPs houses, providing moving assistance for PAPs who are physically relocated and others are not part of Uganda's laws.

This denies PAPs an opportunity to have their rights respected as this research shows under chapter 3.

It is however important to note that under section 16, the World Bank's Operational Manual 4.12 on Involuntary Resettlement provides that cut-off dates should be instituted to curb speculative behavior and ensure that the right persons are compensated. The IFC Performance Standard 5 provides the same under section 12. However, this study showed that the use of cut-off dates in Uganda is detrimental as PAPs are stopped from growing perennial food and cash crops, which results in food insecurity. This forces PAPs to use compensation monies to buy food when they resettle thereby reducing their ability to replace all their land among other impacts.

## CHAPTER THREE

### FINDINGS AND ANALYSIS

#### 3.0. Introduction

This chapter presents the demographic characteristics of the study population and findings of the study. Findings on the PAPs' access to land, their economic conditions, access to education, gender and inclusiveness and the PAPs' social relations are discussed.

#### 3.1. Demographic characteristics of respondents

The following are the characteristics of the PAPs that participated in this study.

**Table 1: Participants' Matrix**

| Type of participant   | No.        | Percentage |
|---|------------|------------|
| <b>Classification by compensation and leadership</b>              |            |            |
| Cash compensation PAPs  | 178        | 77.6%      |
| Physical relocation PAPs  | 52         | 22.4%      |
| District, local council and cultural leaders from Bunyoro Kingdom | 7          | 2.9%       |
| <b>Total:</b>   | <b>237</b> |            |
| <b>Classification by Gender</b>                                   |            |            |
| Men   | 146        | 61.69%     |
| Women   | 91         | 38.31%     |
| <b>Total:</b>   | <b>237</b> |            |
| <b>Classification by age</b>                                      |            |            |
| Youth   | 82         | 34.82%     |
| Adults  | 136        | 57.3%      |
| Elderly   | 19         | 8.01%      |

*Table 1 Field data*

## 3.2. Geographical distribution of respondents

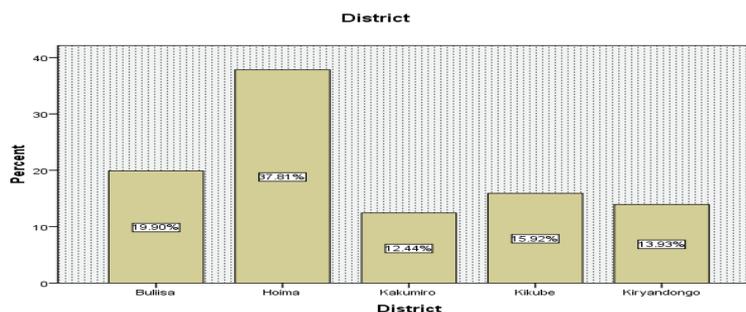


Figure 1-Geographical distribution of respondents

The above graph shows that Hoima district had the highest number of respondents at 37.8%, followed by Buliisa at 19.9%. Kikuube came third with 15.9% respondents while 13.9% of the respondents that participated in the research were from Kiryandongo. Kakumiro had the least number of respondents at 12.5%. Hoima had the highest number of respondents because this is where the majority of the PAPs resettled.

**3.3. Gender distribution:** Of the respondents, 61.7% were male while 38.3% were female. More males participated in the study because as household heads, they had more knowledge of their families' socio-economic conditions. The study however ensured that women were targeted in order to address gender issues.

**3.4. Age group:** The majority of the respondents were youth aged 18-35 years. This age group constituted 34.8% of the respondents. The group was followed by respondents aged 36-45 at 24.4%. Respondents aged between 46 and 55 stood at 20.9% while those aged 56-64 stood at 9.95%. Finally, the elderly respondents aged 65 and above stood at 7.46%.

**3.5. Education level:** 49.8% of the respondents had not attained any level of education while 43.3% had attained primary education. On the other hand, 5.5% reported that they obtained secondary education while only 1.5% had attained a certificate level of education.

**3.6. Marital status:** Eighty-one percent (81%) of the respondents were married while 6.5% were separated. In addition, 6.5% were widowed and 2% were living a single life but had earlier on stayed with husbands.

### 3.7. LAND IMPACTS

This study assessed factors that influenced the PAPs' choice of district in which they resettled. The study also assessed the refinery project's impacts on land ownership, access to land ownership documents and types of housing owned after compensation. Specifically, an assessment was undertaken to determine how government's compliance or non-compliance to commitments in the RAP impacted the PAPs' land ownership status, access to land ownership documents, the types of housing owned by the PAPs and others.

#### 3.7.1. Factors for choice of resettlement

The majority of the PAPs who received cash compensation and those who were physically resettled relocated within Hoima; the rest relocated to Kikuube, Buliisa, Kakumiro and Kiryandongo among other districts. Some relocated to areas such as West Nile and the Democratic Republic of Congo (DRC). This study found that the PAPs relocated to the places they did because of the following factors: 60.7% PAPs who received cash compensation relocated to the areas they did because of their own choice. Twenty-nine percent (29%) relocated to the areas they did due to family influence; others' decisions were influenced by lack of enough money to buy land in the preferred areas of relocation.

Based on the above findings, it can be argued that government abided by the commitment in the RAP to promote choice of resettlement options by the PAPs (RAP report, p.31). Government committed to allow the PAPs to either choose between physical relocation and cash compensation. This commitment was adhered to. However, it is notable that misinformation that PAPs who opted for physical relocation would be resettled in far off places spread, limiting the number of households which opted for physical relocation.

**One respondent from Bullisa district said,** *“Information that we would be resettled in faraway places like West Nile spread and many of us opted for cash compensation as a result. This information was corrected later on as we were told that we would be resettled in Hoima. However, a number of PAPs had already made up their minds to receive cash compensation based on the misinformation.”*

When it comes to physical relocation, government failed to adhere to the commitment to promote choice of relocation/resettlement for the PAPs. Land in Hoima, which wasn't of the PAPs' choosing, was identified by government for the PAPs who were physically relocated by government. Government also failed to relocate the PAPs who opted for physical relocation on a case-by-case basis (RAP report, p.viii). The PAPs who were relocated reported that they requested government to buy them land on a case-by-case basis as committed to in the RAP but government failed to do so. They noted that government's relocating them into what they call a squeezed camp has locked them out of economic activities such as animal rearing. They also noted that failure by government to relocate them on a case-by-case basis has bred social tensions, erosion of cultures and has had other impacts.

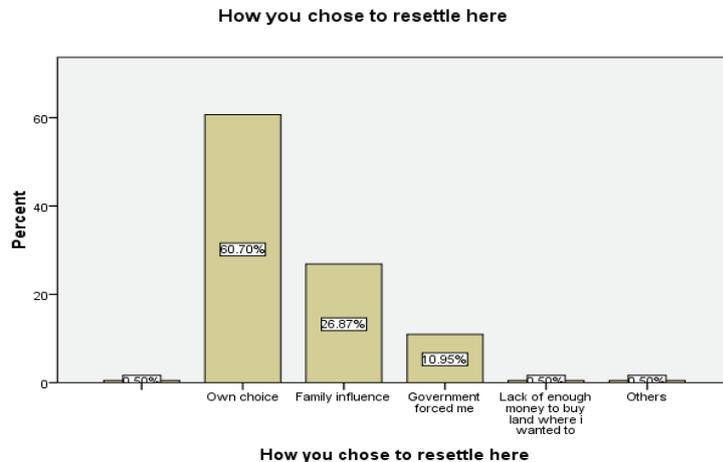


Figure 2: Choice of resettlement

**3.7.2. Land ownership:** This study found that 93.5% of the PAPs who took part in this research owned land before the resettlement. However, only 86.57% of the PAPs said that they own land following the resettlement. The other 13.43% said that they do not own land. It is noteworthy that the 13.43% PAPs who do not own land are the ones who received cash compensation. All (100%) the PAPs who were physically relocated reported that they own land as their land was replaced by government.

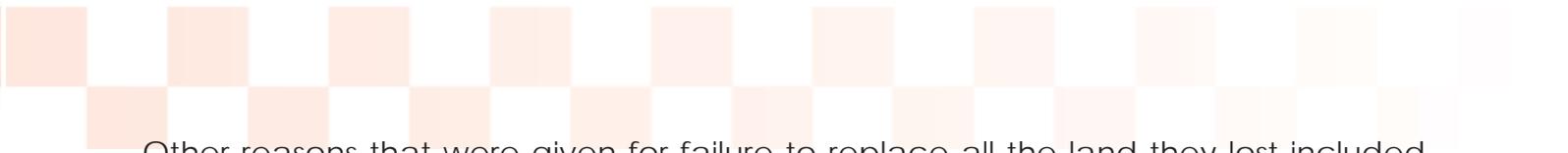
**3.7.3. Land size:** Further, this study found that the PAPs were unable to replace all or part of the land they lost. For instance, the number of PAPs who received cash compensation who do not own land increased from 6.47% prior to the resettlement to 14.43% after the resettlement, according to the PAPs. This means that the PAPs who do not own land more than doubled.

Further, this study found that the PAPs who received cash compensation who owned over five acres of land reduced to 16.92% from 36.3%. This means that the number of people who were unable to replace their land of five acres or more more than doubled. It is also noteworthy that after the resettlement, 58.7% of the PAPs who received cash compensation were only able to buy three acres or less of land. On the other hand, 9.95% bought land between four to five acres and only 16.92% bought land amounting to over five acres.

**One of the L.C.V chairpersons who participated** in this study confirmed that the land owned by the PAPs' reduced. He said, *"The PAPs did not benefit from the compensation they received save for few who had earlier established businesses and made them grow. Those who bought land, cars or other assets sold them and currently have nothing. They have small plots of land"*.

The PAPs who received cash compensation reported that they were unable to replace all the land they lost or only managed to buy small plots because they were under-compensated. They also reported that the delay to compensate them resulted in their compensation money losing value rendering them unable to buy land equivalent to what they lost.

Further, the PAPs reported that due to the placement of a cut-off-date of June 2, 2012 through which government stopped the PAPs from growing perennial food and cash crops on their land, the PAPs lacked food when they resettled in new places. They therefore used part of the compensation money that they would have used to replace all their land on buying food.



Other reasons that were given for failure to replace all the land they lost included using compensation monies to meet healthcare costs.

Failure by the PAPs to replace their land constituted a failure on the MEMD to implement commitments in the RAP. The RAP identified 7,118 people as being affected by the project (RAP report, p. vii). Of these, 2,473 were land owners and were eligible for compensation to enable them replace the land they lost.

Through the RAP, MEMD, committed to promptly, fairly and adequately compensate the PAPs (RAP report, p.9) in conformity with relevant national laws and international standards especially the IFC Performance Standard 5 and the World Bank's Operational Manual 4.12 on Involuntary Resettlement (RAP report, pp.vii and 31).

The RAP developers also recommended that the PAPs be put in the same or a better position than they were in prior to displacement in conformity with the aforementioned international standards (RAP report, pp.vii and 31). The MEMD committed to compensate the PAPs at full replacement cost so that they could be put in the same position as they were in prior to the resettlement (RAP report, p.9).

This study however found that the MEMD failed to live up to the above commitments which affected the land ownership status (more PAPs became landless) and size of land that the PAPs owned.

It is noteworthy however that the PAPs who were physically relocated had all their land replaced by government. However, as earlier noted, the PAPs were resettled in a squeezed camp and some of the PAPs' farmlands are located far from them, making farming, animal rearing and other economic activities hard, as earlier noted.

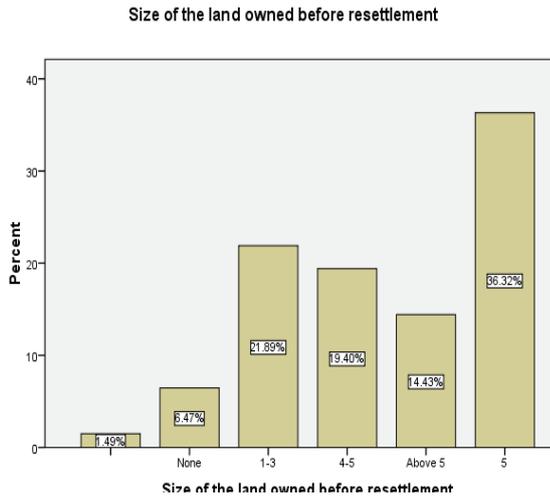


Figure 3: Size of land owned before resettlement

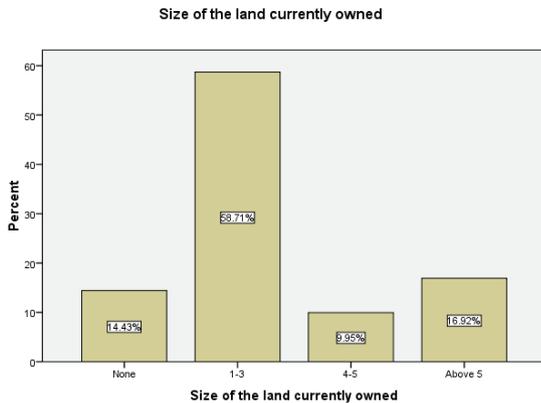


Figure 4: Size of land currently owned

**3.7.4. Land ownership documents:** The study found that 77.6% of the PAPs who received cash compensation had evidence of land ownership in the form of land titles, sales agreements and customary land ownership documents following resettlement. While the number of PAPs with land ownership documents was high, this study found that the percentage of PAPs without any land ownership document increased to 18.41% from 13.93%. All the PAPs who were relocated by government noted that they had not been given their land titles despite MEMD committing to do so through the RAP.

### 3.7.5. House ownership

One hundred percent (100%) of the respondents who participated in this study said that they owned houses prior to resettlement. However, after resettlement, only 77.6% for the PAPs who received cash compensation said that they owned houses. This means that the number of PAPs who received cash compensation and failed to replace their houses are 23.4%.

In addition, this study found that majority of the PAPs who received cash compensation currently own temporary houses; 68.16% of the PAPs who received cash compensation are living in temporary houses. The study however found that semi-permanent houses were the majority owned by the PAPs prior to the resettlement with 53.2% of the PAPs reporting that they owned semi-permanent houses prior to the resettlement. This means that the PAPs' housing conditions worsened. The PAPs who received cash compensation reported that they were unable to replace their houses because they were under-compensated and used the low compensation to meet immediate needs.

*"We had to rent houses before we constructed others, buy food and take sick children to hospital. The money reduced and we could not build permanent houses,"* **one female respondent in Kiryandongo said.**

The study further found that the PAPs who were physically relocated had permanent houses which were constructed by government. However, 27 of the households which were physically relocated by government were not provided with houses despite commitments by government to provide all PAPs who were relocated with houses.

## 3.8. ECONOMIC IMPACTS

This study assessed the economic conditions of the PAPs. The economic activities engaged in, average annual incomes and access to markets for the PAPs were assessed. The study found that the PAPs' average annual incomes drastically reduced, their access to markets declined and the ability to grow crops and keep animals for sale was negatively affected. Below are the findings.

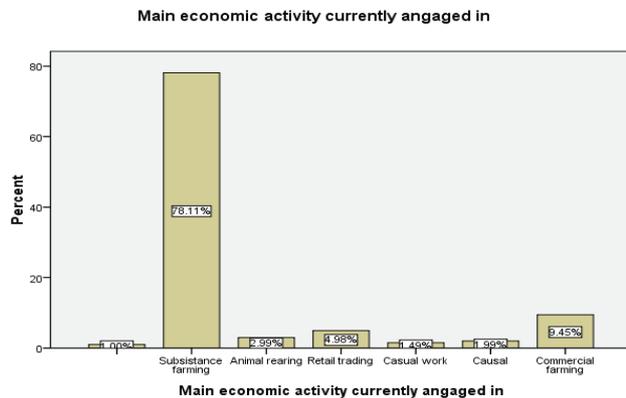


Figure 5: Main economic activity currently engaged in

**3.8.1. Economic activities:** This study found that the majority of the PAPs (78.11%) including those who received cash compensation and those who were physically relocated are engaged in subsistence farming. This was the PAPs' main economic activity prior to resettlement as identified in the RAP. However, where the PAPs grew as many as over five crops for sale including maize, cassava, bananas, beans and tobacco among others prior to the resettlement, today, the PAPs noted that they grow as few as two crop varieties. This had a negative impact on the level of income they earn.

*"I used to earn some money before coming here but ever since I came to this place, my income has declined because the land is infertile and I cannot grow a variety of crops to sale. The yields are also bad,"* **one female respondent from Bullisa said.**

**3.8.2. Average annual incomes:** This study established that the average annual income of the PAPs reduced after resettlement. Seventy-one percent (71.1%) of the PAPs reported that they used to earn an average annual income of over UGX 300,000/= prior to the resettlement. However, during the study, the PAPs who reported that they earn over 300,000/= stood at 31.8% after the resettlement. This represents a decline of 39.3%. It is noteworthy that the RAP reported that the average annual income of the PAPs was UGX 6, 226, 177 or USD 2,537 at an exchange rate of 1USD = UGX2,470 (RAP report, p.16).

This study found that because of inflationary pressures, under-valuation, delayed compensation and under-compensation contrary to commitments in the RAP, PAPs

who received cash compensation were unable to replace land equivalent to what they had prior to the resettlement. Because of reduced land sizes, the number of crops that the PAPs could grow reduced, resulting in lower incomes.

*"I used to have 39 acres of land in one place but now my land is in four sub-counties. If I am to dig there, I have to spend one month without seeing my family. I also used to have goats and cows but I now have nothing as the land I have is in different places. I can't keep animals in those different places when I am not there,"* **one respondent in Kakumiro said.**

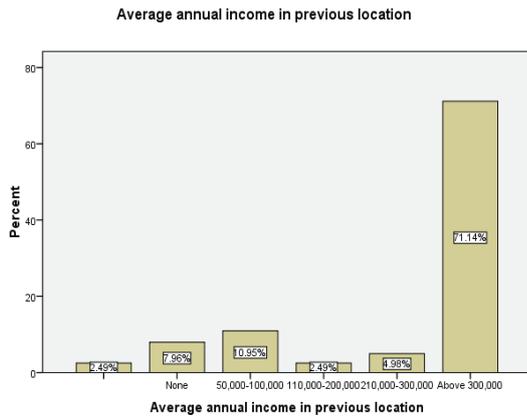


Figure 6: Average annual income in previous location

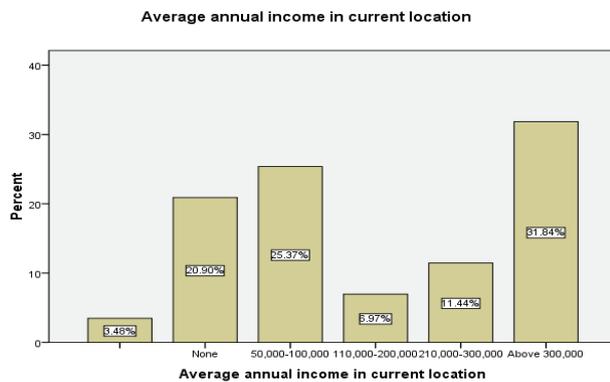


Figure 7: Average annual income in current location

**3.8.3. Access to markets:** The PAPs' access to markets was also assessed. The study found that 15.42% of the PAPs who participated in this study have to walk distances of 4km or more to access markets. The study found that only 1.99% of the PAPs had to walk the same distance to access markets prior to the resettlement. This means that the access to markets for 13.43% of the PAPs declined because of the refinery project. Because of lack of access to markets, the PAPs' reported being constrained in engaging in economic activity.

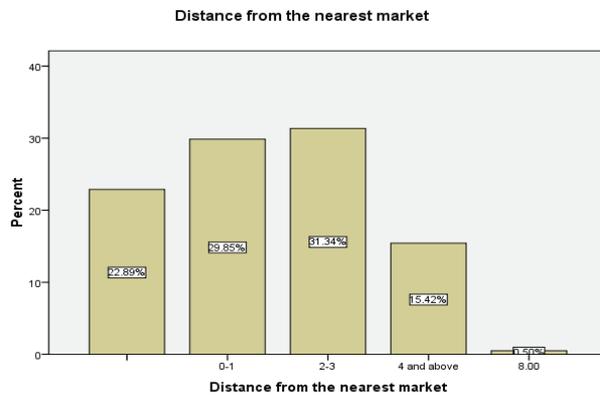


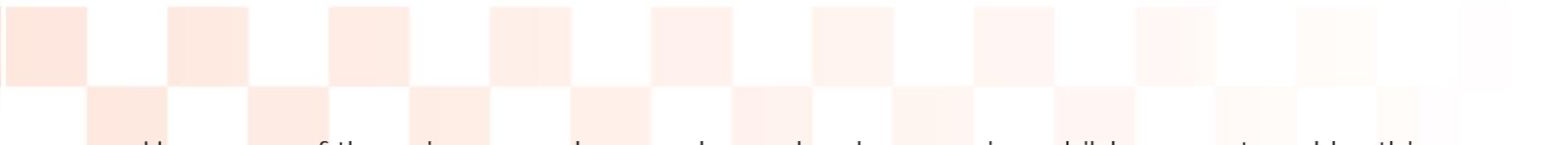
Figure 8: Distance from the nearest market

### 3.9. ACCESS TO EDUCATION

The study also assessed the impact of the refinery project on education. The school enrollment rate, school dropout rate and distances walked by pupils to school were measured.

**3.9.1. School enrollment:** This study found that the school enrollment rate was negatively affected by the refinery project. The RAP indicates that there were four primary schools in the refinery area among which included two government primary schools, Nyahaira and Kyapaloni primary schools (RAP report, p.18). The number of pupils in these schools was 926 (RAP report, p.19). Of these, 54% were boys while 44% were girls (RAP report, p.19).

In addition to the above, the RAP indicated that the overall enrollment rate among children aged 6-14 for primary going children was 91.1% (RAP, p.18). That of children aged 13-17 and 18-24 was 94.6%, 94.3% and 61.8% respectively (RAP, p.18). This means that the enrollment rate of the school age-going children was high.



However, of the primary and secondary school age-going children captured by this research, only 65.7% were in school. This is lower than the 94.6% and 94.3% enrollment rates for primary and secondary school pupils that were captured in the RAP.

The research found that the school enrollment rates declined due to a reduction in the land sizes owned by PAPs, which resulted in lower household incomes.

**One respondent in Kiryandongo said,** *“In Kyapaloni village before relocating here, I had four acres of land and I would grow a variety of crops. I also used to rear goats which would enable me [to] get money to buy for my children their school requirements. But see me right now: I only have one and half acres of land which is even exhausted. The crops don’t grow well. I don’t get enough money and I cannot pay school fees for my children.”*

Other factors that caused the decline in school enrollment rates as identified by the respondents included:

- Long distances that children have to travel to school in districts such as Kikuube. “We cannot send our young children who are aged between four and five to school. They can get raped or kidnapped,” one parent said.
- Language barrier in districts such as Buliisa: Alur-speaking children could not comprehend lessons delivered in Lugungu in lower primary. The lessons are delivered in local languages as this is a government policy and;
- Poor planning by government which resulted in the four schools in the refinery area collapsing in 2013 as teachers were compensated and they moved. The schools collapsed while the refinery-affected pupils whose families were supposed to be physically relocated had not been relocated yet.

**3.9.2. School dropout rates:** This study found that of the children belonging to the 230 households reached by this study, 69 girls had dropped out of school. The school dropout rate amongst girls stood at 34.3% therefore. In addition, 69 boys (34.3%) were also reported to have dropped out of school. This can be seen in the tables below (*refer to highlighted sections*).

### Number of girls dropped out of school

|       | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------|---------|---------------|--------------------|
| Valid | 12        | 6.0     | 6.0           | 6.0                |
| None  | 120       | 59.7    | 59.7          | 65.7               |
| 1-3   | 64        | 31.8    | 31.8          | 97.5               |
| 4-6   | 5         | 2.5     | 2.5           | 100.0              |
| Total | 201       | 100.0   | 100.0         |                    |

### Number of boys dropped out of school

|       | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------|---------|---------------|--------------------|
| Valid | 14        | 7.0     | 7.0           | 7.0                |
| None  | 118       | 58.7    | 58.7          | 65.7               |
| 1-3   | 67        | 33.3    | 33.3          | 99.0               |
| 4-6   | 2         | 1.0     | 1.0           | 100.0              |
| Total | 201       | 100.0   | 100.0         |                    |

The respondents reported that the delay by government to resettle them for over five years caused children to drop out of school.

**A leader in the Kyakaboga refinery resettlement area** said, *“We relocated here in early 2018 and our school started in second term with only four teachers. Some of our children who were in primary two when our land was acquired should by now have completed primary seven and continuing with other levels. These children dropped out. Look at them now moving around there. They cannot go and sit in primary two to study. Their future has been spoilt by this project and the government seems to have no arrangement for them. I am totally disappointed.”*

**A 15-year old respondent from Kyakaboga** said during an interview, *“I went to class in second term of 2018 and I felt I was not comfortable because I was the only big girl among the many children in class that day. I decided not to go back the following day and when my mother asked me why I was not going to school, I told her I was feeling shy to sit in class. I just asked her to allow me to start some small business.”*

### 3.9.3. Implications

This study found that PAPs who received cash compensation and had low education levels suffered worse economic impacts than those who were educated. The more educated PAPs fared better in terms of being able to replace their land –though this land was bought in various locations because it was difficult to find big land equivalent to what they lost in the areas they relocated to. The more educated PAPs were also able to set up permanent houses unlike their uneducated peers who set up temporary and semi-permanent houses.

This means that should the PAPs be affected by other ongoing oil projects including those for feeder oil pipelines as is already happening, they could suffer worse impacts. It is noteworthy that some of the PAPs who dropped out of school have transitioned to adulthood and own their own households. They would thus be in charge of decision-making should their families be affected by other projects.

In addition, Uganda’s National Content Policy for the Petroleum Sub-sector is aimed at ensuring that Ugandans including local communities participate in the oil sector through jobs, supplying goods and others. Without education, it will be difficult for the refinery PAPs to find employment in the oil sector

## 3.10. CULTURE & SOCIAL RELATIONS

This study also assessed the impacts that the oil refinery project had on culture and social relations.

**3.10.1. Cultural impacts:** This study found that PAPs’ cultures changed after the resettlement. The types of food eaten, language spoken and dressing of the PAPs was impacted.

*“It has been hard for us to maintain our dress code in this new place. While in Nyahiara [Hoima], we used to wrap kitenge [African print] around our waists. But here, we found that women dress in gomesis and dresses. We are trying to adjust,”* **one female respondent from Kikuube district said.**

Cultural and sacred property was also lost. One PAP reported that the wellbeing and peace of her family was lost due to failure to replace their shrine.

*“Our family had a shrine in Nyahaira which was lost after relocation. We need to perform rituals but we can no longer do so. As a result, one of my relatives*

*has been disturbed by the gods several times and as a family, we resorted to prayer. However, as a family, we feel we are supposed to go back to Nyahaira and perform some rituals or relocate the shrine to get peace,”* **the respondent said during an FGD in Kyakaboga, Hoima.**

The PAPs also reported that their burial customs had been affected.

*“We hate hearing that someone has died in this settlement in Kyakaboga. If someone dies in the Alur culture, men are supposed to spend four days and women three days at the burial site. This is no more because of the long distance between our homes and the cemetery. Moreover, the elderly cannot move long distances to bury their loved ones. Not burying one’s dead is against our culture,”* **one female respondent said during an FGD in Kyakaboga, Hoima.**

Through the RAP, government committed to minimise the cultural impacts of the project through compensating the PAPs to relocate graves of their departed ones and shrines (RAP report, p.39). In the event that the above were not relocated by the PAPs, government committed to work with Bunyoro Kingdom to relocate the graves and shrines.

In addition, government recognised that some PAPs especially men would misuse their compensation money and noted that this could have negative impacts on women and children (RAP report, p.32). As such, government committed to undertake financial literacy and monitor implementation of the RAP to minimise the negative impacts of the land acquisition.

Despite the above commitments, this study found that some PAPs misused their compensation money and they did not relocate their family’s shrines, which negatively affected the psychological wellbeing of some PAPs including women.

**3.10.2. Social ties:** The family and social ties of the PAPs were also affected. While the RAP recognised the importance of preventing isolation of the PAPs and committed to ensure that the PAPs integrated into society on resettlement (RAP, pp.viii and 34), some PAPs were isolated from their families and friends. Some PAPs reported having no family members at all in the places they resettled.

*“In my family, we used to stay as one [united] but after compensation, my relatives relocated to different places and we lost the social ties. Some went to West Nile and others to Nyakabingo [Hoima]. Others remained in Kabaale [Hoima]. We stay here with many tribes but one can’t get any support from*

*the neighbor like it was in Nyahaira [Hoima],” one female respondent from the Kyakaboga resettlement said during an FGD.*

An 18-year old PAP demonstrated the impact families suffered because of loss of social ties and lack of adequate psychosocial support following their displacement.

*“When we relocated from Kyapaloni [refinery-affected village] to Buliisa, my father and mother started fighting. My mother wanted us to live away from Lake Albert while my father wanted to fish and live by the lake. They kept fighting about this. Bad spirits started attacking me and a priest prayed for me. I got healed. However, the bad spirits turned to my father and he killed himself in February this year [2019],” the PAP said during an IDI.*

Ferrari *et al* (2014), Emmelin (2014) and others have demonstrated the link between domestic violence and mental health. The researchers showed that domestic violence can negatively affect mental health. Poor mental health is characterised by symptoms or conditions such as hearing voices, depression, suicide and others suffered by the PAPs.

**3.10.3. Friendships:** The refinery PAPs noted that they had made friends in the places they relocated to after the displacement. However, the number of the new friends were less compared to the friends they had before the displacement. The quality of the friendships was also reported to be lower than before the displacement.

*“I have friends but I cannot compare them to the old lost friends in my former place [Hoima] some of whom I had gone with to school,” one male respondent from Kakumiro said.*

Because of the reduced number of friends in addition to quality of friendships, the PAPs reported that they had less access to capital because they had fewer friends who were willing to lend them money.

*“These children need to go to school but I do not have money. I make less money than I used to in Hoima. If I were in Hoima, I would borrow some money from friends to take the children to school. I cannot borrow money here because I do not have friends to lend it to me,” one male respondent in Kiryandongo said during an IDI.*

**3.10.4 Social discrimination:** The PAPs also reported that they are labelled as being rich. As such, when they were buying land in districts such as Kakumiro and Kiryandongo, the land prices were hiked. In addition, the PAPs in Kikuube district reported that they



are discriminated against because they are perceived as being richer than others are. The PAPs noted that this discrimination sees them being denied community support during burials. The RAP did not foresee this impact and therefore provided no mitigation measures. This left PAPs vulnerable and seven years after the resettlement process was started, the PAPs are still suffering.

## CHAPTER FOUR

### 4.0. CONCLUSION AND RECOMMENDATIONS

#### 4.1. Conclusion

This study showed that the PAPs' socio-economic conditions were negatively impacted due to government's failure to implement commitments made in the RAP including commitments to promptly, fairly and adequately compensate the PAPs and commitments to restore the PAPs to their original or better position after the resettlement among others.

The PAPs' access to land and their land sizes reduced; this is true for the PAPs who received cash compensation. Further, the PAPs' average annual incomes declined. This is true for both the PAPs who received cash compensation and those who were physically relocated. More so, the refinery PAPs dropped out of school and other impacts were seen.

To guard against the above impacts in future land acquisitions, the following recommendations are made:

#### 4.2. Recommendations

##### Land

- Government should implement Article 26 of the Constitution by promptly, fairly and adequately compensating PAPs. In addition, the Constitution should be translated into local languages to ensure that communities are able to understand their rights.
- RAPs should be made public and summarised into local languages. This will enable the PAPs to make informed decisions.
- Further, the international standards set out in the IFC Performance Standard 5 and the World Bank's Operational Manual 4.12 on Involuntary Resettlement should be domesticated through being provided for in national laws. The international standards have provisions that are critical for the protection of PAPs' rights including the conduct and implementation of RAPs, restoring the

livelihoods of PAPs, undertaking independent audits of the RAP implementation and others. This will give the best practices the force of law.

- In addition, the use of cut-off dates should be time bound as cut-off dates that have no expiration dates fail PAPs from growing food for incomes and for home use. This negatively impacts the PAPs' ability to be restored to their original or a better economic position after resettlement.
- Amendments under the 1965 Land Acquisition Act should be fasttracked and they should define what prompt, fair and adequate compensation is. This will assist government and PAPs to agree on what prompt, fair and adequate compensation is to avoid conflicts. It is noteworthy that government officials keep advocating for abolition of the constitutional provision on payment of prompt, fair and adequate compensation prior to displacement. They argue that the constitutional requirement results in conflicts and consequently, delays in project implementation. Definition of the above terms will minimise conflict thereby minimising government's desire to acquire citizens' property prior to prompt payment of fair and adequate compensation. This has negative impacts as this study has shown.
- Further, DLBs should be left to operate independently so that they set compensation rates for crops and buildings of a none-permanent nature based on prevailing market conditions to enable the PAPs get fair and adequate compensation.
- In addition, CSOs and the media should be supported to play an oversight role over responsible government agencies and ministries during land acquisition projects. This will promote transparency, accountability and respect of PAPs' rights.
- Government and CSOs should organise exchange visits for PAPs to communities that already underwent compulsory land acquisitions to enable the PAPs learn best practices and mistakes to avoid in land acquisitions.

## Economic

- The livelihood restoration programmes committed to by government through the RAP for the oil refinery project should be implemented. Some of the livelihood



restoration measures such as training women in income generating activities such as tailoring committed to in the RAP have never been implemented.

- Government ministries and agencies that acquire land should conduct more effective financial literacy trainings to equip PAPs with the right financial skills to avoid or minimise wastage of compensation monies.
- Government ministries and agencies that compulsorily acquire land should effectively involve district local governments, CSOs and the media in monitoring their project's impacts on the income levels of PAPs. This will provide the oversight needed to restore or improve the PAPs' income levels and economic status.

## Education

- Government should avoid acquiring public infrastructure such as schools and should pursue all possible means to ensure that pupils affected by projects continue with their education even after compensation. Ministry of Education and Sports (MoES) should participate in land acquisitions to ensure that schools and education are not affected.
- The refinery PAPs also recommended that MEMD works with MoES to implement a skilling programme for the boys and girls that dropped out of school as a result of the oil refinery land acquisition and resettlement project.

## Gender

- Government agencies that are acquiring land should ensure that gender is mainstreamed into the land acquisition processes.
- Ministry of Finance in collaboration with the Ministry of Gender should monitor implementation of RAPs to ensure that women's rights are not negatively affected by land acquisitions. Where government agencies fail to ensure the above, Ministry of Finance should withdraw funding of errant government agencies.



### 4.3 LIMITATIONS OF THE STUDY

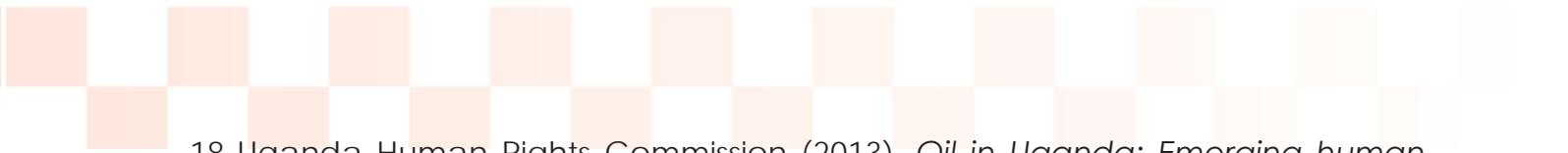
The following were the limitations of the study:

- Low levels of education which resulted into low self-esteem of the respondents;
- The PAPs were had to trace and;
- The distance between PAPs especially those who received cash compensation was long limiting access to them.

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## APPENDICES



*An FGD with oil refinery-affected women in Hoima district*



*An interview with an elderly refinery-affected man*



*An FGD with some of the girls who dropped out of school because of the refinery project*



*A key informant interview with Mr. Fredrick Kakoraki (R), the deputy L.C.V chairperson of Hoima district.*



One of the lead researchers (R) after a key informant interview with Bunyoro Kitara Kingdom's Owek. Robert Rukahemura (L).



A key informant interview with Mr. Kakuru Owanda, the L.C. 2 chairperson of Nyakasenene village, on the impacts faced by the refinery PAPs in his village.



An indepth interview with Mr. Patrick Tekakwo, the Secretary for security on the L.C.1 for Kiyogoma I village in Kiryandongo district.



An FGD with PAPs in Bullisa district



*An indepth interview with an elderly woman in Kiryandongo. The impact of the refinery project on the elderly was assessed.*



*An indepth interview with a pregnant woman in Kikuube. Lack of access to health services was one of the challenges women reported.*



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