April 2021; Issue 4

ENVIRONMENT, COMMUNITY ABUSES & INCREASING DEBT: IS UGANDA SEEING THE BEGINNING OF THE OIL CURSE?

AFIEGO following an April 2021 community sensitisation meeting with oil-affected persons in Kikuube district.

AFIEGO engaged EACOP and other oil-affected persons from over 87 communities in April 2021.

These shared their stories of pain and fears over the EACOP.

In April 2021, the Minister of Finance indicated that Uganda would engage its creditors to reschedule loan repayments.

Uganda’s debt stands at over UGX 65 trillion. Every Ugandan owes UGX 1.5 million.

Increased borrowing in anticipation of oil revenues amidst environmental and human rights abuses has led to fears that Uganda may not escape the oil curse.

In this newsletter:

- Increasing debt & EACOP rights abuses could be making of the oil curse: Uganda should do better
- Pictorial of our activities
- Lobbying
- In the media
- Upcoming events
The month of April was one of contradictions. On April 23, 2021 for instance, government approved the Resettlement Action Plan (RAP) report for the East African Crude Oil Pipeline (EACOP) project.

At the launch of the report, the Permanent Secretary for the Ministry of Energy and Mineral Development (MEMD) indicated that the RAP implementation may cost over UGX 65 billion ($18 million). Information from the EACOP RAP however indicates that the land acquisition costs for the priority areas will be $45 million.

The cost will enable government to acquire land from 3,792 EACOP-affected households. The pipeline will cover 296km in Uganda. The EACOP, which will be hosted in Uganda and Tanzania, will be 1,443km long.

As the RAP was being launched, the Minister of Finance, Planning and Economic Development (MoFPED) was also announcing that government may soon reach out to its big lenders such as the World Bank, China, the International Monetary Fund (IMF) and others to reschedule loan repayments.

Currently, Uganda’s debt stands at over UGX 65 trillion ($18 billion). Over 20% of Uganda’s 2021/2022 national budget will be spent on debt servicing. In 2020 alone, government borrowed over UGX 15 trillion (over $4.5 billion). This is the year that government had promised to announce the Final Investment Decision (FID).

Government continues to say that the increased borrowing is not tagged to anticipation of oil revenues. But the fact remains that since the discovery of commercial oil deposits in 2006 in Uganda, the country has witnessed increased borrowing.

With the increased borrowing, not even the 2000 debt forgiveness has helped Uganda avoid debt stress. Many Ugandans believe that government’s increased borrowing is the beginning of the oil curse for Uganda.

Indeed, during the month of April, the markers of the oil curse were evident not only in the form of the increased debts but also at community level.

In April, AFIEGO and our partners working to protect communities and the environment from oil dangers engaged people and leaders in 87 communities that were affected by the EACOP project’s land acquisition processes.

During the engagements in which we reached women, youth, the elderly, men, local leaders, religious leaders, local government leaders, members of the media and others, the human suffering caused by the EACOP project was evident.

The EACOP project-affected persons (PAPs) shared heart-rending stories. Elderly women spoke of fears that because they are being forced to live too near the EACOP as only part of their land is being acquired, their health was being put at risk.

"Why should I live out my last years in fear because the oil companies insist that I should live near a heated pipeline? I have seen what is happening to the health of the people who live near oil infrastructure in South Sudan and I don’t want to suffer like those people," one elderly woman said during our engagements.
Further, elderly men wanted to break down when they spoke of their dehumanization, and emasculation. They noted that as family leaders, they used to have a say as to how their land could be used. With the EACOP land acquisition processes however, their powers were taken away. As such, they can’t do little things such as rebuilding their family’s kitchens. They also cannot make decisions on where their family members get buried.

The people also decried the delayed compensation and intimidation due to the EACOP project.

In our Word from CEO and Partners, we bring you the EACOP-affected people’s voices of pain. We also show how the approval of the EACOP RAP will not address the problems faced by the EACOP PAPs. Combined, Uganda’s debt and mistreatment of the EACOP PAPs stand to put Uganda on course for the oil curse.

In our pictorial, we bring you some of the activities we implemented this month. For instance, we held community and stakeholder sensitisation engagements for over 87 communities that have been affected the EACOP project. We empowered the communities to defend their land and environment rights.

We also held over 12 community and stakeholder meetings with communities living around Bugoma forest in Kikuube district to strengthen them to defend Bugoma from oil and sugarcane threats.

We also met with government and religious leaders as well as organised media engagements to strengthen efforts to protect Bugoma forest. We directly reached over 500 stakeholders in our Save Bugoma Forest engagements.

Furthermore, we commenced the process of filing a High Court case against Hoima Sugar Ltd, the National Environment Management Authority (NEMA), National Physical Planning Board (NPPB) and Kikuube district among others over the above parties’ failure to enforce the Kikuube district Physical Plan of 2020-2040 to protect Bugoma forest.

We did much more as is captured in our pictorial section.

In our lobbying section, we bring you a communique that 44 civil society organisations (CSOs) issued. Through the communique, the COs rejected the secret agreements that were signed for the EACOP project. Furthermore, we issued a press statement through which over nine CSOs called on parliament to weigh the EACOP risks before approving a $130 million loan request for the EACOP project.

In addition, with our partners under the Inclusive Green Economy Network-East Africa (IGEN-EA), we issued a statement calling on government to prioritise investment in green economic sectors over dirty energy projects.

In the media section, we bring you some of the articles that were published from our media interviews in addition to articles that staff and our partners wrote. The articles were part of our public education and lobby in addition to advocacy efforts.

We hope you will enjoy the newsletter.

Editorial team:
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Dear reader,
If you are based in Uganda, you must be aware of the raging debate over Uganda’s escalating indebtedness.

While the Minister of Finance, Planning and Economic Development (MoFPED) previously indicated that Uganda’s economy was ‘swiiiii’, meaning that it was in the take-off stage, the same minister shared some bad news with Ugandans this month.

Instead of delivering Ugandans to middle income status by 2020 as promised by government, the Minister noted that Ugandans been delivered into great indebtedness.

The level of Uganda’s indebtedness has been discussed at length in the Editorial section and we will not belabour the point here. Overall, though, the country’s debt stands at over UGX 65 trillion. This debt is set to increase as the country borrows to invest in Uganda’s oil and infrastructure projects. Between $15 to 20 billion could be invested in the oil sector.

With choking debt, government says that the country could ask the country’s lenders to reschedule loan repayments, while borrowing more!

EACOP-AFFECTED PEOPLE’S PAINS
While debate on the country’s debt raged at national level, the pains of the EACOP project-affected persons (PAPs) simmered at community level.

As many of us are aware, the EACOP is a planned 1,443km pipeline that is expected to be built from Hoima in Uganda to Tanga in Tanzania. The EACOP will traverse a distance of 296km in Uganda.

Land for the pipeline is being acquired from 3,792 households in ten districts, 27 sub-counties, three town councils and 171 villages in Uganda.

The land acquisition processes for the EACOP commenced years ago and the people whose land is being acquired tell stories of pain. Unless the people’s grievances are effectively addressed, Uganda will be put further on course for the oil curse.

EACOP PAPS’ STORIES OF PAIN AND FEAR
(a) Land acquisition woes: The land acquisition woes of the EACOP PAPs have been repeatedly told but they are worth re-telling. In May and June 2019, Total, using powers conferred on the company by government, set cut-off dates through which PAPs were stopped from growing perennial crops, refurbishing their property and setting up any new developments.

The constitutionality of companies acquiring land on government’s behalf is questionable. The 1995 Uganda Constitution which confers on the Ugandan government compulsory land acquisition powers does not provide that government
may pass on these powers to a developer.

Be it is as it may, Total procured consultants including Newplan, ICS and others to conduct assessments and valuations of PAPs’ property.

And there began the EACOP PAPs’ stories of suffering.

(b) Intimidation: Among others, following identification of the EACOP corridor, the land acquisition process began with planning surveys and valuations. Socio-economic surveys of the EACOP PAPs were undertaken. The PAPs’ affected properties were also assessed and valued.

At this stage, PAPs report that disputes arose as some of their properties were not captured on the assessment forms.

Instead of meaningfully addressing their challenges, the PAPs were intimidated.

Security agents such as Resident District Commissioners (RDC), District Police Commanders (DPCs) and others were used to intimidate the PAPs. Todate, the PAPs continue to face intimidation as they try to defend their rights.

(c) Assessed but no assessment forms left: In addition, strange behaviour that can only be aimed at facilitation of corruption happened during the assessment phase.

PAPs especially those in Bunyoro report that though companies assessed their affected property, they did not leave any copies of assessment forms with the respective property owners. Instead, photos of the PAPs standing amidst their properties were taken!

(d) Not involved in setting of compensation rates: Prior to the assessment phase, the PAPs say that they were not involved in the setting of compensation rates for crops and buildings of a none-permanent nature.

Section 59 of the 1998 Land Act requires every district to put in place these compensation rates every year. However, since 2019 when the oil companies and their contractors commenced the assessment of the EACOP PAPs' property, PAPs say that they have never been consulted on the compensation rates as is provided for by the 1998 Land Act. This facilitated the under-valuation of PAPs’ property in several districts.

(e) Lack of grievance-handling offices in communities: Further, while many PAPs are unhappy with the land acquisition processes, they remain stuck. Companies refused to open offices in the affected villages. In areas such as Greater Masaka, Total does not have any known office, the PAPs say.

This has denied the PAPs the ability to lodge grievances. Moreover, the PAPs report that oil companies recruited local council officials on Resettlement Committees (RCs).

The leaders were supposed to protect the PAPs' rights. However, today, the leaders especially those in Bunyoro look at the benefits they can make from working with the companies and ignore addressing of the EACOP PAPs' grievances.

(f) Reduction in EACOP corridor while ignoring elderly’s fears: Land measuring 30 metres wide is being acquired from the majority of the PAPs. This means that some of the PAPs’ land will be left over and the majority of the PAPs will have the pipeline constructed near their homes. This has raised fears especially
amongst the elderly.

The PAPs fear that living near the longest heated crude oil pipeline in the world poses negative impacts on people’s health, wildlife and other critical biodiversity.

Ms. Jane Nalubowa from Kyotera district (2nd L), 75, is one of many EACOP PAPs who are fearful over living near an oil pipeline.

The PAPs are afraid that their health and ability to farm will be hurt by the pipeline.

(g) Fear of environmental degradation: Mr. Peter Twinamasiko is the vice chairperson of Nyakabaale village in Kikuube district.

During a community sensitisation meeting in Kikuube this month, one worry was foremost in Mr. Twinamasiko’s mind: the invasion of forests such as Bugoma by land grabbers and loggers!

“Ever since the discovery of oil, many unknown people have invaded [Bugoma] forest,” Mr. Twinamasiko says.

The majority of the PAPs we engaged this month said that since the commencement of oil activities in their villages, they have witnessed increased grabbing of protected land.

Both government and business people have encroached on protected areas or are conducting degrading activities including the construction of oil roads in the areas. The affected areas include Bugoma and Budongo forests as well as Murchison Falls National Park.

There were also plans to destroy Murchison Falls to build a hydropower dam and to build an oil pipeline across River Nile among others.

Communities especially in Bunyoro believe that destruction of these critical ecosystems will have grave environmental and social impacts because over 95% of the host communities depend on the environment to grow food, access herbs and others.

(h) Fear of climate change impacts: The PAPs also observed that they are witnessing violent rains and dry seasons. They think these will worsen with oil exploitation. The communities highlighted cases where oil has attracted bad people and these have destroyed forests, wetlands, parks, game reserves, rivers, lakes and other critical biodiversity resources.

Mr. Ronald Ssengabu (2nd R), whose kitchen collapsed but is unable to reconstruct it. Total refused the EACOP PAPs from refurbishing their property.

The PAPs have also perennially complained that they stand to be under- and unfairly compensated because of under-valuation of their property and delayed compensation.
RECOMMENDATIONS
In view of the above, the following recommendations are made:

i. Invest in cleaner energy sources: Government should invest the planned oil investments of $15-20 billion in clean energy sources such as offgrid solar which do not pose grave risks like oil and gas.

ii. Invest in tourism: Vision 2040 and the National Development Plan III (NDP III) identify tourism as one of the key sectors for Uganda. It is estimated that with strategic investments, the tourism sector could generate over $5 billion per year for the country by 2040. Unlike oil, tourism activities are environmentally friendly and sustainable for livelihoods.

iii. Government and oil companies should stop illegal processes: Failure to process the EACOP Resettlement Action Plan (RAP) report alongside the EACOP’s Environmental and Social Impact Assessment (ESIA) report as provided for under the law makes the EACOP RAP illegal and its implementation should be rejected. Communities should not be subjected to illegal processes.

iv. Stop intimidation: Government should arrest all those intimidating the PAPs who complain about the injustices being meted on them by the oil companies. CSOs should work with the PAPs to file cases against all those implicated in intimidation of the PAPs.

v. Development partners and home countries of international companies involved in the oil activities in Uganda should not allow the international companies to continue engaging in activities that threaten the environment and the lives of communities.

By CEO and Partners

In April 2021, AFIEGO and our partners empowered over 87 EACOP and oil-affected communities to defend their land and environment rights. Below are pictorial highlights.
April 6-15, 2021
AFIEGO and our partners organised community meetings for over 87 communities that have been affected by the EACOP project.

During the engagements, ways in which the EACOP PAPs’ rights could be protected were discussed. In the photo is a meeting with the EACOP-affected people in Kyotera district.

April 6-15, 2021
The aforementioned meetings with the EACOP-affected people were organised in the Bunyoro and Greater Masaka sub-regions.

During the meetings, community monitors in Bunyoro were identified to support the protection of the EACOP-affected people’s rights.

In the photo are some of the monitors and community members following a meeting in Kikuube district.

April 5-15, 2021
AFIEGO organised film screenings for EACOP-affected communities, sub-county leaders and members of the Inter-Religious Council from Bunyoro and Greater Masaka.

The films strengthened the stakeholders’ understanding of the impacts of oil and gas activities on the environment.

In the photo are community members and sub-county leaders during a film screening in Lwengo district.

April 5-15, 2021
Following the aforementioned film screenings, the EACOP-affected communities noted that government and oil companies have not learnt from past land acquisition processes which left many affected people cursing.

The people also observed that it would be hard for Uganda to avoid the environmental impacts of oil.

In the photo are communities from Kikuube district during a film screening.
April 5-28, 2021

AFIEGO and our partners under the Save Bugoma forest Campaign organised community meetings in which we engaged over 500 people living around Bugoma forest.

The meetings enabled formation of committees to support community actions to protect the forest. Signatures for a petition to the president to protect the forest from land grabbing, oil and sugarcane threats were also collected.

It is expected that the petition will be delivered in May 2021.

April 6, 2021

AFIEGO and our partners under the Save Bugoma Forest Campaign also organised a radio talkshow at Spice FM in Hoima district. We shared updates with communities and called on them to sign the petition to the president to protect Bugoma forest.

With our partners, we also called on communities to pressure Hoima Sugar Ltd, Bunyoro Kingdom and others to stop destruction of the forest.

April 6-8, 2021

AFIEGO and our partners organised engagements with district leaders in the EACOP-affected districts.

During the meetings, AFIEGO and our partners discussed the district leaders’ needs amidst the EACOP project. AFIEGO also shared publications highlighting the existing and potential impacts of the EACOP project.

In the photo are AFIEGO staff and Rakai district leaders following one of the meetings.

April 9, 2021

AFIEGO and our partners organised a press conference to launch a briefing booklet calling on parliament to weigh the EACOP risks before approving a $130 million loan for the EACOP project.

AFIEGO also shared the briefing paper with relevant MPs and district leaders this month.

In the photos are AFIEGO staff, CSO partners and the media during the launch.
Lobbying

This month, AFIEGO and 43 Ugandan as well as Congolese CSOs issued a communique rejecting the secret Tilenaga, Kingfisher and EACOP oil deals. This followed signing of the EACOP agreements by the governments of Uganda and Tanzania as well as the oil companies operating in Uganda. The agreements were signed on April 11, 2021.

Furthermore, AFIEGO and our partners under IGEN-EA issued a statement after the signing of the above agreements. We called on the Ugandan government to invest in green industries.

In addition, with the support of our partners, AFIEGO produced a briefing paper on the risks and prospects of Uganda’s oil sector.
This month, staff, research associates and youth champions wrote newspaper articles that were published in the leading newspapers. The media also published articles from the media interviews we held this month. Some of the published articles are captured below.
## Upcoming events

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<td>Makerere and Kyambogo universities</td>
<td>Student film screenings on impacts of oil and gas activities on the environment and community livelihoods</td>
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<td>May 10, 2021</td>
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<td>Petitioning NEMA to complete and operationalize the draft ESIA regulations</td>
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<td>Greater Masaka, Bunyoro and Kampala</td>
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<td>May 21-28, 2021</td>
<td>Hoima, Kikuube and Kakumiro</td>
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## About Africa Institute for Energy Governance (AFIEGO)

Africa Institute for Energy Governance (AFIEGO) is a public policy research and advocacy organisation dedicated to influencing energy policies to benefit the poor and vulnerable. Based in Kampala, Uganda, the organisation was born out of the need to contribute to efforts to turn Africa’s clean energy potential into reality and to ensure that the common man and woman benefits from this clean energy boom. Through lobbying, research and community education, AFIEGO works with communities and leaders to ensure that clean energy resources are utilised in a way that promotes equitable development, environmental conservation and respect for human rights.

**Our Vision**

A society that equitably uses clean energy resources for socio-economic development

**Our Mission**

To promote energy policies that benefit poor and vulnerable communities