

# **Social impacts of land acquisition for oil and gas development in Uganda**

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## **INTRODUCTION**

Irrespective of their purpose, large-scale development and infrastructure projects require land, and sometimes very large tracts of land (Vanclay, 2017a). Many development projects cause displacement and, if not managed well, resettlement can have negative consequences (IFC, 2012; Smyth & Vanclay, 2017; Vanclay, 2017a; Ogwang et al., 2018). All projects should adhere to international best practices which require that involuntary resettlement be avoided or at least minimised, and that, where resettlement is unavoidable, all people affected should be compensated fully and fairly, and the exercise should be conceived as an opportunity for improving the livelihoods of affected people, as well as requiring that all affected people have the opportunity to be involved in the resettlement planning process (World Bank, 2004; IFC, 2012; Vanclay, 2017a, 2017b). If the above principles are not adhered to, most often than not, land acquisition and resettlement leads to more impoverishments and conflict (Hong et al., 2009; AECOM, 2018).

## **INFRASTRUCTURE DEVELOPMENT IN UGANDA**

We examine six major projects associated with the oil operations in Uganda, each of which will have substantial land acquisition requirements. These projects were selected on the basis that most are at implementation stage. The six projects are: the Tilenga project; the Kingfisher project; the Kabaale oil refinery; the East African Crude Oil Pipeline (EACOP); the Hoima–Kampala Petroleum Products Pipeline (HKPPP); and the Kabaale International Airport.

### **The Tilenga Project**

The project forms part of the wider oil and gas development being undertaken in the Lake Albert region. The project footprint covers around 1,170 hectares (AECOM, 2018). According to Atacama Consulting (2018:7), the development of the Industrial Area and N1 Access Road required the acquisition of 317 hectares. The project will impact 610 people, of which 264 will be physically displaced – where people will lose residential land, dwellings and structures; 345 will be economically displaced, losing their means of livelihood, primarily crop production, livestock grazing and natural resource gathering, and 239 will be both physically and economically displaced.

While land compensation rates have been fixed at Uganda shillings 3,500,000/= (equivalent to USD 946) per acre, some community members in Buliisa led by the area Member of Parliament are demanding for 21,000,000/= (equivalent to USD 5,675). In what seems to be

the emerging culture regarding land acquisition in the region, the project affected persons have threatened to run to court for redress if their demands are not met.

### **The Kingfisher Project**

The Kingfisher oil development project is located on the Buhuka Flats at the shores of Lake Albert, where the proposed production facility will be built. It is situated in the administrative boundary of Kyangwali Sub-County in Hoima district. The developer is CNOOC Uganda Limited. The field is approximately 15.2 km long by 3.0 km wide and covers an area of 32.3 km<sup>2</sup>. Although much of the field lies under Lake Albert, the structural culmination in the Kingfisher Area lies under a narrow strip of land, some 10 km by 2 km, formed against the basin bounding fault (AECOM, 2018).

The total landtake for Kingfisher Development Project was approximately 340 hectares. There are 680 project affected persons with a total household population of 2,949 persons (Golder,2018:88). But this project will have adverse effects on the communities. The project affected persons will find it hard to access their land both for agriculture and grazing their animals. The social cohesion of these communities is likely to disappear as many will relocate to different areas. It is also very close to Lake Albert, which is the main source of livelihoods of the surrounding communities. On previous occasions, their access to the lake has been restricted (International Alert, 2015; Ogwang et al., 2018).

During the construction of the feeder pipeline, it will cross the river at various locations and this will impact of the water sources for the surrounding communities. To make it worse, some of the crossing points will pass through the existing points where the communities fetch water, and wash their clothes.

In a community whose livelihood depends on fishing (80 % in Buhuka flats, Hoima) and fuel wood (98.9% ) it is expected that the Kingfisher project will boost this even further, directly and indirectly, the social impacts of these projects cannot be underestimated. According to Golder (2018:95):

“people fear the worst, including an influx of foreign and disruptive people, increasing pressure on land, corrupt practices, increased prostitution and disruption of family life, lack of fair compensation for lost land and increased opportunistic land acquisition by outsiders, including government”.

### **The Kabaale Oil Refinery**

The refinery will be built on 5 km<sup>2</sup> within the Kabaale Industrial Park (KIP) which is part of the 29sq of land. The landtake for these infrastructure displaced over 7118 people from 13 villages.

### **The East Africa Crude Oil Export Pipeline (EACOP)**

The EACOP will start in Kabaale, Hoima district, and will end at Chongoleani, Tanga, Tanzania. The EACOP project comprises a 24 inch buried 1,446 km long pipeline through Uganda and Tanzania (296 km in Uganda and 1,150 km in Tanzania). The approximate landtake for this project will be 1,255 hectares. Passing through nine districts of Hoima, Kyankwanzi, Kikuube, Kakumiro, Sembabule, Lwengo, Gomba, Kyotera and Rakai in Uganda, the project will impact about 4,300 people along the 296 km pipeline corridor in

Uganda. Out of 4,300 project-affected people, 125 of them are in the identified four future camp locations which will host EACOP facilities in the districts of Kakumiro, Mubende, Sembabule and Kyotera. According to EACOP official, about 200 primary residents will require physical displacement; while other people will have economic impact only and will get compensation for this accordingly. The pipeline is likely to displace people physically, economically or both. Some of the communal resources like water streams and grazing land will be split in two thereby affecting the social cohesion of these communities.

### **The Hoima–Kampala Petroleum Products Pipeline (HKPPP)**

The proposed pipeline will transport refined crude oil products from the Kabaale refinery near Hoima to a distribution terminal located in Namwabula, commonly called Buloba in Wakiso district. The total length of the pipeline will be approximately 210 kilometres, and will take 121 hectares of land (Interview, Kampala, December 2018). The pipeline will transport various products, including jet fuel, gasoline, kerosene, and diesel fuel. Apart from the landtake, the distribution terminal will be built within the communities which has the potential of causing death due to blow-offs as a result of accidents and sabotage by aggrieved communities or just criminals. The consequences of this landtake on project affected persons will be two way, first some will be pushed from their present vicinity of urban setting to rural areas, where they can afford cheaper land, and will therefore miss the available social services, while some will be pushed further to urban areas, with high costs of living, which will in the long run be a problem to many of them.

### **Kabaale International Airport**

The Government of Uganda acquired 2957 hectares in Kabaale Township, Hoima District to create the Kabaale Industrial Park (KIP). The airport will be Uganda's second international airport. Construction of the airport has commenced and it is expected to be in operation by September 2019. Land acquisition for KIP commenced in 2012. A Resettlement Action Plan (RAP) was completed in 2012, with relocation or cash compensation options being available. Some 93 families chose to be relocated, while 2670 people opted for cash compensation. Payment of cash compensation commenced in December 2013, and by December 2017, the vast majority had been compensated. In 2013, some aggrieved persons, with the help of the African Institute for Energy Governance (AFIEGO, an NGO) resorted to court over what they called unfair compensation (Imaka & Musisi, 2013; Ogwang et al., 2018; Kinyera, 2019).

## **CONCLUSION**

This paper examined the social impacts of land acquisition for oil and gas development in Uganda. This was done by examining the required landtake and the corresponding numbers of Project Affected Persons for each of the six projects. When combined, these projects will take over 114,673 hectares of land and will displace over 14,977 people. The social impacts of these projects on the communities are many namely; the increased level of poverty, conversion of land previously used for agriculture to industrial purposes which might lead to famine in the long run, high costs of goods and services, and disruption of community disarticulation and people's livelihoods. Other notable social impacts are the "knock out

effects” where local users, mostly the poor, are pushed from higher value lands and end up encroaching upon more marginal lands especially the wet lands.

The influx of immigrants to the area in search for opportunities has been viewed by the local people as a threat to their survival due to competition for limited jobs opportunities. Since most of the land in the area is communally owned, there are tensions on how the land can be kept intact on the one hand, and how the community can cash in from such opportunities. The other challenge is how the proceeds from the sale of such land should be used. This is common among the communities in Buhuka Flats. Women still find it hard to own land, which is a major concern when it comes to compensation and their livelihoods, which have been worsened by the landtake for oil and gas infrastructure. On a positive side, these projects have created job opportunities for some people with the prerequisite qualifications, although not all those who are qualified can be absorbed. The infrastructure especially the road networks, dubbed locally as oil roads, in the region have greatly improved. The movements of goods and people have been made easy and cheaper.

We do recommend that the government and the oil companies should ensure that any landtake should not lead to impoverishments of the communities. Instead, the landtake should lead to the betterment of the lives of the project-affected persons and the surrounding communities irrespective of the resettlement options that they have chosen. Land grabbing and speculation should be addressed in order to protect the communities from being manipulated by the elite who are determined to benefit from such shoddy transactions at whatever cost.

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