

Oil Exploration Policies, Production and Revenue Sharing and its Impact on Corporate Social Responsibility in the Albertine Graben Uganda

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ABSTRACT

This study was carried out in order to ascertain how the policies on exploration, production and revenue sharing can be of significant value as far as corporate social responsibility (social investments) is concerned in the Albertine Graben Uganda.

The study concentrated both on primary and secondary data. The primary survey was critical component of the study as it would yield crucial data on how the policies on exploration, production and revenue sharing can be of significant value as far as corporate social responsibility (social investments) is concerned in the Albertine Graben Uganda. (Respondents), and officials from the ministry of lands zonal office, Officials from international oil companies, Local government officials, Political/religious leaders, Local council members, Bunyoro kingdom officials and Community members. The study was conducted in four districts on Hoima, Buliisa Kikuube, and Kakumiro in the Albertine Graben region; where a sample of 158 respondents was selected from these districts. Districts were selected using judgmental sampling and 158 respondents were selected using simple random and purposive sampling. Parameters on the basis of which research questions were formed to investigate the new laws related to extraction rights and social safeguards are affecting socioeconomic well-being of communities in the Albertine Graben.

From the field findings, the following were found out; Oil companies effectively follow government procedures and regulations, Oil companies follow international environmental laws, companies effectively Protect the environment from pollution, was open political discussion on oil matters, there was enhancement of agricultural productivity and community members were given casual jobs during vegetation clearing.

There is a need for more transparency and openness about the exploration and production rights and the signing of contracts. In regard to Land Laws, Ugandan government and all the stakeholders involved needs to reform its land policy to ensure that every Ugandan can access the land or can 'legally' own the land they live in by providing them with required documents to prove their ownership. The documents should be affordable and through a simplified process/language which everyone can understand, and they should be able to do this at their local administration centers such as at the sub county level.

There is need for developing a comprehensive monitoring system by the government of Uganda and the oil exploration companies and the urgent need for understanding of conflict management methods like early warning mechanism by the government officials and the staff of oil exploration companies who are at the centre of conflict.

KEYWORDS: Oil Exploration Policies, Production and Revenue Sharing, Corporate Social Responsibility

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Introduction and Background

In spite of Uganda's economy greatly being dependent on agriculture, a sector that contributes the greatest percentage the oil industry in Uganda has promised a bright future among Ugandans, it has started with faltering steps in terms of resettling the local communities and non-existent citizen's participation in the policy formulation process. The process itself is severely flawed as it is dominated by the ruling class, with minimal participation of citizens in employment and does not seek to tap into new trained technical skills and research. Even though the Oil Companies are not yet employing enough Ugandans in the industry, there is still lack of petroleum related skills which denies many young Ugandans a chance to get jobs in the oil industry.

The National Oil and Gas Policy supersedes the Energy Policy for Uganda published in 2002 in matters of exploration, development, production and utilization of the country's oil and gas resources. Apart from creating a conducive environment for petroleum exploration to continue in the country and the anticipated development, production and utilization of any discovered resources to take place, the policy also seeks to put in place a framework for the efficient management of the oil and gas resources as well as revenues accruing there from. Formulation of this Policy has been carried out through an extensive consultative process which has involved the review of policies of many petroleum producing countries, discussions with institutions of Government, local authorities and cultural institutions especially those in the areas with the potential for petroleum production in the country, civil society organizations and academia, among others. Implementing this Policy will require putting in place new legislation for oil and gas administration and management of petroleum revenues, developing and implementing a communication strategy to manage public anxiety and expectations, preparation of procedures and criteria for competitive licensing and creation of a new institutional framework for the sub-sector. The Ministry of Energy and Mineral Development will prepare a strategic plan for the implementation of those activities

The Need for a National Oil and Gas Policy The effort to establish Uganda's oil and gas potential has been successful and it has now been established that the country has commercial reserves of oil. Four oil fields namely Mputa, Waraga, Nzizi and Kingfisher have been discovered and a minimum of three hundred (300) million barrels of oil is estimated to be in place in the Kaiso Tonya area, which covers less than 5% of the entire prospective belt.

A significant level of investment continues to be made to undertake seismic surveys together with exploration and appraisal drilling in the country, and therefore the country's reserves are expected to increase as further exploration work is undertaken. These developments have necessitated putting in place a National Oil and Gas Policy to address the entire spectrum of exploration, development and production of the country's oil and gas resources more comprehensively than in the Energy Policy of 2002.

The broad objective of the Energy policy with regard to the petroleum sub-sector was to promote the petroleum potential of the country with a view of attracting investment in the sub-sector and monitor exploration programmes. Emphasis was laid on capacity building for petroleum exploration; acquisition of geo-scientific data and information; attraction of investments for more expensive petroleum exploration operations like seismic surveys and drilling; contract negotiations; and monitoring of exploration operations. The country now needs to focus beyond the oil discovery stage and plan for sustainable oil and gas production, processing and utilization, hence the need for a more comprehensive policy framework with robust objectives, strategies and actions.

The policy identifies the following issues for the country with regard to the petroleum sub sector:-

- Development of institutions, including legislation and manpower, necessary for effective management and regulation of the sub-sector.
- Establishment of the country's oil and gas resource base so as to facilitate short, medium and long term planning for the sub-sector.
- Management of the country's oil and gas resources together with the revenues accruing there from, in a manner that facilitates sustainable development and avoids distortion and destruction of the nation's economy.
- Managing the impact of an emerging oil and gas sub sector on, among others, the country's governance system, the economy, the environment and subsequently human development.
- Contribution of oil and gas resources to the country's energy mix.
- Ensuring that the country provides a conducive environment for attracting the levels of investment required to establish the country's resource potential and facilitate its development.

- Participation of the country's private sector and its entrepreneurs in the oil and gas activities.
- Management of expectations, arising out of the perceived benefits of oil and gas activities, together with the anxiety arising from some experiences of poor management of this sub-sector in other parts of the world.

Section 75 of the Public Financial Management Act 2015 (PFMA) provides for the sharing of royalty revenues with local governments, and cultural or traditional institutions named in the government gazette. But the law is vague about the precise sharing mechanism. The challenges that this is causing for districts in the oil-rich region were apparent in a workshop that NREGI held with civil society organizations there earlier this month: scarcity of details has frustrated local officials' planning and their management of public expectations. With production likely to start in just three years, the national government is running out of time to address these challenges.

Providing clarity to sub-national authorities is all the more important given the uncertainty that the energy transition has created around estimates of the total royalties that the Ugandan government will receive. Local governments and cultural and traditional institutions don't have a sense of how much funding they can anticipate. The speed of the world's shift away from oil will impact the price that the Lake Albert oil commands, as well as the potential for subsequent oil projects in the country.

The law states that six percent of total royalty revenues will be shared among the local governments "located within the petroleum exploration and production areas." How these areas will be defined is unclear. An early version of the public financial management bill specifying districts that will receive a share (including some districts which are not home to any granted petroleum licenses) has confused this issue further. This list was retracted in 2015, but another list is yet to be published by the Ministry of Energy and Mineral Development. One percentage point of the royalty due to the central government will also be shared with "gazetted cultural or traditional institutions." However, which institutions will be gazetted is similarly unclear.

Fifty percent of the local government share will be divided among local governments involved in production based on their production level or "impact," according to section 75 of the PFMA. The other 50 percent will be shared among all local governments based on "population size, geographical area and terrain." However, the formulas in the law's

schedule 6 only include production level and population size. Clarity is therefore needed from the government on whether the criteria in section 75 or the criteria in schedule 6 will be used, how each criterion is defined and, if the formulas are to contain more than one criterion, how the different criteria will be weighted. For example, the first fifty percent will likely be divided between five districts if production level is the only criterion, but it could be divided between a lot more districts if impact is also included depending on how it is defined. For example, if all the districts through which the East Africa Crude Oil Pipeline runs are seen as impacted.

The PFMA earmarks local governments' royalty revenues for "development purposes." However, there is a risk that local governments could apply a broad definition to development purposes and, as a result, won't spend petroleum revenues as intended. There is no instruction in the PFMA for how cultural and traditional institutions should spend their share neither of royalty revenues nor for what happens to royalty revenues that are unspent by recipient entities. Section 17 prevents local governments from retaining a budget allocation after the end of a given financial year. However, providing access to leftover oil funds in subsequent years will be important so that local governments don't spend money ineffectively to avoid losing it. This will also prevent them from smoothing spending as royalty revenues fluctuate with production and prices. Uganda therefore has significant work to do to ensure that revenue-sharing will benefit communities in the oil-producing region. But until the central government addresses the four gaps outlined above and provide clarity on the revenue sharing mechanism, local governments and communities will be making plans based on guesswork.

Problem Statement

Globally, oil and gas constitute one of the natural resources' countries have relied on to spur growth and development (Stevens 2003). Countries such as UAE, Norway and in Africa Botswana have been able to turn around their development trajectories and to raise the standards of living/wellbeing of their nationals due to the benefits accruing from oil and gas exploitation (Sarraf and Jiwani 2001: 9). Larsen (2006) attributes this success to Norway's ability to prevent rent-seeking and corruption which have been identified as core elements of the resource curse.

In Uganda, community policies responsible for promoting oil governance reforms have generally tended to place a stronger emphasis on the accountability rather than the capacity-strengthening aspects of the oil governance agenda. The key

elements involve the separation of policy, commercial and regulatory functions, often through the unbundling of national oil companies (NOCs) that have been performing multiple roles; new rules on transparency and accountability (T&A), particularly with regard to agreements between international oil companies and governments and on the management of oil revenues; and new public financial management rules regarding the management and expenditure of oil revenues, including a focus on sovereign wealth funds (Humphreys, Sachs and Stiglitz, 2007)

In addition, according to HOCADEO (2012) report on the baseline study on the current trends of oil exploration and social-economic implications of the emerging oil and gas industry on the livelihood security of the local communities in the Albertine region focused mainly on land ownership, employment, business opportunities, markets and access to health services. The report indicates that business opportunities from oil and gas exploration activities in the Albertine graben, local communities have not yet benefited. According to HOCADEO report (2012), 70% of the study respondents believed that oil and gas exploration has not yet benefited local communities, hence having a very huge bearing on the socio-economic wellbeing of the local communities. Many households have lost their land and property due to land grabbing, and the level of poverty continued to grow. And it's against such a background the study seek to examine the role of oil governance on socio-economic wellbeing of communities in Albertine Graben- Uganda.

Theoretical review

This study was underpinned on basic of Institutions concerned in the governance of oil exploration Political ecology as a driver for institutions: The concept of Political ecology is defined differently by various scholars (Robbins, 2012; Watt, 2000; Le Billion, 2001) with the term sustaining fundamental changes in the management of nature and rights of people working directly or indirectly with institutions like states or organizations to challenge current conditions. Le Billion (2001:564) argues that the people face unusual ecological circumstances when they have too much or too little resources, exposing them to high risks of violent conflicts. *Resource scarcity (generally renewable resources) and resource abundance (with respect to non-renewable resources)* all generate strife hence the best mode is to enlist the two angles. The linkage between these two elements puts forward the basic theoretical root for this study. This concern is explored more in the sustainable livelihood approach and Institutional theory.

Political ecology is seen as a measure that seeks to appreciate complex relations between nature and society through observant examination on means of access and control over resources and their implications for environmental welfare and sustainable livelihoods. (Watts, 2000: 257) This means that social institutional structures grant valuable controls over resources to avert conflicts that could emerge. Most recent research by Forsyth (2013:11) shows that previous approaches to political ecology embodied insufficient steps that aimed at separating environmental issues and politics in the environmental plan. This not only causes grave problems that lead to environmental strategies to inflict undue restrictions on livelihoods of marginalized people; it also heightens conflicts. In comparing political ecology to other rational meaning, *Forsyth (2013:20)* identifies political ecology as an *approach to environmental politics that allows the booming integration of political analysis with the formation and dissemination of understanding of ecology reality.*

Historical materialism by Karl Marx explains that in most cases especially in undeveloped economies like Uganda, the ruling class controls the means of production and the state. And the state provides institutions for the regulation and controlling conflict between the ruling classes and the appropriated classes which include workers, peasants, on behalf on the ruling class (Mamdani, 1976).

This theory helps to understand whether the oil production in Uganda and will the ordinary Ugandans benefit or exploited since most of whom are subsistence farmers and workers (appropriated class); or whether it will benefit the ruling class and the politicians, plus the International Oil Company investors, who are financing the exploration and other investments in the oil industry. It should be noted that the majority of Ugandans 70-80% are subsistence farmers and small scale workers or retail traders, who mostly depend on land production, about 15% are professionals and entrepreneurs, politicians and military officers these form the middle class; and the ruling class is composed of top politicians, the top military and their close relations.

The Oil and Gas Revenue Management Policy (2012):

The policy sets out a framework managing the anticipated revenues and integrating these into the existing Government systems while maintaining macroeconomic stability and avoiding risks (the "resource curse") associated with natural resources wealth. It therefore includes measures for: assessment and collection of revenues, governmental fiscal

transfers, macroeconomic policy management, and fiscal rules for managing revenues and oversights and controls (Byakagaba, 2013). Notably it proposes a fiscal anchor to manage volatility in oil and gas revenues to mitigate the risks to the economy from natural resource wealth. It does this by setting out the level of oil and gas revenues to be integrated on an annual basis within the overall fiscal framework, in a manner that limits the impact on other sectors of the economy. It also notes that the highest standards of transparency should be observed and that the Government should make the necessary arrangements to facilitate the joining of EITI. It is however noted that this has not yet taken place.

The Petroleum (Exploration, Development and Production) Act 2013:

The act regulates the licensing and participation of commercial entities in Uganda's petroleum activities and includes amongst others: provision for an open, transparent and competitive process of licensing; to create a conducive environment for the promotion and exploration of Uganda's petroleum potential and to provide for efficient and safe petroleum activities which ensure public safety and the protection of public health as well as liability on licensees for pollution damage without regard to fault (Section 130). It requires (Section 151) the government to make available details of agreements licenses and amendments. It is understood the new Production Sharing Agreement (PSA) model will emerge from this Act and will include procedures for allocation of licenses.

The Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act 2013,

aims amongst others to provide for an open, transparent and competitive process of licensing by the Minister responsible for petroleum; to provide for health and safety environment. It also requires priority to be given to competent citizens and entities in Uganda for the provision of local goods and services. The Act has, however, been criticized for granting the minister sole powers to award, suspend and initiate the development and implementation of policies concerning midstream operations among others.

Influence Oil policies on socio-economic wellbeing of communities

O'Rourke, Connolly and Just (2003) observed that oil exploitation and production has resulted into the degradation of the environment in form of depletion, oil spills, and deforestation without due consideration to its regeneration to the impoverishment of the host communities in Southern Sudan. This is because the degradation depletes water, air, soil, flora and fauna,

temperature, oxygen for the sustenance of life on the life-supporting planet (Ologunorisa, 2009). Literature further indicates that the lack of technological advancement to tap the product gas, burns the produced gas in a massive flares as waste and are released into the atmosphere (air/environment) without giving due consideration of its effects in the environment. Gas flaring without temperature or emissions control pollutes the air and released unacceptably high levels of carbon dioxide into the atmosphere (Ajugwo, 2013).

Ajieng, (2021) examined the effectiveness of petroleum act (2012) and international practice in protecting the environment in Ruweng Administrative Area. The study used a cross-sectional design and used a sample of 295 respondents. The findings revealed that, environment degradation in Ruweng Administrative Area is reflected in lost livelihood of residents, ecological destabilization through contamination of land and water bodies, thus leading to low agricultural production and reduction in fish and farming activities. It was noted that, oil extraction companies have undermined compliance to both international and South Sudan procedures and regulations. It was also noted, despite the revenues from oil and gas activities there is scanty agriculture production and animal husbandry, poor education system, poor medical facilities, and generally low infrastructure developments in South Sudan. This was due to, the lack of political will to actualize oil and gas policies, implementation and monitoring of oil policy and environmental management systems, exploration activities, strategic environmental assessment system, and oil reconnaissance activities.

Ofehe (1999) in a study entitled Hope for Niger Delta realized the vegetation in the oil extraction areas comprise an extensive mangrove forests, brackish swamp forests and rainforests. The large sizes of mangrove forests are estimated to cover approximately 5,000 to 8,580 km² of land in Niger Delta (Zabbey, 2004). Mangroves remain very important to the indigenous people of Nigeria as well as to the various organisms that inhabit these ecosystems (Osuji&Ukale, 2000). **Kharaka and Hanor (2003)** observed that, the oil activities have destroyed the extensive mangrove forests in the area. Apart from the illegal logging brought on by increased accessibility to forests, oil exploitation itself has depleted biodiversity, especially at ramp sites, flow stations and terminals. A lot of land degradation and forest deforestation were caused by oil induced fire and pollution on the environment in the region.

According to **Seitinger, et al., (1994)** while studying the behavior of oil spills soil and ground water suggested that the information of crude oil spill behavior is very crucial for assessment and evaluation of risk in contamination of oil and its impact. Oil and gas extraction can affect the environment in several ways. The severity of such oil spill incidents are dependent upon the type of accidents such as explosion, pipeline ruptures, blowouts, the geographical location, the cleanup processes and the techniques of control (**Katusiime, 2009; Ogbu, 2008; Fisher & Sublette, 2005**). It is further observed that in all processes of oil exploitation the environment is negatively affected (**Ojimab, 2010**).

One such negative impact is the loss or reduction of farm of land. For example, according to **Department of Petroleum Resources (1997)** in their annual report there are 150 spills every month in Nigeria, 647 incidents occur every year, 1,820,410.50 barrels of crude oil are lost through spillage. This has resulted into deterioration of most of the agricultural lands in the Niger State, increasing soil infertility due to the destruction of soil micro-organisms, and dwindling agricultural productivity (**Worgu, 2002; Chindah&Braide, 2000; &AnoliefoVwioko, 1994**).

According to **Chindah & Braide (2000)** in a study on the effect of oil spill on crop production in the Niger Delta, reported that oil spill on crops causes great damage to the plant community due to high retention time of oil occasioned by limited flow. The oil hampers proper soil aeration as oil fill on the soil surface acts as a physical barrier between air and the soil. In fact, oil pollution affects the physio-chemical properties of the soil such as temperature, structure, nutrient status and pH. Oiled shoots of crops like pepper and tomatoes may wilt and die off due to blockage of stomata thereby inhibiting photosynthesis, transpiration and respiration. Opara (2003) and (Nwankwo et al., 2011) reported that the ecological devastation due to oil exploration had rendered farming and fishing unproductive respectively, while pollution and continuous flaring of gas have created health hazards and rendered fishing and farming activities almost impossible in Nigeria.

In South Sudan, **Rueskamp et al. (2014)** in their studies, attribute contamination of drinking water to petroleum activities at TharJath and Mala Oil Fields in Unity State. Besides, a parliamentary fact-finding mission in 2013 found incredible evidence of environmental impacts in the oilfields in Unity and Upper Nile States. In addition, petroleum activities in Melut County in Upper Nile State have resulted in the loss of 37 villages and displacement of people whose

lands have been converted into 'produced water ponds,' soil excavation areas, oil rigs stations and pipelines and access roads corridors. Most produced water is released into the environment without undergoing treatment. Such untreated wastewater contains toxic chemicals that carry serious negative consequences for aquatic life, people, livestock and wildlife.

Oil policies and environmental degradation

Lucretia (2012) observes that the significance of environmental protection majorly includes preservation of biodiversity i.e. preserve water and land-based ecosystems that provide natural resources and natural services, preserve energy flow throughout the biosphere; healthy air quality i.e. decrease prevalence of circulatory and lung-related disease, increase quality of life for residents and excellent water quality i.e. preserve diversity of water dependent animals and plants, preserve various natural services of aquatic ecosystems (flood control, aquifer recharge, etc). The oil and gas industry is truly a global, with operations conducted in every corner of the globe. The global community relies heavily on oil and gas supplies for the foreseeable future. However, the challenge has been to meet world energy demands, whilst minimizing adverse impacts on the environment by conforming to current good practice (**as cited in Ajieng, 2021**).

The awareness and appreciation of the importance of environment has become a central issue to the global management of the oil industry and regulation. It is a global environmental practice to embrace environmentally sound industrial development for sustainable development (UNEP, 1993). Integration of development and environment should be approached in partnership between global and local stakeholders for the achievement of sustainable development & environment protection. It is observed that, international environment and oil extraction practices must adhere to environmentally sound practices for the effective management of oil and gas exploration and production norms based on UNEP and oil industry.

At the international level, Agenda 21 has structured issues to permit easy translation into national action plans. These issues include;

- Protection of the atmosphere
- Managing land sustainably
- Combating deforestation
- Combating desertification and drought
- Sustainable agriculture and rural development
- Conservation of biological diversity
- Protection and management of land, wetland and other ecosystems and,

➤ Management and disposal of waste material.

Other than Agenda 21, the international practices are also guided by the following conventions, protocols and treaties; UNFCCC, Kyoto protocol, OPEC, Montreal protocol, African convention on the conservation of nature and natural resources.

METHODOLOGY

This study used a survey method as it would give an idea on how the policies on exploration, production and revenue sharing can be of significant value as far as corporate social responsibility (social investments) is concerned in the Albertine Graben Uganda.

The study was carried out in Albertine Graben located in the Midwestern part of Uganda, mainly in the Buliisa, Kikuube, Kakumiro, Masindi, Kibaale, Kagadi and Hoima districts around Lake Albert. It extends from the northernmost part of the western rim of the East African Rift Valley to the border with South Sudan. This area was chosen because the development of oil in the Albertine Graben, which is the most species rich eco-region for vertebrates in Africa, will have an unquestionable ecological impact. Numerous parks and wildlife-protected areas are found along Lake Albert, Lake Edward, and the Nile River.

This study considered the population directly involved in the study was is 260 people and these were involved because of their knowledge on the role of oil governance on the socio-economic well-being of communities in the Albertine Graben and included: 8 officials from international oil companies, 150 community members, 36 political/religious leaders, 20 local government officials, 46 local council members.

RESULTS AND DISCUSSION

This finding attempts to draw socio-demographic profile of women respondents covered in the study.

The findings showed that; males greatly participated in the study as represented by 56% whereas 44% of the respondents were females; implying that the male respondents actively participated in the study and had good views since they take control of their families with a lot of concerns in as far as oil governance issues and activities in relation to socio-economic well-being of communities in the Albertine Graben are concerned. It further shows that the researcher was keen on matters of gender balance since issues of socio-economic wellbeing of communities concern both genders. This was important in the of oil governance and socio—economic well-being of communities as an aspect of gender was respected where both male and female were involved through this study.

On the issue of Classification of respondents by age, from the results and data analysis; the biggest percentage of the respondents represented by 44% was found to be 20-29 years these were followed by 30% of the respondents who were in the age bracket of 30-39 years, then 16% of the respondents were between 40-49 years and lastly were 10% of respondents who were 50 years and above. The age group (20-29) comprises of the biggest percentage which reflect a likely high number of many youth in the Albertine Graben making districts of Hoima, Kakumiro, Kikube, and Buliisa. This finding compares well with the national youth unemployment rates of the country which imply that the oil governance system has not catered the youth section in as far as the socio-economic wellbeing of communities in the selected district of Albertine Graben are concerned.

Classification of respondents by marital Status

The table below presents the summary statistics of the respondent's marital status.

Marital status	Frequency	Percentage (%)
Single	60	37.9
Married	70	44.3
Separated	20	12.6
Widow	8	5.0
Total	158	100

Source; Primary data (2022)

An assessment of the respondents' marital status was as follows; the biggest percentage of the respondents were found to be married as shown by 44.3% where as 37.9 % of the interviewees were found to be single, 12.6% of them were separated lastly 5.0% of the respondents were widowed implying that majority being married, they were responsible people with families and children to look after and hence need a better state of socio-economic at a community which can only be achieved through a good oil governance system. We disaggregated our respondents by marital status because experiences in oil producing countries has always posted varying results on the effects of poor oil governance on the people with varying marital status for example, Dadiwei (2003) has indicated that Gbaran communities are confronted with an increase in the number of teenage mothers with fatherless babies as a result of poor oil governance system. Oil governance systems in the Albertine region if they are not put into practice are thus likely to create many single mother families due to the associate factors against the socio-economic wellbeing of communities in the districts of Kikube, Kakumiro, Hoima and Buliisa. Therefore the study had to make an analysis of the sample respondents based on their marital status.

Classification of respondents on the business operation

The Table below illustrates summary statistics of the respondent's business operation

Occupation	Frequency	Percentage
Merchandise	40	24.4%
Electronic shop	10	6.4%
Boutique	20	12.7%
Restaurant	15	9.5%
Farmer	60	38.0%
Others	13	8.3%
Total	158	100%

Source; Primary data (2022)

According to table above, majority of the respondents represented by 38.0% revealed that they are farmers these were followed by 24.4% of the respondents who were involved in merchandise, 12.7% of the respondents of respondents said they dealt in boutiques, 9.5% of the respondents revealed that they were dealing in restaurants lastly but not the least 6.4% of the respondents revealed that they were dealing in merchandise and lastly 8.3% of the respondents said they were service sector employees. Implying that majority being farmers they have different views on oil governance system as they are likely to be affected indirectly. Some farmers for example often have high expectations on market for their produce as they anticipate that the booming oil and gas exploration activities will employ people who will need to be fed. Secondly in line with Okonta (2008, p.32) oil communities had subsistence farming as their main activity.

Ascertaining how the policies on exploration, production and revenue sharing can be of significant value as far as corporate social responsibility (social investments) is concerned in the Albertine Graben Uganda.

The study was to ascertain how the policies on exploration, production and revenue sharing can be of significant value as far as corporate social responsibility (social investments) is concerned in the Albertine Graben Uganda. The items showed the average response from the respondents for each item in relation to policies on exploration, production and revenue sharing can be of significant value as far as corporate social responsibility was concerned. The items were rated on the 5 point likert scale ranging between strongly disagree, disagree, not sure, agree and strongly agree. The findings are shown in table 4.5 below:

Table: 1: Frequencies on how oil policies on exploration, production and revenue sharing can be of significant value as far as corporate social responsibility was concerned

	Item	Strongly disagree	Disagree	Neither agree nor disagree	Strongly agree	Agree	Mean	Std. Dev
		N (%)	N (%)	N (%)	N (%)	N (%)		
1.	Oil companies effectively follow government procedures and regulations	6 (4)	10 (7)	12 (8)	70 (45)	60 (38)	2.35	1.12
2.	Oil companies follow international environmental laws	6 (4)	7 (5)	5 (4)	80 (50)	60 (38)	2.45	.452
3.	Oil companies Commitment to health and safety	72 (46)	62 (40)	6 (4)	10 (7)	8 (5)	3.2	1.11

Classification of respondent's level of education

Table 7: below illustrates summary statistics on respondent's level of education

Level of education	Frequency	Percentage
UCE	45	28.4%
UACE	32	20.2%
Diploma	28	17.7%
Degree	22	13.9%
Masters degree	15	9.4%
Others	16	10.1%
Total	158	100%

Source; Primary data (2022)

In the figure above, the biggest percentage of respondents were UCE holders as it was revealed by 28.4% of the respondents, then 20.2% of the respondents had UACE certificate whereas 17.7% of the interviewees had attained their qualifications in other different fields which included diplomas awards, 13.9% of the respondents were degree holders and lastly but not the least 9.4% of respondents had attained master degree; implying that majority being in primary and secondary levels of education, they could first and foremost read and write and second, they had adequate knowledge to understand and interpret the questions which were posed to them. However the findings also revealed that lower levels of qualification affected them from understanding how oil governance system works and it's the reason why there were land conflicts resulting from oil discovery and exploration effects because they were illiterate about the steps to take and instead they are taking the law into their own hands.

4.	Oil companies effectively Protect the environment from pollution	10 (7)	14 (8)	8 (5)	45 (28)	81(52)	1.43	0.72
5.	There is open political discussion on oil matters.	15 (9)	16 (10)	5 (4)	55 (34)	67 (43)	2.45	00.1
6.	Enhancement of agricultural productivity	8 (5)	10 (7)	3 (2)	92 (58)	50 (31)	3.25	00.1
7.	Improved animal husbandry	13 (9)	12 (8)	10 (7)	58 (36)	65 (41)	3.33	2.06
8.	Improved education system	63 (39)	55 (34)	15 (9)	10 (7)	15 (9)	4.35	1.1
9.	Improved health system in Albertine Graben	4 (2)	8 (5)	5 (3)	75 (47)	66 (41)	4.15	1.21
	Total mean						26.96	

Source: Primary data (2022)

Results in table above indicate that; 45% of respondents strongly agreed that; Oil companies effectively follow government procedures and regulations, 38% agreed

Similarly, respondents strongly agreed (50%) and 38% agreed that Oil companies follow international environmental laws; whereas in contrast 46% strongly disagreed and 40% disagreed to the statement that Oil companies Commitment to health and safety was adhered to; whereas views whether Oil companies effectively Protect the environment from pollution respondents (28% strongly agreed and 52% agreed)

And responses on whether there was open political discussion on oil matters (strongly agreed was 34%, those who agreed were 43%), and views on whether there was enhancement of agricultural productivity with respondents revealing (58% strongly agreed and 31% agreed).

Views on whether improved animal husbandry was made respondents (36% strongly agreed and 41% agreed). In contrary views on whether destroyed improved education system, respondents (39% strongly disagreed and 34% agreed) and respondents on whether community members were given casual jobs during vegetation clearing respondents (47% strongly agreed and 41% agreed to the statement) as views from the interview guide revealed “*where company machinery cannot reach then human labour was applied so youth from the community got casual jobs*”. The standard deviation did not divert much from the mean except for items 8 and 9.

Also, evaluation of how oil policies on exploration, production and revenue sharing can be of significant value as far as corporate social responsibility was concerned received a weighted mean of 2.99. This large movement of people has implications for fiscal expenditure and allocation as well, making it critical to capture land issues, demographics and changes in social infrastructure, including schools and hospitals and other physical infrastructure aspects such as roads

and telecommunications. As views captured from the INTERVIEW GUIDE revealed;

“Exploratory well drilling require large piece of land to carryout operations, radius takes 2-3km so in this case people are displaced especially where hydrocarbons appear in peoples land or farms. Environmental effects as a result of exploratory drilling such as vibration and sound also cause movements. This has led to changes in ownership of land and the implication has been land conflicts because the people fight for little land left as they look for new settlement.

Conclusion and recommendations

There is a need for more transparency and openness about the exploration and production rights and the signing of contracts. Uganda over the years especially from 2014 has been more open than before around the licensing processes, procurement, and bidding which is a big step forward in ensuring transparency in the industry, when compared to where it started from. But the more crucial part in this process– the contractual details of the PSAs - are still conducted in secrecy. This raises suspicion and doubt about the state’s willingness to be accountable to the public. It is impossible for transparency to be present when the most crucial document in the oil industry that determines how much Ugandans are gaining from the oil industry is kept in secret. All documents concerning the bidding, contractual and revenue inflows in the oil industry should be accessible to the people of Uganda for transparency and accountability.

Government of Uganda should ensure that appropriate environmental and socio-economic impacts statements are prepared for any future oil development in the community. Effective and independent monitoring bodies should be established in line with these statements to minimize negative externalities on the community.

Oil exploratory well drilling activities contribute to land conflicts oil companies, government should collaborate with the local officials through community based services by mobilizing and sensitizing the community through public awareness programs.

The government should consult the community before kick starting the project. In addition, a legal analysis must be conducted in to the practical and long-term ramifications of the current land laws as they are applied; including the protection of customary tenure governed by indigenous law, the benefits/drawbacks of customary land registry and registering via certificates of customary ownership and determine the extent to which land governance structures-including District Land Boards and Area Land Committees-are debilitated by bribery and fraud.

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