

Oil Governance and Socio-Economic Wellbeing of Communities in the Albertine Graben: Uganda

Ivan Lwanyaga¹, Prof. (Dr.) Ricardo Saaverdra², Dr. Charles Edaku³

¹Ph.D Scholar, Faculty of Management, Azteca University, Méx., Mexico

²Director and Chair International Programs, Azteca University, Méx., Mexico

³Director, Nkumba University, Kampala Campus, Kampala, Uganda

EXECUTIVE SUMMARY

The study was carried in order to examine how oil governance influence socio-economic wellbeing of communities in the Albertine Graben; Uganda. Ideally, 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 (Humphreys, Sachs and Stiglitz, 2007). In addition, according to HOCADEO report, (2012) 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 focus mainly should be on land ownership, employment, business opportunities, markets and access to health services. However, current reports on the socio-economic wellbeing of communities in the Abertine graben region indicates that business opportunities from oil and gas exploration activities in the Albertine Graben, local communities have not yet benefited as indicted in HOCADEO report, (2021) whereby 70% of the study respondents believed 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, limited employment opportunities have been realized by the people in the region, limited access to basic health service, to quality education among others still continues. And it's against such a background that the study sought to examine the contribution of oil governance on socio-economic wellbeing of communities in Albertine Graben- Uganda.

The study recommends the need for more research and training in this sector and young Ugandans should be encouraged to undergo further training to acquire the technical skills needed. Those who already have skills should be employed and government can ensure this by putting up quotas of how many Ugandans each company should employ at the licensing stage, as a conditional requirement to be fulfilled by all the companies.

Research has confirmed that communities in the Albertine Graben need to be empowered to own land, which is the common means of production and source of livelihood for Ugandans. In addition, the government of Uganda in collaboration with oil

companies and different stakeholder needs to put up stringent laws to protect the environment. The hydro-carbon industry is a highly destructive to the environment, and the Albertine Graben area where the oil is found is one of the richest in terms of fauna and flora; it is located on the shores of Lake Albert, a fresh water lake used for fishing that is a staple among the community of both Uganda on one boarder and Democratic republic of Congo (DRC) on the another. In addition, the area boasts a National park famous for bird watching activities, animal and plant preservations are in the same area. These attract tourism which is currently one of Uganda's foreign exchange earners. These need to be preserved even though Uganda earns income in oil, it needs

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economic diversification and tourism is the next best option at the moment.

Objectives of this study were:

1. To determine the relationship between new laws related to extraction rights and social safeguards contribute to the socioeconomic wellbeing of communities in the Albertine Graben.
2. To establish the contribution of policies on exploration, production and revenue sharing affect socioeconomic wellbeing of communities in the Albertine Graben
3. To analyse the role of transparency and accountability in the oil sector legislative framework on the socio-economic wellbeing of communities in the Albertine Graben, Uganda.
4. To assess the extent to which oil policies addresses environmental degradation concerns in the oil producing areas of Albertine Graben region of Uganda.
5. To advance a corporate governance model responsible for stakeholder engagement and social issues regarding the way the socioeconomic wellbeing of communities in the Albertine Graben can be improved.

Parameters on the basis of which research questions were formed

1. Relationship between new laws related to extraction rights and social safeguards
2. policies on exploration, production and revenue sharing
3. Transparency and accountability, oil sector legislative framework
4. Oil policies, environmental degradation and corporate governance model
5. Stakeholder engagement and social issues

Methodology Adopted:

The study used both primary and secondary data. The primary data was a critical component of the study as it yielded crucial data on the **oil governance and socio-economic wellbeing of communities in the Albertine Graben (Respondents)**, from officials of 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, Bulisa Kikube, 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.

Findings of the Study:

Profile of the respondents: males greatly participated in the study as represented by 56% whereas 44% of the respondents were females. The biggest percentage of the respondents represented by 44% was found to be 20-29 years. The biggest percentage of the respondents was found to be married. Majority of the respondents represented by 38.0% revealed that they are farmers. The biggest percentages of respondents were UCE holders as it was revealed by 28.4% of the respondents.

The new laws, extraction rights and social safeguards contribute to socioeconomic wellbeing of communities:

A strong positive relationship ($r=.703^{**}$, $p<0.01$) was established because .703 is close to 1, with a p-value of 0.000 which is less than 0.01 significance of the contribution of new laws and socio-economic wellbeing of communities in the Albertine Graben. The implication of the above relationship is that new laws influence Socio-economic wellbeing of communities in the Albertine Graben therefore this reminds the Oil exploration companies, government of Uganda, other concerned stakeholders the need to effectively streamline formulate the required laws or rather follow them if they are to achieve the target of socio-economic wellbeing of communities in the Albertine Graben.

A strong positive relationship ($r=.603^{**}$, $p<0.01$) was established because .603 is close to 1, with a p-value of 0.000 which is less than 0.01. This implies that the extraction rights contributed 60% on socio-economic wellbeing of communities in the Albertine Graben while 40% was contributed by other factors. The implication of the above relationship is that the extraction positively influences socio-economic wellbeing of communities in the Albertine Graben and therefore reminds the oil exploration or extraction companies, government and concerned stakeholders of the need to effectively follow the extraction right well if they are to achieve the solutions for improving the socio-economic wellbeing of communities in the Albertine Graben.

A strong positive relationship ($r=.503^{**}$, $p<0.01$) was established because .503 is close to 1, with a p-value of 0.000 which is less than 0.01. This implies that social safeguards contributed 59% on the socio-economic wellbeing of communities in the Albertine Graben while 41% was contributed by other factors. The implication of the above relationship was that if the people's properties are not respected while carrying oil exploration activities then the socio-economic wellbeing of communities in the Albertine Graben will not be achieved.

On how the policies on exploration, production and revenue sharing can be of significant value as far as corporate social responsibility is concerned: Oil companies should effectively follow government procedures and regulations for example protecting the environment while carrying drilling activities, road construction, pipeline construction among others.

On the impact of Transparency and accountability in the oil sector legislative framework on the socio-economic wellbeing of communities: there was ineffective oil policy management, monitoring and implementation and there was ineffective implementation of Environmental Management Systems. These ensures that information and services from the oil resources is available that can be used to measure the authorities' performance and to guard against any possible misuse of powers. In that sense, transparency serves to achieve accountability, which means that authorities can be held responsible for their actions. Without transparency and accountability, trust will be lacking between a government and communalities in the Albertine graben region. The result would be social instability and an environment that is less than conducive to economic growth.

On the extent to which oil policies addresses environmental degradation in the oil producing communities: NEMA has effectively managed land pollution, oil exploitation has destabilized the Ecological system and there was reduction of fishing and farming activities due to water pollution. In addition, several frameworks have been put in place to facilitate the monitoring and management of environmental and social aspects. These include a Strategic Environmental Assessment (SEA) of the oil and gas activities in the Albertine Graben which was undertaken between 2010 and 2013 and approved by Cabinet in July 2015.

On corporate governance model responsible for stakeholder engagement and social issues regarding the socioeconomic wellbeing of communities: *“Through sensitization, and compensation” “through proper planning and this can be done by gazetting oil towns within which they can build oil estates and roads hence enhancing infrastructural development in the Albertine Graben”.*

Recommendations:

1. Oil companies should engage household heads for direct dialogue based on principle of respect, inclusion and informed consent in resolving complaints.
2. Both the government and oil companies should demonstrate sincere commitment in oil pollution

clean-up exercises and apply international standards.

3. Oil companies in the community should establish affirmative action plans such as giving a certain percentage of job opportunities directly to members of the community.
4. Government of Uganda should embark on community-wide potable water projects
5. Government of Uganda should establish effective approach for ascertaining households who lost their agricultural produce to oil spillage and ensure that proper compensation is given to the communities.
6. Government of Uganda should improve the credibility of electoral process and reduce the high risk associated with political activities in the community
7. Government of Uganda should ensure that appropriate environmental and socio-economic impacts statements are prepared for any future oil development in the community.
8. Environmental monitoring agencies should be restructured and properly equipped with necessary machines
9. Agricultural research institutes should seek to develop crops or seeds that are tolerant to oil polluted soil.

1. INTRODUCTION

Introduction to governance

Fundamentally, governance conveys how the board of directors and managers "govern" business organization. Regardless of whether the business is organized as a limited liability company (LLC), cooperative or corporation, it has a board of directors (board of managers for LLCs) that are elected by the membership or investors to represent the member's or investor's interest in the company. Governance of a cooperative is a little different from governance under the other forms of legal organization. A cooperative's unique business organization is structured to provide benefits to its members through the various marketing and service transactions it provides. Conversely, LLCs and corporations are organized to provide returns to the owners/investors. This chapter begins with a discussion on some of the unique governance roles of cooperatives. These are customer, patron, owner and members.

1. **Customer role** - The customer's role, which is probably the most important role for agricultural producers, provides the opportunity for producers to sell products, buy production inputs and access production services. The mission of the cooperative is to provide these services.

2. Patron Role - A patron is a person who uses the cooperative to buy or sell. For example, a marketing cooperative provides the opportunity for a person to sell a product, regardless of whether it is commodity (e.g., corn) or a specialty type of livestock. Profits of the cooperative are distributed based on patronage (how much the cooperative is used). This is different from other forms of organization where profits are distributed based on the financial investment in the enterprise.

In the case of a value-added cooperative (new generation cooperative), a person's use of the cooperative (e.g. selling corn to an ethanol business) is maintained in strict proportion to the investment in the cooperative, so the patronage distribution of profits is the same as if the distribution were made based on investment. For example, if a farmer has provided 10% of the investment in a new generation corn-ethanol cooperative, that person would be required to provide 10% of the corn needed by the ethanol facility. The farmer would receive 10% of the profits from the cooperative because it provided 10% of the corn (patronage). Because patronage and investment are in the same proportion, the allocation of profits (10%) is the same as if the profits were distributed based on investment (10%). Many value-added businesses incorporated the use of delivery rights/requirements early in their history but many have since removed this restriction.

3. Ownership Role - There is a unique ownership role. The cooperative member has provided an investment and this investment, along with the patronage returns, are later redeemed by the owner/patron. In other words, equity is allocated back to the membership. This allocation (redemption) is governed by the board of directors based on the by-laws of the cooperative.

4. Membership Role - Membership provides the control function of the cooperative. Membership is provided to anyone who uses (patronizes) the cooperative. Control is based on the principle of "one member, one vote" verses "one share, one vote" as with other forms of legal structure. So, control of a cooperative is based on the number of individuals rather the number of shares owned by individuals. Members elect the board of directors at the company's annual meeting and vote on any other issues that are brought up at the annual meeting. The directors, through the cooperative's organizational structure, represent the member's interest in the cooperative. A cooperative's board of directors is often structured with geographic regions so that each region selects and has

representation from a board member. This is less common for other types of legal organizations.

When we think about these unique roles, the customer role is probably the most important for a cooperative. But the membership role can't be understated. The membership role is the essence of cooperative governance. So, when we think about governance, the members elect a board of directors to represent their interest with the cooperative manager.

A cooperative director has a responsibility to represent the membership's best interest. In a cooperative, the manager is not allowed to be on the board of directors, which is not necessarily the case in other legal structures. However, a good business practice is to treat the manager/CEO as if they were a member of the board of directors. So, when we think about governance we are thinking about that board and the things they do to govern the organization, or in this case the cooperative.

Principals of Governance

Next let's talk about governance principals. These are broad rules that underlie the business organization of a cooperative. Let's think about a value-added cooperative.

1. Cooperative benefits - Benefits arise in a cooperative where net income is distributed to patrons based on earnings. This is a unique role that publicly held organizations or private corporations don't have; the members that use the cooperative are the ones that share the benefits from it. This principle has been the founding principle for cooperatives that still exist today. Over time it has been a very important principle for cooperatives.

2. Control function - When we think about cooperative control we think about the democratic principle. Typically, cooperatives are represented by the one member, one vote principle. There are cooperatives that represent by volume, but these are not common. So, each member has one vote to cast for the board of directors, or any other issue at the annual meeting that affects the membership.

3. Ownership function - For LLCs and corporations, the individuals who invest money in the business are the owners of the business. For cooperatives, the individuals who use the cooperative are the owners of the business. Ownership is provided by the patrons who invest in the cooperative. Patrons (the individuals who use the cooperative to buy or sell) who use the cooperative are the individuals who finance the cooperative by providing a portion of their

patronage refund as equity. This equity is provided proportional to patronage in the cooperative. So, the patrons own the cooperative. This is an important principle of cooperatives.

- 4. Other principles** - Other governance principles often relate to things like education. The principle is that the directors have a duty to educate the cooperative patrons and its members about the benefits of the cooperative and its unique organization.

1.1. Governance: Definitions, Origin and Concept

1.1.1. Definition

1. "The traditions and institutions by which authority in a country is exercised" – Kaufman et al (1998)
2. The way "... power is exercised through a country's economic, political, and social institutions." the World Bank's PRSP Handbook (2009).
3. "The sound exercise of political, economic, and administrative authority to manage a country's resources for development. It involves the institutionalization of a system through which citizens, institutions, organizations, and groups in a society articulate their interests, exercise their rights, and mediate their differences in pursuit of the collective good "(Country Governance Assessment 2005).
4. "The exercise of economic, political, and administrative authority to manage a country's affairs at all levels. It comprises mechanisms, processes, and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences." UNDP.
5. In governance, citizens are rightly concerned with a government's responsiveness to their needs and protection of their rights. In general, governance issues pertain to the ability of government to develop an efficient, effective, and accountable public management process that is open to citizen participation and that strengthens rather than weakens a democratic system of government.
6. Refers to how any organization, including a nation, is run. It includes all the processes, systems, and controls that are used to safeguard and grow assets." (UNDP, 1997)
7. "The systems, processes and procedures put in place to steer the direction, management and accountability of an organization." Birmingham City Council. When applied to organizations that

operate commercially, governance is often termed "corporate governance"

8. "Promoting fairness, transparency and accountability" – World Bank
9. "A system by which business organizations are directed and controlled". OECD
10. "The manner in which power is exercised in the management of a country's social and economic resources for development. It is referred to as the quality of the institutions to make, implement and enforce sound policies in an efficient, effective, equitable and inclusive manner (The Asian Development Bank [ADB])

1.1.2. Origin of Governance

Kautilya in his articles Arthashastra elaborated the traits of the King of a good governance state as, "in the happiness of his subjects, lies his happiness, in their welfare, whatever pleases himself, he does not consider as good, but whatever pleases his subjects he considers as good (Sharmasastry, 1929).

Plato is credited with developing the concept of the Philosopher King as the ideal ruler. Aristotle was perhaps the first political theorist to deal with the term governance when he classified political organisations by indicating the manner in which they were ruled - a kind of numerical court of rule by one (dictatorship) a few (autocracy) or many (democracy). (Vayunandan, 2003).

Kautilya's state administration principles, enunciated about 2300 years ago, bear striking resemblance to modern day Welfare State model in respect of ideology, ideals, functions, assignments, duties, socio-administrative organisations, etc. It is actually surprising that even in those days, king or ruler's duties and obligations towards wellbeing and interests of State, society, nation citizens are clearly laid down as were the detailed guidelines for the governance of the kingdom in its varied field, like economic and financial administration, trade and commerce, agriculture and manufacture, mining, transport, village development, land use, taxation, punishments for negligence of duties assigned to superintendents of State and other employees as also private citizens (for development work).

Kautilya was interested both in the material welfare of the people but also in their moral welfare. Another interesting feature was that Kautilya's framework of governance which also included programmes for advancement of backward and vulnerable sections of the society. Kautilya's system of governance was quite modern in concept and contemporary in operational guidelines (Arora, et al, 2007).

1.1.3. Concepts of Governance

The concept of governance is understood in different manners by different scholars and authors. There is no one consensual definition of the term among the experts.

Different dimensions have been used to explain the term. The definitions also vary with the passes of time. Therefore, a chronological description of the movement path of the definitional changes of the governance would make the understanding clear to the readers. So, look at and read carefully the following description.

Governance means the Process of decision making and the process by which decisions are implemented or not implemented. Governance is an active concept. It encompasses fast changing political, social and economic milieu together with the international environment and conditions of operational governance. Modern concept of governance is participatory, responsive, consensus-oriented, transparent, accountable, effective and efficient, equitable and inclusive and follows the rule of law.

Governance is related with efficient and effective administration in a democratic framework an administration considered to be citizen friendly, transparent, citizen caring, responsive and respecting human rights at large. In the era of globalization, there are many streams of discourses doing the rounds within realm of political economy and political sociology at the national and international levels. Democracy, development and participatory governance are one such stream. Governance, reforms and development are another stream.

The concept of Governance has been in use at least since the fourteenth century. First it was used in France during that period that implied seat of government. It had begun range of meanings from the act or manner of governing its office or power, which made its synonymous with government, to being virtuous or wise in one's general behaviour.

Governance refers to a process of the act or function of exercising (usually legitimate) authority to regulate affairs of men in given territory, generally a State. In effect, it is the conduct of business of a policy or society. Again, because of a generally implied orientation of people in favour of a democracy, defined as a government of the people, by the people and so for the people, the "good" and "welfare" or "interest" of people is assumed to be the necessary and sufficient condition of governance (not to speak of good governance) and its legitimacy. (Arora, 2007).

In earlier period the term governance was used in a border sense of government, which is not suitable in

present times. Governance means more than maintaining law and order. In other words, we can say that it is a participative system in which those who are called upon to govern on behalf of the people are motivated with a will to giving their best, serving and doing good to the people, solving their day to day problems and making their lives more liveable, satisfying and enjoyable.

Governance is the exercise of political, economic and administrative authority to manage a nations affair It embraces all the modes good and bad that societies uses to distribute power and administer public resources. Governance is the manner in which power is exercised in the management of a country's social and economic resources for development (Frey, 2008).

1.2. The Governance: Definition, Governance Journey & Common Challenges

1.2.1. The Governance – Definition

In broad terms, governance is about the institutional environment in which citizens interact among themselves and with government agencies/officials (ADB, 2005).

Governance is the process of decision-making and the process by which decisions are implemented (or not implemented). Governance can be used in several contexts such as corporate governance, international governance, national governance and local governance.

Governance is the interactions among structures, processes and traditions that determine how power and responsibilities are exercised, how decisions are taken, and how citizens or other stakeholders have their say. Fundamentally, it is about power, relationships and accountability: who has influence, who decides, and how decision-makers are held accountable (IOG 2003).

Governance, "as the exercise of economic, political and administrative authority to manage the nation's affairs at all levels. It comprises of mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations and mediate their differences. Governance is not the sole domain of government but transcends government to encompass the business sector and the civil society (NEDA, 2006).

The Institute on Governance defines governance as the process whereby societies or organizations make their important decisions, determine who has voice, who is engaged in the process and how account is rendered (IOG, 2006). The need for governance exists anytime a group of people come together to accomplish an end. Most scholars agree that the

central component of governance is decision making. It is the process through which this group of people make decisions that direct their collective efforts. If the group is too large to efficiently make all necessary decisions, it creates an entity to facilitate the process. Group members delegate a large portion of the decision-making responsibility to this entity. In voluntary sector organizations this entity is the board of directors.

One simple definition of governance is "the art of steering societies and organizations." Governance is about the more strategic aspects of steering, making the larger decisions about both direction and roles. Some observers criticize this definition as being too simple. Steering suggests that governance is a straightforward process, akin to a steersman in a boat. These critics assert that governance is neither simple nor neat by nature it may be messy, The Institute of Governance (IOG) is a Canadian, non-profit think tank founded in 1990 with the mission to improve governance for public benefit.

Governance is complicated by the fact that it involves multiple actors, not a single helmsman. These multiple actors are the organization's stakeholders. They articulate their interests; influence how decisions are made, who the decision-makers are and what decisions are taken. Institute on Governance <http://www.iog.ca> Decision-makers must absorb this input into the decision-making process. Decision-makers are then accountable to those same stakeholders for the organization's output and the process of producing it.

1.2.2. The Governance Journey

UNESCO International Bureau of Education (n d) described governance as a structure and processes that are designed to ensure accountability, transparency, responsiveness, rule of law stability, equity and inclusiveness, empowerment and broad-based participation. It encompasses the system by which an organisation is controlled and operates, and the mechanisms by which it, and its people, are held to account. Ethics, risk management, compliance and administration are all elements of governance which are common across different jurisdictions and organisations.

Viewed from a practical point, governance is a process of interactions through the laws, norms, and power or language of an organized society (Bevir M, 2012) over a social system (family, tribe, formal or informal organization, a territory or across territories). It is done by the government of a state, by a market, or by a network. It is the decision-making among the actors involved in a collective problem that leads to the creation, reinforcement, or reproduction of social

norms and institutions" (Hufty, Marc, 2011). In lay terms, it could be described as the political processes that exist in and between formal institutions.

A variety of entities (known generically as governing bodies) can govern. The most formal is a government, a body whose sole responsibility and authority is to make binding decisions in a given geopolitical system (such as a state) by establishing laws. Other types of governing include an organization (such as a corporation recognized as a legal entity by a government), a socio-political group (chiefdom, tribe, gang, family, religious denomination, etc.), or another, informal group of people (ibid).

Governance According to UNDP

One of the governance challenges for many societies is the creation of a system that promotes support and sustains human development - especially for the poorest and most marginalized. However, the search for a clearly articulated concept of governance has just begun. Good governance is, among other things, participatory, transparent and accountable. It is also effective and equitable and it promotes the rule of law.

Good governance ensures that political, social and economic priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making especially over the allocation of development resources.

Governance has three legs with which it treks - economic, political and administrative. Economic governance includes decision-making processes that affect a country's economic activities and its relationships with other economies. It clearly has major implications for equity, poverty and quality of life. Political governance is the process of decision-making to formulate policy while administrative governance is the system of policy implementation. These three driving forces of good governance define the processes and structures that guide political and socio-economic relationships.

Governance embodies the state, but it transcends the state by including the private sector and civil society organizations. What constitutes the state is widely debated. Here, the state is defined to include political and public sector institutions. UNDP's primary interest lies in how effectively the state serves the needs of its people. The private sector covers private enterprises (manufacturing, trade, banking, cooperatives and so on) and the informal sector in the marketplace. Some say that the private sector is part of civil society. But the private sector is separate to the extent that private sector players influence social, economic and political policies in ways that create a

more conducive environment for the marketplace and enterprises.

Civil society, lying between the individual and the state, comprises individuals and groups (organized or unorganized) interacting socially, politically and economically - regulated by formal and informal rules and laws.

The concept of governance during late eighties and early nineties received added importance in the hands of multilateral and bilateral aid-giving agencies that used it as a pre-condition for providing aid particularly to the developing countries. In this context, in 1989, the World Bank gave the lead followed by OECD, UNDP and the UNESCO.

Governance according to World Bank

Among International organisations, the World Bank was the first body to use the term governance and defined it in the following words “the manner in which power is exercised in the management of a country’s economic and social resources by government (World Bank, 1990). Governance, in general has three distinct aspects. a) the form of a political regime - parliamentary or presidential, military or civilian, and authoritarian or democratic (Furio, 2017b) the process by which authority is exercised in the management of a country’s economic and social resources and c) the capacity of governments to design formulate, and implement policies and discharge governmental functions (World Bank, et al 1994). The terms usually describe conditions in a country as a whole.

Governance according to organisation for Economic Cooperation and Development (OECD)

The concept of governance by Organisation for Economic Cooperation and Development (OECD) denotes the use of political authority and exercise of control in a society in relation to the management of its resources for social and economic development. (Keping, 2018) The organisation outlines four key components of governance which include, legitimacy of government; accountability of political and official elements of government; competence of governments to make policy and deliver services, and respect for human rights and the rule of law (Srivastava 2009).

Governance according to UNESCO

In 1997 UNESCO defines governance as the process whereby citizens’ desires and interests are articulated for the positive social and economic development of the entire society and in the light of perceived common good. Governance means more than government. It refers to a political process that includes the whole society and contributes to the making of citizens, active contributors to the social

contract that binds them together (Pradeep, Vayundandan, 2010). Their sense of political efficacy is one of the indicators of democratic governance.

Governance: Contextual Uses

Governance since ancient times has been conceptualised as an ideal state or Rama Rajya. This notion endures even now, as good governance is seen to bring in happiness and welfare of the people. It is also associated with efficient and effective administration in a democratic framework. Intrinsicly, administration should be development oriented and committed to the people.

Governance as the Minimal State

In this sense, governance redefines the extent and form of public interference and the use of markets and quasi markets to deliver “public” services. The extent of any change is a matter of dispute. Indisputably, as regards United Kingdom, the size of government was reduced by privatisation and cuts in the size of the civil service. However, public expenditure remained almost constant as a proportion of Gross Domestic Product (GDP), public employment cut down only slightly in local government and the National Health Service, and regulation replaced ownership as the preferred form of public intervention with the government creating ten major regulatory bodies (Dalingwater, 2017:2-3).

Governance as Corporate Governance

In this use, governance refers to an arrangement by which organisations are directed and controlled. (Cadbury Report, 1992). Thus, the governance role is not concerned with running the business of the company, per se, but with giving overall directions to the enterprise, with overseeing and controlling the executive actions of management and with satisfying legitimate expectations for accountability and regulation by the interest beyond the corporate boundaries. All companies need to be governed as well as managed (Tricker, 1984)

Governance as New Public Management (NPM)

In its third use, governance is related to NPM, it initially, had two meanings. Managerialism i.e., introducing private sector management methods to the public sector and second sense, it refers to new institutional economics, i.e., Introducing incentive structures (such as marketing competition) into public service provision. Managerialism was the dominant strand in Britain before 1988 and after that new institutional economics become more prominent. New Public Management and entrepreneurial government share a concern with competition, markets, customers and outcomes. Governance calls for ore steering, providing impetus to other forces, rather than rowing.

The emphasis has thus been placed on ‘enabling’ rather than ‘providing’ (Larbi, 1999)

1.2.3. Common Challenges of Governance

Current demographic, financial and environmental challenges have increased the urgency for rethinking the role of government and the capacities it needs to govern. The quality, flexibility and effectiveness of public governance systems are central to countries’ capability to address future issues. In particular, governments are devising new policy instruments or reshaping old ones in radically new ways in efforts to support economic activity, spur new growth and strengthen the framework for well-functioning markets.

Governments have bought out financial institutions and bailed out selected private companies, are redesigning regulations and have increased public investment. It is difficult to foresee the potential implications that these measures will have over the longer term; interactions between governments, citizens, businesses and civil society may well function differently in the near term and perhaps far into the future.

Moreover, both climate change and the financial crisis have illustrated the importance of global governance systems, now that actions in one or several countries can have world-wide ramifications. As the world become more interconnected, governments need to be agile to respond quickly in dynamic environments.

Citizens are turning to the state, seeking immediate solutions to complex problems and demanding high-quality public services to meet their changing circumstances and needs. In addition, continuing technological evolution has raised citizens’ expectations from government for new ways to communicate and personalize services. Better educated and less deferential citizens are judging their governments both on their “democratic performance” the degree to which government decision-making processes live up to democratic principles and their “policy performance” their ability to deliver positive outcomes for society (OECD, 2009a). While society’s expectations of government are increasing, the resources available to meet these needs are becoming more limited. Now many countries are experiencing increased budget deficits, which will generate stronger pressure to reduce public spending. Under these circumstances, rethinking the role of government and the scope of its activities, as well as improving public sector efficiency and effectiveness have become more urgent. An agenda of “more for less” seems here to stay.

Most African rulers oppose liberal democracy for self-serving reasons, since this form of democracy erodes their monopolistic power and forces them to compete and compromise, provided there are checks and balances provided by democratic institutions. “Democratic institutions” are legal and constitutional entities that provide checks on power, such as a free press, an independent judiciary, and competing parties loyal to the nation or its people, with term limits on key power holders. Amartya K. Sen, the Indian Nobel laureate in development economics, was correct when he wrote that “no famine has historically taken place in a country with a free press” (Sen 2006).

In general, ethnic-, clan-, and religious-based political parties are not viable in promoting democracy or good governance. They are likely to create both intraethnic and interethnic political conflicts. They cannot be democratic by the very nature of their formation, since they are exclusive and prone to conflict, both within themselves and with other ethnic parties. For example, each ethnic party in Ethiopia today is split into two or more antagonistic groups, which are variously either aligned with the ruling party, exiled, or in rebellion. In contrast, enlightened political leaders can provide effective leadership in cooperation with other multiethnic nationals.

Political groups that continue to exploit the divisions that emerge with the breakup of large African states are likely to create massive destruction. Doing so could risk all that has been built up through the centuries by the successful historic evolution into a nation state. One example is the state of Ethiopia, with its ancient civilization. Ethiopia was the only African country never colonized by European powers. For politicians and leaders, the challenge is to bridge these deep historical and cultural connections for the benefit of all. To act in the narrow interests of one’s party can lead to failure.

Decentralization: At the national level, the policy of devolution of power and authority to sub-national governments is perceived as a method of re-establishing the African State and rebuilding its legitimacy from the bottom up. This process, although increasingly being implemented in Africa, is subject to some constraints, which include the lack of capacity of local administrations and the voicing of the population’s needs towards legitimate local governance. Other limitations are the low level of accountability of local government institutions and the necessity to improve the quality of service delivered.

Rule of law and Human Rights: The lack of respect by leaders and citizens for the rule of law and human

rights often poses a great challenge to stability. The judiciary in many states is handicapped by structural difficulties and inadequate funding. The independence, integrity, and performance of the judiciary would only be guaranteed through adequate funding, remuneration, modernization, professional staff, and regular training.

Public Administration: In this area, there are challenges in the reform initiatives undertaken by African countries. There is an urgent need to enhance public service capacity, the provision of adequate incentives to public servants to retain highly qualified and motivated staff, increase performance and accountability, as well as reducing corruption. The use of ICT in government requires further encouragement and service delivery improvement.

Peace and Stability: At the national level, wars, civil strife and the proliferation of light weapons militate against the efforts of some countries in the establishment of sustainable development. Some countries are still handicapped following current conflicts and others by the challenges of recovery following the termination of conflicts. The challenges following these include the consolidation of national capacities for the deterrence of governance crises, conflict and natural emergencies and taking initiatives on peace-building. Furthermore, relating to national security, there are challenges in the capacity to manage cross-border population movements and coping with drug and small arms trafficking, epidemics, and human trafficking, to mention a few.

Other challenges: Other important challenges at the national level include the lack of civic education among citizens and civil society leading to low participation in the political process at both national and local levels, low gender participation especially in the legislature, weak exploitation of the potential of traditional rulers in the governance process, and the lack of credibility of the electoral system, especially of the Electoral Commissions.

Continental Level

Institutional Capacity: The transformation from OAU into AU in 2002 redefined the objectives of the continental organization with priority accorded to the complex problems of economic development. There are still challenges in institutional capacity in spite of the institutional reforms that were carried out over the last decade. There are challenges in attracting the best African brains to work in the organization. The limitations are to a large extent emanating from inadequate funding and the non-competitive professional staff remuneration, but there is an on-going process to resolve.

Supranational Authority and Transfer of Sovereignty: There is the challenge of the transfer of sovereignty to the supranational authority. Regional economic integration ultimately implies the creation of a unified political state following its process of market integration. As of now, market integration is gradually occurring at the regional level in the regional economic communities (RECs), eight of which are designated as the pillars of continental economic integration. In effect, the transfer of sovereignty may be deemed to be made partially only to the RECs. As of now, there is no transfer of authority to the African Union Commission (AUC), but an Audit Report on the AUC is currently being considered by the ministers of Foreign Affairs. It is envisaged that the ministers will, in their recommendations, pay attention to this concern.

Financial Resources: There are also the challenges of inadequate financial resources for the operation of the organization. The assessed contributions from some Member States are not paid up sufficiently regularly to ensure smooth operation of the institution and the implementation of programs and projects. Governance of the organization is weakened and compromised as a result of unpredictable resources.

Other challenges: Other important governance challenges are to be found in the development of infrastructure, including the harmonization of commercial and transport laws and regulations. Progress in the development of a continental infrastructure, network of roads, railways, and air transportation is constrained by inadequate political commitment, human resources, and capital. In some cases, where agreements have been reached in regional road transport development, implementation projects run into delay difficulties as a result of mismanagement and corruption.

1.3. Theories of Governance

1.3.1. The “Institutional Theory”

According to Scott (2001) institutions are ‘social structures which have attained a high degree of resilience’. The institutional theory can be decomposed into three core thematic areas: the cultural cognitive, normative and the regulative. These three core thematic areas work in tandem and when combined with appropriate activities and resources, bring about stability and meaning to social life (Ibid, 48). Institutions operate at various degrees of power, ranging from *the ‘world system to localized interpersonal relationships’* and are affected by both periodic and constant change they entail stability (Scott, 2001). This implies that institutions have the inherent capacity to control and restrain behaviour thus being able to shape actions.

1.3.1.1. Theoretical Review

This study was underpinned on the 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) 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) This means that social institutional structures grant valuable controls over resources to avert conflicts that could emerge. Most recent research by Forsyth (2013) 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) 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).

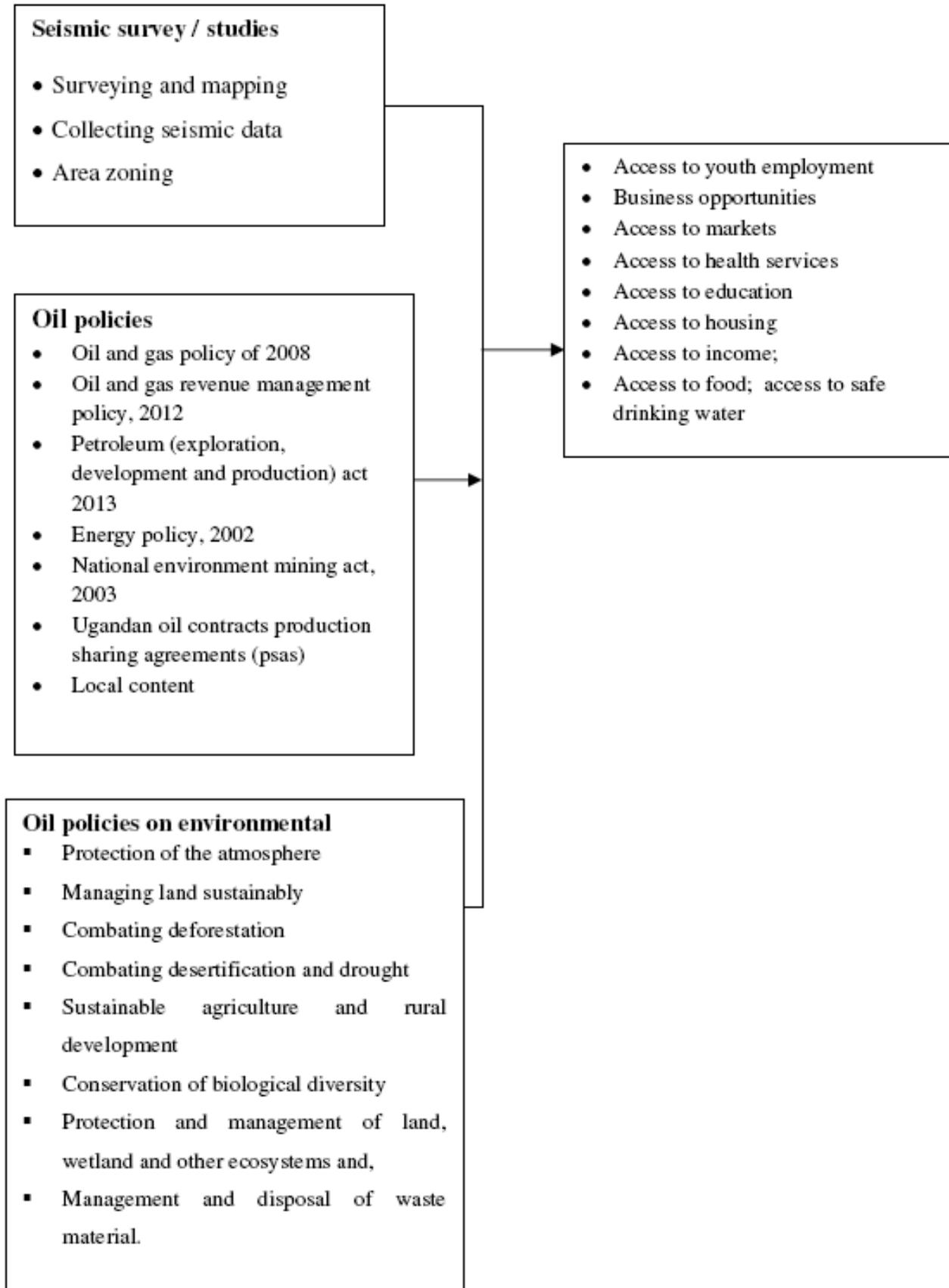
This theory will help me understand whether the oil production in Uganda will the ordinary Ugandans will benefit or will be exploited since most of whom are subsistence farmers and workers (appropriated class); or whether it will benefit the ruling class and the politicians, plus the International Oil 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.

1.3.1.2. Conceptual framework

Conceptual framework showing relationship between oil governance and socio-economic well-being of communities in Uganda in the mid-western region of the Albertine Graben

Independent variable

Oil Governance



Source: Adopted from Weiss, (1998), and modified by Research, (2022)

Figure 1: Conceptual framework showing relationship between oil governance and socio-economic well-being of communities

1.3.2. Models of Governance

Like the various definitions and contextual uses of governance, there are a few models of governance, which can be adopted by different countries. The key features of some of these models are discussed.

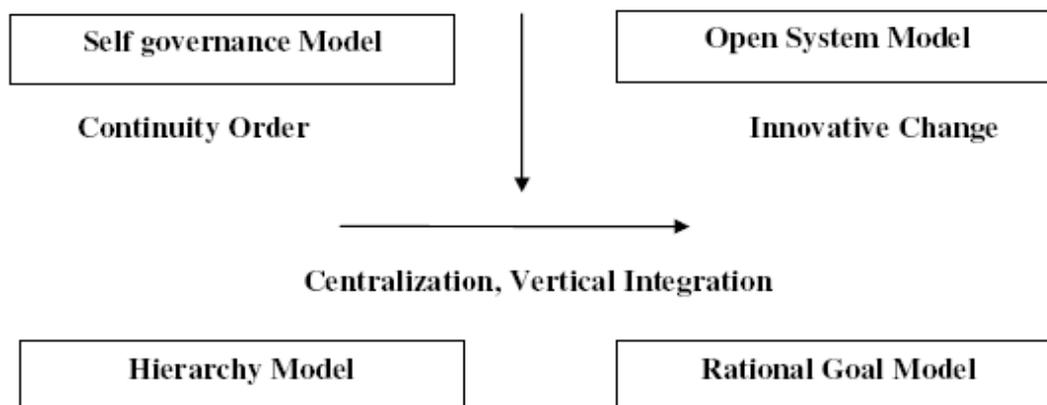


Figure 2: Models of Governance

In the above figure, the models of governance represent two dimensions of difference viz., the vertical axis and the horizontal axis. The vertical axis represents the degree to which power is centralised or decentralised. High centralisation means that there will be structural power integration of governance arrangements whereas high decentralisation means strong elements of differentiation with the governance system. The horizontal axis, on the other hand, represents the orientation towards change. Governance arrangements may be oriented towards the creations of continuity, order, stability and sustainability for bringing about innovation in order to respond to new economic pressures or shifting public expectations. When these two axes-vertical and horizontal, intersect, the following four models of governance are produced (Newman, 2001).

1.3.3. The Hierarchy Model

This model is oriented towards predictability, control and accountability. It is characterised by bureaucratic power and vertical patterns of relationships flowing up and down hierarchies. This model corresponds to the much-discredited form of governance in which the State exerts direct control over policy development and implementation through bureaucratic hierarchies. Change is very slow in this model, which is brought about by bringing about modifications in the legislation, rewriting the rules or guidelines, or producing new standards and procedures, all cascading down the vertical hierarchies of the governance system. A positive feature of this model is accountability, which tends to be high. The model is process-oriented and focused towards continuity rather than change. The other key features of this model are minimum risk, security order and standardisation and bureaucratic in nature. Policy formulation and implementation are functionally differentiated and formalised (Helen, 2017).

1.3.4. The Rational Goal Model

The model focuses on maximum output in a shorter period. Power, in this model, is dispersed across a wide range of agencies. Change is a basic feature of this model, which is brought about by altering incentives, with rewards (or at least the absence or penalties) attached to the delivery of targets and policy goals. Despite the devolution of power and responsibility, one sees a centralised approach in this mode. The goals and targets are cascaded from the government and the performance is monitored, inspected and audited very strictly. The basic characteristic of this model are; a strong means ends orientation and a pragmatic and instrumental approach. It also incorporates many of the characteristics of new public systems management. It emphasises on efficiency, economic rationalism and managerial authority. Accountability for outputs is high, but accountability for detailed expenditure and the probity of decision making would be lower than in the hierarchy model (Taylor 1911)

1.3.5. The Open Systems Model

In this model, emphasis is on network forms of interaction and iterative processes of adaptation. In terms of governance theory, this approach corresponds most closely to the 'network' model of governance described by Rhodes, Stoker, Kooiman and others. Differentiation is promoted through the decentralisation of power, enabling experimentation and innovation. This model encompasses multiple inputs and reflexive processes of development in which decisions can be adjusted in the course of new information. The system both influences and is influenced by the environment. It is fluid, fast and highly responsive. The boundary between policy and implementation becomes more fluid allowing feedback and learning during the policy cycle. Accountability in the model is low but the sustainability is high. Change is accomplished by

autopoiesis though self organisation and self-steering rather than as a result of external intervention (Kickert 1993)

1.3.6. The Self-governance Model

In the model the focus is on building sustainability for fostering relationships of interdependence and reciprocity. It acknowledges the role of civil society in governance, highlighting the relationship between State and citizen rather than limiting notions of governance to the actions of the State. Governments in many countries, including the present labour government in the United Kingdom may seek to work in 'partnership' with citizens, for example, to draw them in a co-producer of health and welfare services, or as partners in the development of sustainable solutions to social problems. In order to extend their legitimacy, the government may invite the public to participate in decision making as citizens or as the users of services. The approach encompasses models of democratic innovations, which include participative and direct democracy, and associational democracy in which civil society takes on functions previously performed by the State. (Hirst, 1994).

1.3.7. Related theories of Governance

If Max Weber and Woodrow Wilson were to suddenly appear on the landscape of modern public administration, normative theories in hand, it is likely they would be unable to recognize the field of governance. The comprehensive, functionally uniform, hierarchical organizations governed by strong leaders who are democratically responsible and staffed by neutrally competent civil servants who deliver services to citizens – to the extent they ever existed – are long gone. They have been replaced by an 'organizational society' in which many important services are provided through multi organizational programs. These programs are essentially "interconnected clusters of firms, governments, and associations which come together within the framework of these programs" (Hjern and Porter, 1981).

These implementation structures operate within a notion of governance about which a surprising level of consensus has been reached. There is a pervasive, shared, global perception of governance as a topic far broader than 'government'; the governance approach is seen as a "new process of governing, or a changed condition of ordered rule; or the new method by which society is governed" (Stoker, 1998). Similarly, in the scholarship that has followed the 'Reinventing Government' themes of public effectiveness; much has been written of New Public Management practices by which governance theory is put into action (Mathiasen, 1996; Lynn, 1996, 1998; Terry, 1998; Kelly, 1998; Peters and Pierre, 1998).

In this complex, devolved mode of service delivery, the unit of analysis for some students of policy implementation is the network of nonprofit organizations, private firms and governments. As Milward and Provan note, in policy arenas such as health, mental health, and welfare, "...joint production and having several degrees of separation between the source and the user of government funds...combine to ensure that hierarchies and markets will not work and that networks are the only alternative for collective action" (2000).

The discussions below describe the relationship of governance and other Public Administration theories, the New Public Management, in particular. The (mostly European) literature on governance and the increasingly international scholarship on New Public Management (NPM) describe two models of public service that reflect a 'reinvented' form of government which is better managed, and which takes its objectives not from democratic theory but from market economics (Stoker, 1998). While some use the terms interchangeably (for example, Hood, 1991), most of the research makes distinctions between the two. Essentially, governance is a political theory while NPM is an organizational theory (Peters and Pierre, 1998).

As Stoker describes it, Governance refers to the development of governing styles in which boundaries between and within public and private sectors have become blurred. The essence of governance is its focus on mechanisms that do not rest on recourse to the authority and sanctions of government. Governance for (some) is about the potential for contracting, franchising and new forms of regulation. In short, it is about what (some) refer to as the new public management. However, governance ...is more than a new set of managerial tools. It is also about more than achieving greater efficiency in the production of public services (1998). Peters and Pierre agree, saying that governance is about process, while NPM is about outcomes (1998).

Governance is ultimately concerned with creating the conditions for ordered rule and collective action (Stoker, 1998; Peters and Pierre, 1998; Milward and Provan, 2000). As should be expected, all efforts to synthesize the literature draw from theories found in the separate traditions. Berman owes debts to Van Meter and Van Horn (1975, 1976) and Goggin, et al (1990), among others. See Kaboolian (1998) for a description of reform movements in the public sector that collectively comprise "New Public Management" (NPM) adopt her definition of NPM as a series of innovations that considered collectively embody public choice approaches, transaction-cost

relationships, and preferences for efficiency over equity notes, the outputs of governance are not different from those of government; it is instead a matter of a difference in processes (1998).

Governance refers to the development of governing styles in which boundaries between and within public and private sectors have become blurred. The essence of governance, and its most troublesome aspect, according to its critics, is a focus on mechanisms that do not rest on recourse to the authority and sanctions of government (Bekke, et al, 1995; Peters and Pierre, 1998; Stoker, 1998; Rhodes, 1996, 1997). Stoker (1998) draws five propositions to frame our understanding of the critical questions that governance theory should help us answer. He acknowledges that each proposition implies a dilemma or critical issue.

Governance refers to institutions and actors from within and beyond government. (But there is a divorce between the complex reality of decision-making associated with governance and the normative codes used to explain and justify government). The question, as it relates to policy implementation, is one of legitimacy. The extent to which those with decision-making power are seen to be legitimate (in the normative sense) will directly impact their ability to mobilize resources and promote cooperation and build and sustain partnerships. Thus, the normative dilemma has pragmatic overtones. Beetham suggests that for power to be legitimate it must conform to established rules; these rules must be justified by adherence to shared beliefs; and the power must be exercised with the express consent of subordinates (1991).

Governance identifies the blurring of boundaries and responsibilities for tackling social and economic issues. This shift in responsibility goes beyond the public-private dimension to include notions of communitarianism and social capital. (However, blurring of responsibilities can lead to blame avoidance or scapegoat). An interesting research area that has grown in scope and importance following the implementation of welfare reform is the study of faith-based organizations' role and impact in service delivery. Public agencies have not merely endorsed or encouraged this partnership, but in some cases have institutionalized these arrangements. This suggests a shift in responsibility beyond the more traditional notions of contracting out and privatization. At the same time, all of these activities contribute to uncertainties on the part of policy makers and the public about who is in charge and who can be held accountable for performance outcomes.

Implementation theory must attend to the nature and impact of responsibility and accountability.

Governance identifies the power dependence involved in the relationships between institutions involved in collective action. Organizations are dependent upon each other for the achievement of collective action, and thus must exchange resources and negotiate shared understandings of ultimate program goals. The implementation literature is replete with studies of coordination barriers and impacts (for example, Jennings and Ewalt, 1998). (Nonetheless, power dependence exacerbates the problem of unintended consequences for government because of the likelihood of principal-agent problems.) For implementation scholarship to contribute to a greater understanding of governance relationships, arrangements for minimizing (and impacts of) game-playing, subversion, creaming and opportunism must be explored.

Governance is about autonomous self-governing networks of actors. (The emergence of self-governing networks raises difficulties over accountability). Governance networks, in Stoker's terms, "involve not just influencing government policy but taking over the business of government" (1998, p. 23). The "hollow state" that networks has triggered (Milward, 1996; Milward and Provan, 2000) raises questions about how government can manage public programs when they consist largely of entities outside the public domain. Network theory and governance issues overlap, and they are both directly linked to questions of implementation.

Governance recognizes the capacity to get things done which does not rest on the power of government to command or use its authority. (But even so, government failures may occur.) It is in this proposition that we find a natural progression from the more encompassing theory of governance to the more prescriptive notions of New Public Management. Stoker notes that within governance there is a concerted emphasis on new tools and techniques to steer and guide. The language is taken directly from reinventing themes. The dilemma of governance in this context is that there is a broader concern with the very real potential for leadership failure, differences among key partners in time horizons and goal priorities, and social conflicts, all of which can result in governance failure. Stoker draws on Goodin as he suggests that design challenges of public institutions can be addressed in part by "revisability, robustness, sensitivity to motivational complexity, public defendability, and variability to encourage experimentation" (Stoker, 1998; quoting from Goodin, 1996).

1.4. Governance Development in Uganda

The Uganda inherited by the current Government of Uganda (GoU) in January 1986 was one where few citizens had access to state justice institutions and where the rule of law itself featured largely as a fiction for most of the population. The brutal and personalistic dictatorships of Idi Amin (1972-1979) and Milton Obote (1980-1985) coupled with the prolonged civil war (1980-1986) which brought Yoweri Museveni's National Resistance Army/Movement (NRA/M) to power lead to most of Uganda's state structures, including those of the justice sector, shrinking and collapsing. The highly centralised and sectarian regimes of Uganda's post-independence history had also jealously opposed any meaningful devolution of power to the country's regions and former kingdoms, particularly that of the comparatively wealthy southern Buganda kingdom, since Obote's abolition of these polities and Uganda's federal system during his first period in office in 1966 (Golooba-Mutebi and Hickey 2013).

Determined to introduce 'fundamental change' to the manner in which Uganda was ruled and mindful of his new government's relatively small regional support base, Museveni introduced a radically decentralised system of governance during the NRM's early years in power. This focused around devolving substantial powers to local 'Resistance Councils' (RCs; 'Local Councils' from 1996) established first in areas captured by the NRA during the civil war. These RCs existed at five levels – from village to district – and each was elected by its subordinate, drawing its authority ultimately from local communities voting for its lowest rung (Kasfir 1998, 2005). Though this occurred within the so-called 'Movement system' (1986-2005) whereby individuals could stand for office only on their individual merit and not on a party platform, the GoU's early decentralisation policies were praised by many commentators (Mamdani 1996; Langseth et al. 1997).

Similar radicalism and commitment were less apparent in the GoU's formative approaches to the justice sector where initial investment and interest from Kampala remained more limited. A raft of legislation and reforms were nevertheless introduced in the later 1990s and early 2000s – with the support of a range of donors to enhance the justice sector's capacity and independence, to increase access to justice particularly at the local level and to tackle systemic bureaucratic and political corruption within the sector which had become endemic by the time the GoU came to power and has continued so into its tenure.

It is against this backdrop that this section will delineate the key challenges in the areas of justice/rule of law and decentralisation in Uganda for the period of the evaluation, 2007- 2014. It will also briefly comment on the extent to which the GoU has been willing to address these challenges. In doing so, the historical problems of limited capacity and systemic corruption will be highlighted. Critically, however, it is crucial to highlight the degree to which the GoU's own evolving regime maintenance imperatives have not only limited its commitment to addressing such issues but also produced many of the most significant challenges in these areas in recent years. This is a consequence of fundamental shifts in 16 Uganda's political economy since the mid-2000s which have led the GoU to focus increasingly on patronage and violence, as opposed to service delivery and support from Western donors, as its main strategy for retaining power.

While this will be undertaken from a national perspective, it is vital to acknowledge the very different experience of northern Uganda, a region which emerged from decades of conflict between the rebel Lord's Resistance Army and the Ugandan state in only 2006. Governed de facto by military commanders during parts of the 1990s and 2000s, this region's experience with decentralization under the NRM has been very different from others in the country (Dolan 2009).

The devastation of war has also exacerbated the capacity issues prevalent in the national justice sector overall far more here than elsewhere. This has nevertheless meant that other justice institutions – notably 'traditional justice' mechanisms have often taken on much more significance and authority for many in the north (Allen 2006, 2010). Reconciling these established and locally legitimate mechanisms with those formal, and locally alien, justice structures of the state therefore represents a particular governance challenge in this part of contemporary Uganda.

Shifting regime maintenance imperatives and their effects on governance During its first two decades in power (1986-c.2005), the Museveni government sought to foster broad national support for its continued tenure through bringing a range of former political leaders and groups into a 'broad-based government', incorporating defeated and surrendered rebel groups into the new Ugandan People's Defence Force (UPDF) and restoring, in 1993, five of the kingdoms abolished by Obote in the 1960s, albeit as 'cultural' rather than a political institutions (Johanssen 2005; Khadiagala 1995; Tripp 2010: 140-142). This occurred under a 'no-party' dispensation

where political parties were banned and Ugandans stood for office individually as members of the national 'Movement System' (Kasfir 1998, 2000).

The GoU also worked hard to secure the support and assistance of the international donor community in its formative years, even abandoning statist economic policies in 1987 and wholeheartedly adopting IFI-recommended adjustment reforms by 1992 to do so (Brett 1996). To some extent, the very substantial injections of development aid (a significant part of which came to be delivered through General Budget Support by the early 2000s) encouraged the GoU to pursue 'donor-friendly' policies focusing on service provision, healthcare and poverty reduction (Mosley 2012).

As Alan Whitworth, Tim Williamson and others have convincingly argued, however, the GoU itself (particularly President Museveni and senior officials within the Ministry of Finance, Planning and Economic Development (MFPED) was a primary mover of many of these approaches (Whitworth and Williamson 2010; Whitworth 2010). Indeed, a range of policies which later received high praise from development partners, notably decentralisation and the introduction of Universal Primary Education in 1996, were initially opposed by this community for fear of their perceived radicalism and unaffordability.

By the mid-2000s, however, Uganda's Movement system had atrophied as an increasingly authoritarian Museveni sought to personalise and centralise the governance of Uganda. This process involved the abolition of presidential term limits in 2005, the growing reluctance by State House to condemn or restrict involvement in high-level corruption activities by senior and loyal political allies and the increasing use of force (notably during the 2001 general election) to retain power (Gloppen *et al.* 2006: 21-22; Tangri 2005; Tangri and Mwenda 2010; Tripp 2010). A desire to streamline the GoU's political operation, coupled with some domestic and international pressure, led to the restoration of multi-party politics in 2005 (Makara *et al.* 2009). The post-2005 multiparty era, as Sam Hickey notes, has also coincided with the GoU's decreasing reliance on its traditional Western development partners as financiers, with the role of China becoming steadily more significant in recent years and the discovery of oil reserves in western Uganda in 2006 providing alternative revenue sources (Hickey 2013).

There have been three major consequences of these changing circumstances which are relevant to this part of the evaluation. Firstly, the opening-up of the political system has increased the 'cost' of 'buying' political support for parties (particularly the NRM) at

local and national level leading the GoU to divert increasingly large amounts of resources towards patronage to retain the support of key communities and 'gatekeeper' individuals; a process Joel Barkan has referred to as 'inflationary patronage' (Barkan 2011). Secondly, perceived competition from opposition parties (and, indeed, internal NRM challengers) has encouraged the GoU to pursue increasingly discriminatory and violent approaches to independent media houses, the judiciary and opposition politicians themselves in an effort to bolster its position (Anderson and Fisher forthcoming).

Finally, the decreasing reliance on development partners has made the GoU feel far less circumscribed in pursuing its domestic political agenda. This has meant greater impunity being afforded to NRM/pro-NRM politicians and business leaders involved in corruption scandals as well as GoU support for populist and discriminatory legislation, including the 2014 Anti-Homosexuality Bill (Titeca, 2014). At a general level, however, it has allowed the GoU to move away from poverty reduction and service provision as its key foci and for State House to increasingly override the objections of MFPED officials whose authority derived to a considerable degree from their close relationships with development partners. Instead, as Hickey has shown, the GoU has turned steadily towards supporting economic growth and investment in the 'productive sectors of the economy' (notably natural resource extraction, manufacturing and ICT) as its primary developmental focus with state support for the Justice, Law and Order Sector (JLOS), among others, largely deprioritised in the process (Hickey 2013), with the exception of the Uganda Police Force, see para 2.2.3 D).

Justice and Rule of Law in Uganda: Governance challenges and the GoU's approach to dealing with these

Capacity Constraints

The JLOS has traditionally been dramatically under-resourced in Uganda, in terms of manpower, physical premises (courts, prisons etc.), training for judges and lawyers and accessibility to civilians physically and financially (through legal aid, paralegals etc.) (World Bank 2009) Access to justice has been particularly curtailed for those in conflict-affected areas (northern Ugandans largely relied on 'traditional justice' institutions during the 1986- 2006 conflict in the region), those in rural areas and for women and children.

The GoU has, nevertheless, introduced a range of institutions and reforms during the 2000s (in

partnership with donors) to address many of these challenges including creation of coordination bodies for the criminal justice system, family and children courts, Local Court Councils and the Judicial Service Commission (whose responsibility is to educate Ugandan civilians on justice matters, advise the President on judicial appointments and oversee disciplinary procedures within the justice sector, including removal of judges). Authority to decide on a range of issues has also been devolved to Magistrates' Courts during the 2000s to deal with growing backlogs in caseload (World Bank 2009).

Investment in the prisons sector and human resource field, however, remains limited and the GoU has remained deeply ambivalent about the role of traditional institutions in northern Uganda's judicial sphere, in spite of the greater trust many civilians have in these mechanisms compared to those of the state (Allen 2006, 2010). A growing challenge in the JLOS sector, however, is its growing neglect by the GoU in the latter's move towards investing in more 'growth-focused' sectors (see above) – a development which has exacerbated the backlog issue. An emerging challenge in this regard, therefore, relates to the growing reliance of the JLOS on development partner funding to function - an issue which not only undermines Ugandan ownership of JLOS but also makes this sector particularly vulnerable to shifts in the political economy of international funding patterns.

Corruption

Another longstanding challenge to the provision of efficient, effective and equitable justice in Uganda has been the prevalence of corruption among justice personnel before and since the contemporary Museveni era. The current GoU initially demonstrated significant commitment to tackling this systemic problem – within and outside the judiciary - through the establishment of a range of investigative and oversight bodies during the 1990s and early 2000s tasked with identifying corrupt practices, from the top downwards, including the Inspectorate-General of Government (Tangri and Mwenda 2006; Watt et al. 1999). This practice has continued into the present day with the opening of an Anti-Corruption Court (established in 2009) in 2013 (CMI 2013; NTV Uganda 09/01/2014). These institutions have a mixed record with a range of senior GoU officials and Museveni advisers investigated by them (leading, on some occasions, to their arrest and imprisonment) since the late 1990s including Museveni's brother Salim Saleh and former close ally Jim Muhwezi, Ugandan foreign minister (Sam Kutesa), health minister (Mike Mukula) and former vice president (Gilbert Bukenya).

As Roger Tangri, Andrew Mwenda and others have shown, however, the GoU has increasingly manipulated and interfered with these institutions' work to ensure that they 'punish' officials out of favour and absolve those close to the presidency (Tangri and Mwenda 2013). Moreover, the demands of 'inflationary patronage' (see above) since the mid-2000s have led the GoU to increasingly sanction and even engage in corrupt practices at the local and national level to retain the support of key stakeholders and mobilisers (Tangri and Mwenda 2008, 2013). This has, naturally, rendered its commitment to tackling corrupt practices, within JLOS and elsewhere, substantially reduced.

Executive interference

The independence of the Ugandan judiciary is guaranteed by Uganda's 1995 Constitution and judges have security of tenure (World Bank 2009: 37-38). During the first two decades of the Museveni Government this arrangement was largely observed by the GoU and a range of judgments issued during the mid-2000s which undermined or criticized GoU policy were nonetheless respected by actors in the executive. Since the dawn of the multi-party era, however, executive interference in judicial matters and police officers' ignoring of judgments overturning arrests of opposition leaders or closure of media houses (see below) has been increasingly commonplace (Anderson and Fisher forthcoming). Most notoriously, following a judge's decision to release opposition leader Kizza Besigye from prison on bail⁵ in the midst of the 2006 presidential election, paramilitaries linked to the GoU stormed the court house and refused to allow anyone in attendance (including some Western diplomatic personnel) to leave until Besigye was re-arrested and re-imprisoned (Makara et al. 2009).

Militarisation of the police force in contrast to much of the rest of the JLOS, the Ugandan Police Force (UPF) have benefited from considerable and sustained investment from the state since the mid-2000s leading to their total strength growing from 14,352 in 2003/04 to 18,000 in 2006 and 40,000 in 2012 (New Vision, 16/07/2013; World Bank 2009: 31). The GoU's focus on recruitment has meant that the ratio of Ugandan police to civilians has substantially exceeded the international standard ratio of 1:500 since the early 2000s although the Government has also allocated significant funds to address and improve police welfare, particularly in the areas of housing and HIV/AIDS prevention and treatment (substantial numbers of UPF personnel were lost to HIV/AIDS on an annual basis during the 2000s; World Bank 2009).

The Museveni Government's growing intolerance of perceived threats to it posed by domestic opposition groups and critics has nevertheless led to the GoU's steady militarisation and politicisation of the UPF in the last decade including the appointment of senior military allies of the President to the UPF's highest office, Inspector-General of Police (IGP), since 2001 (Anderson and Fisher forthcoming; Mwenda 2007; Tripp 2010). During the tenure of the current IGP, Kale Kayihura (2005), in particular, the UPF has come to act increasingly like a presidential guard of the NRM leadership. Dressed in fatigues almost indistinguishable from those of the UPDF, UPF personnel have been involved in a range of crackdowns of dubious legality on media houses, opposition parties and leaders and even on internal NRM critics themselves since the early 2000s (Anderson and Fisher forthcoming; Perrot 2014). This politicization of the role of the Ugandan police represents a major challenge to maintenance of the rule of the law in the country.

Decentralisation in Uganda: Governance challenges and the GoU's approach to dealing with these

Parallel Centralization

The Museveni Government has gone further than any previous Ugandan administration in the promotion and institutionalization of decentralisation with a substantial range of powers (political and financial) devolved to the elected members of RCs/LCs through a range of legislation including the Resistance Councils and Committees Statute (1987), Local Government Decentralisation Programme (1992), Local Governments Act (1993) and Local Government Act (1997) (Green 2013: 5-6). As Peter Langseth et al. wrote in 1997, 'districts have now more power, resources, responsibilities and decision-making autonomy' than ever before in Uganda's post-colonial history – a statement which remains true today (Langseth et al. 1997).

Particularly since the early 2000s, however, the GoU has created and augmented a range of parallel structures at the local level to ensure that central authority reaches down to the village level. These include 'NRM Committees', composed of NRM loyalists elected in parallel processes and structures to those of the RCs/LCs, tasked with mobilising government activities at the local level with the Resident District Commissioner (RDC) – an NRM official appointed by the Presidency as de facto political representatives with a range of powers over local government structures (Green 2008; Green 2013). The creation of an 'Executive Director' of Kampala Capital City Authority within months of the

election of opposition politician Elias Lukwago as Lord Mayor of Kampala in 2011 represents a further example of this practice of parallel centralisation. Many of the Lord Mayor's powers were transferred to the Executive Director in this process with the latter being appointed by the President himself (Independent, 06/04/2014).

The link is often made between "good governance" and the ability to meet long-term development goals. But what is good governance, exactly? A new report suggests that good governance that promotes transparency of policy in Uganda can improve economic performance and achieve human-development Sustainable Development Goals (SDG) targets. Good governance has been touted for its positive impact on sustainable development. Estimating and understanding how changing governance can improve other development outcomes quantitatively is therefore a critical lens through which sustainable development can be viewed. However, the term "governance" is often a difficult concept to pin down, and its measurement is a complex exercise. Terms like accountability, transparency, inclusiveness, responsiveness and rule of law all form part of the criteria in assessing what constitutes good governance, but how should policymakers assess the effectiveness of their governance frameworks?

A USAID commissioned study by the Pardee Center analyses the progress of development in Uganda since 2015 and evaluates various policy choices and their impact. The report uses the International Futures (IFs) forecasting model to design alternative scenarios and potential improvements to Uganda's development trajectory. It outlines the challenges faced and the opportunities that Uganda could leverage in its efforts to promote human development and achieve the Sustainable Development Goals (SDGs). Among the various sectoral scenarios investigated, good and quality governance is identified as a vital component in amplifying development efforts in the country.

The government of Uganda has long recognised the many ways governance has a role in the pursuit of sustainable development and has made considerable efforts, particularly since 2007, to promote good governance in aspects of its political, social and economic life. This has resulted in proactive needs-based planning mechanisms at both the national and local government level. Uganda has made a marked improvement in governance in the last decade and, according to the 2020 Ibrahim Index of African Governance (IIAG), the country ranked 22nd (out of 54 countries) with a score of 51.8 (out of 100 points), three points above the African average. The index

takes an integrated approach to measuring governance under four categories: security and rule of law, participation rights and inclusion, foundations for economic opportunity and human development. Uganda's progress has largely been a slow improvement, although a decline in the overall index was observed between 2018 and 2019. The largest deterioration was observed in the security and rule of law and participation rights and inclusion sub-sectors. Meanwhile, the overall African trend shows that improvements in good governance have had a profoundly positive effect on human development and foundations for economic opportunities.

The cyclic and compounding benefits of quality governance can also be observed in Uganda. The results of the study indicate that improved governance has the broadest benefits among other competing priorities and results in the largest increase in economic growth and income. The Improved Governance scenario modelled in our report places a particular emphasis on the importance of transparency in light of Uganda's oil prospects and the potential benefits accrued to Ugandans if transparent management of the resource can be achieved. In this instance, the scenario simulates a future in which corruption is reduced and Uganda achieves improved transparency.

In the Improved Governance scenario, the rate of corruption is reduced by 40% over a five-year period from 2023. As a result, gross domestic product (GDP) and government revenue gradually increase and, by 2040, are more than 10% over the Current Path modelled for that year. The proceeds of a much larger GDP and government revenue, if well managed, can help the government of Uganda to extend a range of public services and goods like water, sanitation, electricity, health and other basic infrastructure. In turn, these improvements could lead to greater gains on key human development indicators that underpin the SDG goals.

Because of higher economic growth expected in this scenario, extreme poverty, for example, is projected to fall from about 40% in 2021 to 13.5% in 2040, compared to about 16% in the Current Path, representing approximately 1.7 million fewer people living in extreme poverty in that year. Although Uganda still does not achieve the headline SDG goal to eliminate extreme poverty even by 2040, it shows that greater effort to improve all aspects of governance beyond corruption could increase productivity and reduce, by significant margins, the timelines currently projected for Uganda to meet the SDG targets.

Decentralized solutions as alternative pathways

Another report by the Pardee Center reiterates the need for good governance and explores alternative pathways that could be prioritized or pursued simultaneously, recognizing that many developing countries will likely not meet many SDG goals. The report advocates for Decentralized Solutions, an approach that promotes a more organic mix of development efforts, such as strengthening local governance and rural development, promoting local energy production and sustainable agricultural practices, among others.

Uganda has already taken considerable steps to institutionalize this form of governance through the creation of local government authorities, a management framework for its natural resources, such as oil, and integrated climate-smart systems in its agricultural policies with the help of non-government organisations (NGOs), private sector and civil society.

However, the implementation of such a system comes with synergies, trade-offs and challenges for Uganda. Mobilisation of both domestic and external revenue is one of the biggest constraints to an effective decentralised governance system. To mitigate some of these challenges, Uganda could capitalise on its oil resources through greater transparency to avoid the pitfalls of the "resource curse", while making concerted investments to improve efficiency of other sectors in its economy such as agriculture.

In addition, targeted external assistance, strengthening local government capacity and better coordination with the national government could promote effective good governance. Such an integrated governance plan could put Uganda a step closer to achieving many of the human-development related SDG goals alongside these efforts. Importantly, if Uganda is to gain greater traction towards the SDG targets, there needs to be a shared commitment to stability and growth upheld by the principles of transparency, inclusive decision-making and informed policy choices.

1.4.1. Governance and the socio-economic wellbeing of communities

Before broader measures of well-being were sufficiently widely measured and understood, the effects of good governance were usually assessed by searching for linkages between governance and economic outcomes, and treating these economic outcomes as proxies for well-being more generally. Traditionally, there have been two models used to describe how good governance could improve economic well-being.

The first is a market enhancing governance approach viewing governance as effective if it helps to foster strong property and contract rights and a stable rule of law. This is presumed to keep transaction costs low to permit private individuals and entities to increase their own utility and economic potential, and hence to improve general well-being.

The second traditional model is a growth-enhancing governance approach. It viewed good government as that which fostered economic growth by managing incentives to enhance productivity and help shift activity to more economically productive endeavours with the underlying assumption that such productivity would lead to increased well-being. However, both of these approaches assume economic outcomes to be the sole intermediate links between good governance and improved well-being.

This assumption has increasingly been argued to be unduly restrictive. The existence of some connection between income and well-being is well established. It would therefore seem intuitive that economic growth would improve well-being. This has been questioned in two quite different ways, one emphasizing the uncertainty of the links between income and well-being, and the second arguing that other factors than income cannot be ignored, since together they might be more important than income. Especially relevant to our study of governance and well-being, governance may affect income and these other factors in quite different ways.

1.4.1.1. General Overview

Community wellbeing is the combination of social, economic, environmental, cultural, and political conditions identified by individuals and their communities as essential for them to flourish and fulfill their potential.” When we look at community as a whole, we find three attributes that play a large role in wellbeing: connectedness, livability, and equity. We can explore each of these attributes for factors that contribute to community wellbeing.

Led by Dan Buettner’s Blue zones research, the town took part in a vitality project that focused on improving wellbeing and increasing longevity in the community. A team of experts helped the town make a number of lifestyle changes, including encouraging local restaurants and grocery stores to serve fresher and healthier foods, coaching residents about life purpose, creating more bicycle- and foot-friendly commuter routes, and increasing healthy options offered by workplace vending machines. The results of this pilot project were astounding: Buettner estimates that Albert Lea residents increased their life expectancy about 3 years each as a result of this community-based change! The financial impact was

significant, as well, reducing absenteeism by key employers by 21% and decreasing healthcare costs of city employees by 40%.

1.4.1.2. The Concept of socio-economic wellbeing of communities

There are many ways in which the standard of living and wellbeing of a population can be measured in a particular country. In the context of most states shelved under the category of developing countries, Botswana included, the level of community development activities is considered key in measuring the standard of living and wellbeing of the people. Incontrovertibly, there is an obvious link between standard of living and wellbeing. Let us commence by briefly unpacking the meanings of the concepts of wellbeing and standard of living, before we explore the link with community development.

Many authors confess that the concept of wellbeing is difficult to define, comprehend and measure (Morrow, V and Mayal, B 2009; Thomas, J, 2009). This concept can however, be understood in varied ways (Holden, 2010). According to Axford (Axford, 2009) the notion of wellbeing revolves around issues of needs, rights, poverty, quality of life, and social exclusion. Stratham and Chase (Stratham, and Chase, 2010) add that this notion can be comprehended in two broad ways: first, through objective indicators such as household income, health status and educational resources, and secondly, through subjective indicators which include perceptions of one’s quality of life, life satisfaction and happiness.

1.4.1.2.1. Importance of socio-economic wellbeing of communities

There is broad consensus that the government of Botswana has, over the years channeled a considerable amount of resources towards community development, thereby positively impacting the standard of living and wellbeing of the population (Government of Botswana 2010; Mupedziswa, R and Kubanga, K, 2020) The poverty headcount index, for example, declined from 59% in 1985/1986 to 30.2% in 2002/2003 (BIDPA. 1997; BIDPA, 2008) and then again to 23% in 2009/2010. Apparently, poverty in Botswana, as in many other developing countries, has mostly been measured using the poverty datum line (PDL), which is an estimate of the monthly cost of a basket of goods and services required to adequately meet the needs of a household. Currently, the country’s PDL is calculated at P878.87 (\$97.65), and basing on this figure, nationally, a whopping 19.3% of the population lives below the PDL. While some of those living below the PDL have wages from employment, pensions, and remittances, those in extreme poverty are often unemployed or engage

mostly in household and caregiving roles. This group is the main target of the country's social safety nets, otherwise called the social protection system. Let us consider the impact of the social protection initiative in some detail (Statistics Botswana, 2013).

To ensure opportunities for healthy and sustainable livelihood, and improved standard of living and well-being, especially for those living below the PDL, the government of Botswana, as noted earlier, introduced a formal social protection system, which constitutes public measures to provide income security for individuals (Nthomang, 2007). The social protection system is a public intervention mostly to support the poor and help households and communities to manage risk, and reduce poverty and vulnerability among the population. Ntseane and Solo, (2007) concurred that, the government of Botswana, in an attempt to improve livelihoods and reduce poverty, introduced social safety nets for individuals, families and groups. The packages introduced included social allowance schemes (e.g., orphan care basket, school feeding programme, community home-based care); social assistance schemes (e.g., destitute persons programme, needy students programme, labour-based drought relief programme, ipelegeng) and social insurance schemes (e.g., pension scheme, workman's compensation) (ibid).

The various social protection schemes have played a major part in terms of preventing and protecting individuals against life cycle crises and helped many meet basic needs and enhance their welfare. Over the years, the government of Botswana has invested a fair share of the national income towards social protection programmes, to shelter the said vulnerable and disadvantaged groups from poverty, even though spending has declined due to diverse challenges that the country has faced. Well-managed mineral wealth and political stability have however made it possible for the government to promote these social protection measures to improve standard of living and wellbeing. Even though the government has introduced social protection programmes to address the burden of poverty, apparently a considerable majority of the population continues to struggle in economic terms. Even so, heavy social development investment by the government has paid tangible dividends in promoting social services, including literacy (education) and health.

Apparently, literacy did not feature highly on the list of priorities in the pre-colonial and colonial eras; it was only 10 years after Independence that the government seriously took note of this need. Ever since, education has been adjudged a critical developmental priority in Botswana. The government

therefore has invested quite considerably in education through expanding infrastructure and services. The heavy investment in education has been meant to ensure that all citizens have access to at least 10 years of basic education. The National Commission on Education of 1976, and the National Policy on Education of 1977 proposed changes in the education policy, to allow those who were illiterate to get back into the education system and access basic education. According to The Revised National Policy on Education of 1994 Botswana's priority is universal access to basic education (10 years in school).

The increased education expenditure allowed free education in all public schools and reduced average distance to school). Furthermore, government efforts went into ensuring that vulnerable groups had access to education by introducing needy students' assistance programme for children from poor families, as well as a school feeding programme. Other than that, the government established a national literacy programme to improve literacy levels, as well as free distance learning programme. These improvements over the years have seen a rise in the adult literacy rate in Botswana, which as at 2014 was reported to stand at 85.9%, an increase from 68.58% in 1991. There is some consensus that those with higher education tend to have lower rates of poverty and a better standard of living. It would therefore not be far-fetched to assume that these efforts have had a positive impact where standard of living and wellbeing of the masses is concerned.

Health standards have been improving since Independence. However, it experienced a drawback when the country was hit by the HIV and AIDS pandemic in the 1990s, which caused a decline in economic growth as the government was forced to divert a considerable amount of resources to fighting HIV. The government however, vigorously fought this scourge with all its might. HIV and AIDS awareness and education campaign measures were put in place and by 2002, free HIV Antiretroviral (ART) medication had been introduced to all HIV positive citizens. Currently, it is estimated that about 90% of those requiring ART do have access.

Even so, as can be imagined, these initiatives came at a cost in financial terms. The consequences of these challenges and the limitations of Botswana's diamond-led development model became apparent: economic growth slowed down, while inequalities remained high and job creation became limited, threatening standard of living and wellbeing. Despite the challenges, the government has forged ahead with its commitment to ensuring better standard of living and wellbeing of its citizens. Evidently, the

government's commitment to the provision of social services to improve standard of living, remains unquestionable. This is confirmed by such indices as improved performance in universal access to health services, and also the fact that over 95% of the population live within 15 kilometers radius of a health facility.

Furthermore, apart from health, the government has also, over the years, invested heavily in such services as shelter, water and sanitation for the wellbeing of individuals. Additionally, efforts at provision of social welfare services have continued. As indicated in the National Development Plan 11, '... existing social protection programmes were strengthened through enhancement of policies and strategies that aimed at cushioning the vulnerable and disadvantaged groups of the society, restoring their dignity, and improving their quality of life. This clearly demonstrates that the government is seized with efforts to improve standard of living and wellbeing of the population.

1.4.1.3. The Concept socio-economic wellbeing of communities

Socio-economic (also known as social economics) is the social science that studies how economic activity affects and is shaped by social processes. In general, it analyzes how modern societies progress, stagnate, or regress because of their local or regional economy, or the global economy (Hellmich, Simon N. 2015).

Wellbeing Well-being, or wellbeing, also known as wellness, prudential value or quality of life, refers to what is intrinsically valuable relative to someone. So, the well-being of a person is what is ultimately good for this person, what is in the self-interest of this person (Stone, Arthur A.; Mackie, Christopher, 2013).

Communities A community is a social unit with commonality such as place, norms, religion, values, customs, or identity. Communities may share a sense of place situated in a given geographical area or in virtual space through communication platforms (Nadarajah, Yaso; Haive, Karen; Stead, Victoria, 2012).

2. LITERATURE REVIEW

2.1. Global Research on Governance

Grappling with the impacts of these trends, governments around the world continue to attempt to expand coverage and close gaps, even if only in sputtering bursts. At the same time, global attention is rightly returning to the importance of good governance for achieving the outcomes expected from a national social protection system writ large (Bassett et al. (2012); Cecchini et al. (2014); Cunhill Grau et

al. (2015). In short, while good governance of social protection may be an end in and of itself in certain circumstances, such as for closing gaps between legal and effective coverage or enhancing adequacy of benefits; there is a high risk, especially in contexts of low coverage, that initiatives focused on good governance 'for its own sake' will end up serving elites, preserving/strengthening the status quo for those who already enjoy relatively generous protections.

Therefore, for good governance to matter in the context of the globally embraced goal to reach universal social protection, it must be at the service of coverage extension, and it must operate within a rights-based framework. It must contribute to building universal, adequate, and sustainable social protection systems through meaningful rather than marginal expansion, including social protection 'floors' that are inclusive and cover the key lifecycle risks

According to Bassett et al. (2012) Good governance of social protection systems is one of the preconditions for the effective realization of human rights. Governance starts at the highest levels of policymaking including coordination across diverse actors, schemes, institutions, sectors, and levels of government and permeates every level of social protection implementation. Well-governed social protection systems benefit from strong accountability structures, active participation of the stakeholders, transparency of operations and viable access to information.

Likewise, effective governance encompasses good financial management; benefit delivery that respects the principles of availability, accessibility, and adequacy; contribution collection (where applicable); management information systems (MIS); data protection and privacy; as well as clear complaint and appeal procedures. This review seeks to understand, as an overarching question, the ways in which "good governance" can contribute to realizing people's right to social security, against a backdrop of the principles set out in international social security standards, notably ILO Recommendation 202 on Social Protection Floors and Social Security (Minimum Standards) Convention, 1952 (No. 102).

There is no single, universally agreed definition of governance as it relates to social protection. According to the International Social Security Association (ISSA), the "definition often depends on the goals to be pursued, the entities involved, and the socio-political environment (International Social Security Association (ISSA), 2019)." Using the global goal of universal social protection as a

guidepost, this report examines social protection governance from the perspective of the whole national system. This consideration of system-wide governance is in recognition of the fact that individual schemes, programmes or organizations may be reasonably well-governed by some definitions, but if they operate within a poorly governed overall social protection system, they are unlikely to be contributing to and may even hinder the fulfillment of the right to social protection for broad swaths of the population through meaningful coverage extension. Indeed, some have noted that “administrative efficiency is only as good as the policies it supports” (McKinnon et al., 2014). By the same logic, there are risks to investing in improving the system’s component parts without understanding where they fit within the overall system design and architecture.

This system-wide view also requires understanding governance as multi-dimensional, encompassing democratic, technical, political, and legal aspects. Governance structures should therefore, as far as possible and under the general responsibility of the state, ensure participation of all stakeholders involved (democratic governance); efficient and effective administration, management and monitoring of benefits and services (technical governance); clear, transparent and accountable legislative and executive powers (political governance); and a comprehensive legal framework guaranteeing predictability, rights-based entitlement and well-functioning complaints and appeals mechanisms (legal governance) (Bevir, 2012).

The importance of good governance, including at the system level, has long been recognized in international commitments to social protection and in the establishment of social security minimum standards (ILO Convention No. 102). In addition, the fundamentals of social security governance, including the responsibility of the state and the importance of the participation of stakeholders in supervision and accountability structures have however, as social security systems evolved over time, the growing diversity of actors and institutions involved in various stages of social security policymaking and delivery has made it increasingly challenging to interpret and apply these original governance principles in practice

As the UNDG note in their “Social Protection Coordination Toolkit”: “Unlike other government sectors, social protection has been developed and delivered by several institutions and stakeholders focusing on certain population groups (e.g., workers of the formal sector), delivering specific services (e.g., health care), or certain types of transfers (e.g., family allowances). Therefore, the design and

implementation of a Social Protection Floor will require coordination among all of the different organizations involved in the provision of social protection services and transfers” (United Nations Development Group (UNDG) and International Labour Organization, 2016).

Several recent trends have contributed to the growing complexity of social protection systems around the world and challenged the governance structures that had served the predominantly insurance-based and largely centralised models that characterised earlier systems. First, private and non-state entities have taken on increasingly prevalent roles in benefit and service delivery, and, particularly in low- and middle-income countries, separately administered programmes have proliferated outside of traditional social security institutional structures, complicating the institutional landscape. Second, many of the newer programmes that have emerged, especially in the Global South, have been financed from state budgets (or donor funds) rather than contributions, with very different implications for the nature of the entitlements, long-term financial sustainability, and the representation of stakeholder interests and participation of (would-be) beneficiaries in accountability structures.

A third trend has been the growing dominance of the “social risk management” framework promoted by the World Bank and others, (Cecchini and Martínez, 2012; ILO, 2019a, 2011) which led to a proliferation of so-called ‘safety net’ programmes that aim above all to reduce (extreme) poverty or specific vulnerabilities but are arguably by design disconnected from the lifecycle and labour market risks that have historically characterised core social security schemes. These safety net programmes have become synonymous with ‘social protection’ in many circles, leading to confusion about what constitutes social protection and social security. Finally, many of these newer schemes in low- and middle-income countries are not grounded in legislation, (De Neubourg, 2002; Holzmann et al., 2003) resulting in ad-hoc governance frameworks that are vulnerable to political whims and wax and wane with the slightest economic or fiscal change.

Alongside these trends, which resulted in significant changes in the social protection landscape, a much narrower notion of ‘good governance’ was being repopularized in the broader development discourse (ILO, 2019). This narrower conceptualization of governance was disproportionately focused on the sound financial management of individual schemes and was disconnected from the idea of coverage extension, broadly speaking. Instead, this technocratic

approach to governance was paired with a focus on ‘rationalising’ programme expenditures, a process which actually undermined coverage extension by placing an undue focus on reducing fraud and avoiding inclusion errors, leaving aside more fundamental questions about exclusion errors based on arbitrarily and unnecessarily narrow eligibility thresholds.

Despite promoting clear and transparent accountability mechanisms and good management of human and financial resources, these predominantly scheme-based (or institution based) governance frameworks offered little help in understanding the management and coordination needs of the wide variety of social protection instruments and programmes operating simultaneously in a given national setting.¹³ Furthermore, this more limited understanding of governance as primarily about scheme management (and therefore the remit of a board presiding over an administrative agency), deepens artificial divisions between policy and administration and overlooks the importance of governance as a cross-cutting tool that operates along a fluid policy administration continuum (McKinnon et al., 2014).

It follows then that good governance of social protection systems would be indicated by several features, adapting the principles from the ISSA’s Guidelines on Good Governance for social security institutions, and drawing on the relevant core principles from ILO Recommendation 202: page 65.

- High degree of coherence and coordination across ministries, programmes and schemes, and between the various policies (economic, employment, fiscal, etc) (horizontal coordination) and along the policy process from design through to administrative and citizen accountability structures, and from national levels down to local levels (vertical coordination) to maximise the potential for achieving universal social protection;
- High degree of financial, fiscal, and economic sustainability, with due regard to social justice, solidarity, and equity both within and across schemes and programmes.
- High degrees of accountability linked to clear mandates (including entitlements and obligations) for different actors and stakeholders, clearly articulated within a legal regulatory framework.
- Clear channels of transparency in accessing information about social protection programmes and rights, including financial management, delivery mechanisms, information about entitlements, etc.

- High levels of predictability and equal treatment in the application of social protection laws and policies and in the delivery of benefits and services across the social protection system, including the assurance of due process and complaints and appeals procedures.
- Wide avenues for participation by stakeholders or their representatives of persons protected through broad and inclusive social dialogue and social participation in addressing gaps in coverage and needs and barriers to access to social protection and in decision making about their rights and interests.
- High potential for adaptability, dynamism, and responsiveness to the constant need for improvement in the design and implementation of nationally defined social protection floors.¹⁷ Social protection systems that display these characteristics are much more likely to be inclusive and, therefore, politically sustainable.

2.2. Studies on Oil Governance

Oil governance presents the transparency and accountability as guiding policy principles. Openness and access to information are described as fundamental rights, and the importance of disclosing information “that will enable stakeholders to assess how their interests are being affected” is stressed. “The policy shall therefore promote a high standard of transparency and accountability in licensing, procurement, exploration, development and production operations as well as management of revenues from oil and gas.” (Golombok and Jones, 2015).

The Policy refers to Article 237 of the Constitution, the Land Act (1998), the National Land Use Policy (2004) and the Land Sector Strategic Plan 2001-2011 in matters of land ownership and use and states that oil companies may need to enter into agreements with landowners regarding their surface use interests, but that the government will, where necessary and in accordance with the Constitution, acquire land in the public interest to support oil and gas activities. It recognizes that many areas with potential for petroleum production coincide with areas of importance for biodiversity and forestry and aims to reduce infrastructure in such areas.

According to OECD (2021) oil governance also recognizes that there are significant public expectations as well as anxieties relating to oil development and there is a risk of significant in-migration. Enforcement of regulations restricting population movements and settlements in wildlife protected areas will be supported, and only a

minimum of required infrastructure will be allowed in such protected areas. It also addresses specific forms of environmental risk through for example, supporting gas utilization rather than wastage and discouraging venting, and flaring.

Oil gains a strategic and international importance, due to the fact that it is still the main source of energy and, prerequisite for many socio-economic activities. It constitutes source of income for many countries in the world today and, presents about 50% of the world energy supply. From the world primary energy consumption oil and gas represent 63%, coal 27%, nuclear energy 7%, and hydro-electricity 3%. This indicates the huge amount of oil produced and consumed in the world (UNEP and IE, 1993).

Oil and gas had already been used in some capacity, such as in lamps or as a material for construction, for thousands of years before the modern era, with the earliest known oil wells being drilled in China in 347 AD. The modern history of the oil and gas industry started in 1847, with a discovery made by Scottish chemist James Young. He observed natural petroleum seepage in the Riddings coal mine, and from this seepage distilled both a light thin oil suitable for lamps and a thicker oil suitable for lubrication. In the late 20th century, changes in the oil market moved influence from generally oil-consuming areas such as the US and Europe to oil-producing countries. Iran, Iraq, Kuwait, Venezuela and Saudi Arabia formed the Organization of the Petroleum Exporting Countries (OPEC) in 1960 in response to multinationals in the 'Seven Sisters' including Exxon Mobil at the time split into Esso and Mobil-Shell and BP, which operated from oil-consuming countries.

A strong, growing, sustainable economy is the goal of every nation in the world. A sustainable economy enhances a nation's standard of living by creating wealth and jobs, encouraging the development of new knowledge and technology and helping to ensure a stable political climate.

The Texas oil exploration boom sometimes called the gusher age was a period of dramatic change and economic growth in the United States state of Texas during early 20th century that began with discovery of a large petroleum reserve near Beaumont, Texas. The fund was unprecedented in its size and ushered in an age of rapid regional development and industrialization that has few parallels in United States history, Texas quickly became one of the leading oil producing states in the US along with Oklahoma and California. The major petroleum strikes that began the rapid growth in petroleum exploration and speculation occurred in south east Texas but soon reserves were found across Texas and

wells were constructed in North Texas, East Texas and the Permian Basin in West Texas.

The period of oil exploration had a transformative effect on Texas. At the turn of the century, the state was predominantly rural with no large cities, but by the end of second world war the state was heavily industrialized and the population of Texas cities had broken into top 20 nationally. The city of Houston was among the greatest beneficiaries of the boom and Houston area became home to the largest concentration of refineries and petrol chemical plants in the world, the city grew from a small commercial centre in 1900 to one of the largest cities in the United States during the decades following the era. Furthermore, regarding economic transformation the urban landscape of the cities changed dramatically the Praetorians building in Dallas (1907) and the amicable life insurance company building in Waco (1911) was among the first skyscrapers in Texas. Texans who became wealthy from oil exploration activities established upscale communities, including river Oaks which became a model for community planning in the United States.

In Brazil oil exploration activities, construction industry and services contributed similarly to growth, but this was also driven by inter-sectoral shifts to services, a decline in agricultural employment and growth in agricultural productivity. The decline in services-sector productivity suggests movement of some workers into more precarious forms of employment, indicative of a decline in employment quality for those workers. This is the price of oil exploration activity.

While the services sector has clearly played an important role in growth in these countries, the implications for policy depend very much on the quality of jobs that people are moving to within the services sector (Walter et al., 2015). Even if rising average productivity in the services sector suggests that, on average, newer jobs are growth-enhancing and potentially therefore able to provide decent work conditions, the services sector shows a variety of transformation experiences. In all except Thailand, services were the largest contributor to value added growth. South Africa, Mauritius and Chile exhibit large contributions to growth from increases in productivity in that sector, so potentially rising employment quality for those already employed.

Africa currently has some of the fastest growing economies in the world and is expected to continue growing given the abundance of the natural resources and possession of a young vibrant population. Africa's natural resources which include oil and gas, have been the bedrock of the continent's economy

and continue to represent a significant development opportunity for her people. In 2012, natural resources accounted for 77% of total exports and 42% of government's revenues (KPMG & Deloitte, 2014).

Most East African countries discovered oil and gas in the last 10 years. Like Uganda, they are still mostly at the exploration stage or setting up facilities for oil production, transportation and storage. The East African Community (EAC) which was re-established in 2000 comprises of Rwanda, Burundi, Kenya, Uganda, Tanzania and South Sudan. Among the EAC countries, Uganda has the largest of oil deposits at 6.5 billion barrels (KPMG & Deloitte, 2014). The petroleum reserves in East African region have increased with the discovery of both oil and gas deposits in the region over the past five years, and the exploration is still ongoing as only a small part of the suspected oil deposits have been explored (Deloitte, 2014). The East African market has also changed, especially after the formation of East African community, as major international companies are becoming involved as well as the smaller companies, thus indicating the industry's confidence in East Africa's immense potential (Kashambuzi, 2011).

Socio-economic wellbeing of communities in the Albertine Graben is described as having present and future financial security of communities in oil exploration surrounding areas like the Albertine Graben. *Present financial security* includes the ability of individuals, families, and communities to consistently meet their basic needs (including food, housing, utilities, health care, transportation, education, child care, clothing, and paid taxes), and have control over their day-to-day finances. It also includes the ability to make economic choices and feel a sense of security, satisfaction, and personal fulfillment with one's personal finances and employment pursuits (Kaitezi K, 2014). *Future financial security* includes the ability to absorb financial shocks, meet financial goals, build financial assets, and maintain adequate income throughout the life-span.

The National Oil & Gas Policy (2008) aims to use the country's oil and gas resources to contribute to early achievement of poverty eradication and create lasting value to society. Among its stated objectives are to ensure collection of the right revenues and use them to create lasting value for the entire nation, including for supporting strategic areas of the national economy such as:

- Education, research and development of infrastructure to provide intergenerational equality;

- Participate in the Extractive Industries Transparency Initiative (EITI);
- Promote state and national entrepreneurs' participation, employment of Ugandans, and use of the country's materials, goods and services;
- To ensure that oil and gas activities are undertaken in a manner that conserves the environment and biodiversity, including requiring oil companies and their contractors/subcontractors to use self-regulation and best practices.

2.3. Studies on Oil Governance local perspective

Petroleum occurrence was first recorded in Uganda in the early 1920s one deep well was drilled in 1938 which encountered hydrocarbons but was not tested, several shallow wells were also drilled during the 1940s and 1950s for strategic purposes. There was then a period of limited or no activity between 1940s and 1980s largely due to the Second World War and political instability in the country. A modern and consistent effort to establish the country's petroleum potential has been undertaken since the 1980s. Aeromagnetic surveys undertaken during 1983 and 1992 respectively identified five sedimentary basins in the country. They are the Albertine Graben, Lake Kyoga basin, Hoima basin and Moroto-Kadam basin. Follow-up work on the ground has shown that the most prospective sedimentary basin to date is the Albertine Graben. Therefore, the exploitation and utilization will create durable and sustainable social and economic effects for Uganda. These resources have a potential to provide immense benefits to the country through creation of employment, generation of revenues, development of infrastructure and subsequent fast-tracking social transformation of the country.

Uganda discovered commercially viable oil deposits in the Albertine Graben region in 2006 and has since embarked on establishing effective management procedures to promote growth and development for the country. By the end of 2013, Uganda's proven oil reserves were estimated by the Ugandan Petroleum Exploration and Production Department to be 3.5 billion barrels, which are expected to yield at least \$2 billion per year for 30 years once oil production commences. Oil exploration in Uganda covers more than 20 districts but the focus is presently in 3 districts of Nwoya, Hoima and Buliisa (African Development Bank, 2009). According to the Ministry of Energy and Mineral Development (Petroleum Exploration and Production Department Update) 2016, the discovered oil and gas in the Albertine Graben is 6.5 billion barrels, an amount considered viable for commercial oil production. Its estimated future output will be 200,000 barrels per day.

Local residents in the Albertine Graben of Uganda have long told stories of oil seepages that attracted the attention of Europeans. In the early 1920s E. J. Wayland concluded that potentially recoverable petroleum deposits had formed in the area. This finding led the African-European Investment Company of South Africa to drill shallow wells in 1936 and 1937 that revealed layers of oil shale. Further oil exploration was then postponed because of World War II and then suspended by the British in 1962 with Uganda's independence (Kashambuzi & Mugisha, 2003; Kiiza, Bategeka, & Ssewanyana, 2011).

The most important of the exploration companies, London-based Tallow Oil, gradually consolidated control over the oil-rich blocks in the Albertine Graben. Tallow then sought additional field development experience and investment capital by signing contracts with the French company Total S.A. and the Chinese National Offshore Oil Company (CNOOC) Ltd., granting each of them one-third interest in the exploration area (Mawejje & Bategeka, 2013). Despite the benefits expected from this exercise, oil exploration and exploitation has brought changes in the livelihood patterns of local communities. Changes have been evidenced in fishing, crop and animal husbandry, hunting and eco-tourism. Such changes have a 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.

2.3.1. Governance Framework

The Ugandan Constitution of 1995 (as amended in 2005) is the supreme law. It states that every Ugandan has a right to a clean and healthy environment and that important natural resources including water, wetlands, minerals, oil, fauna and flora will be protected on behalf of the people of Uganda. It provides for sustainable development of land, air and water resources, and for the involvement of people in the implementation of development plans that affect them. It recognizes that 'all land belongs to the people', and promotes environmental awareness and environmental preservation (Kasimbazi and Alexander, 20011).

The Constitution prohibits discrimination of ethnic and minority groups (Article 36) and assures them specific protection. Objectives III and VI prescribe cooperation and tolerance for the various customs and traditions resident in the country, as well as gender balance and fair representation of marginalized groups, ethnic minorities and indigenous people. It provides (Article 32) for affirmative action in the

participation of such groups in local governments. While it stipulates that "the State shall be guided by the principle of decentralization and devolution of governmental functions and powers to the people...where they can best manage and direct their own affairs", such decentralization is guided by the Local Governments Act (1997), which within its Second Schedule stipulates that national government retains responsibility for, among others, mineral and water resources, and the environment.

The Constitution does however recognize the role of participation in that the State "shall be based on democratic principles which empower and encourage the active participation of all citizens at all levels in their own Governance and (in Article 41) provides every citizen with access to information in possession of the state, although this is subject to confidentiality requirements.

The Constitution also provides every citizen with a right to their own property but empowers the government to acquire private land in a compulsory manner for specific public interest purposes. In such circumstances, prompt payment of fair and adequate compensation prior to the taking of possession or property is required. Article 237 provides for four land tenure systems: a) customary; b) freehold; c) Mailo; d) leasehold, with the lawful or bona fide occupants of Mailo land, freehold or leasehold land enjoying security of its occupancy.

Control of petroleum is vested, by Article 244, in the government; which is thus solely responsible for leasing out rights to explore and exploit petroleum reserves. In relation to revenues the Constitution requires the Finance Minister to advise the President on matters relating to the above measures required by the distribution of revenues between the national and local governments.

Despite the provisions of the Constitution, it is considered unlikely that Uganda has, as yet, the policy and legal framework required to implement appropriate actions and regulate them. The National Development Plan (NDP) (Republic of Uganda, 2010), is designed to guide the country's development programmes until 2015. It is envisaged as the first in a series of six plans that will transform Uganda from a peasant society to a modern and prosperous country in 30 years. The government anticipates Uganda will become a middle-income country by 2015, with a substantial increase in annual income and reduction in people living below the poverty line (Daily Monitor, 20 April 2010).

The plan envisages that the private sector will drive economic growth and development, with the

government focusing on investment in infrastructure, and human resource development in areas of education, health, water and sanitation. The NDP is viewed as combining the poverty eradication and enhanced social services priorities of the earlier Poverty Eradication Action Plan (PEAP) with an emphasis on economic transformation and wealth creation, entwining sustainable economic growth with poverty eradication. Among the oil and gas-related provisions of the NDP are strengthening of the policy, legal and regulatory framework.

Following declaration of the Albertine Graben as a special planning area, the Ministry of Lands, Housing and Urban Development (MoLHUD) has embarked on the development of Physical Development Plan for the Albertine Graben, supported by the UK Department for International Development (DFID) through the World Bank. The plan will address: alternatives for land use development (industries, infrastructure, agriculture, housing, environmental conservation and other activities arising from the oil industry and associated population growth, key environmental management strategies; internal transportation network (NEMA, 2013).

The Access to Information Act (2005) in principle applies to information and records of all government bodies at the national, regional and local level and explicitly recognizes the link between the provision of timely, accessible and accurate information and transparent, accountable and participatory governance. Its significance is however diminished by a lack of clarity in drafting, and the envisaged scope of application and insufficient procedural guarantees. The exceptions to the right of access are also rather wide and open to interpretation and could be used to reduce existing rights to information anticipated in the Constitution.

The Public Order Management (POM) Act (2013) places prohibitions on open political discussion and peaceful demonstration and is likely to constrain civil society and reduce Uganda's diminishing political space, through for example control rather than regulation of activities such as public meetings as well as what is discussed therein, and holding organizers criminally liable for criminal acts committed by the participants at such meetings. This is likely to limit civil society's ability to inform and influence development and monitor the institutional framework and legislation and well as wider aspects of oil related development, as anticipated in the Constitution.

The Observatory for the Protection of Human Rights Defenders, a joint programme of the World Organization Against Torture (OMCT) and the

International Federation for Human Rights (FIDH) has called upon the Uganda's Constitutional Court to repeal the POM Act on the basis that it stifles freedom of association and expression and thereby undermines civil society.

2.3.2. 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.

2.3.3. 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.

2.3.4. 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 flare 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 and 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 Seiting, 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.

2.4. Studies on socio-economic wellbeing of communities

Mugisa, (2016) investigated the socio-economic effects of oil exploration among Hoima municipality communities in Uganda. He examined; the effects of oil surveying to changes in prices of commodities, road construction effects to changes in income, and observed the effects of collection of seismic data on the influx of people. The study found out that there was increased land grabbing correlated with road construction in response to the compensation of residents in areas where road construction took place; roads construction led to improvement in incomes of communities and there was increased creation of temporary employment. However drastic commodity price increases were reported (ibid).

Olson, (2001) the Texas oil exploration boom sometimes called the gusher age was a period of dramatic change and economic growth in the United States state of Texas during early 20th century that began with discovery of a large petroleum reserve near Beaumont, Texas. The fund was unprecedented in its size and ushered in an age of rapid regional development and industrialization that has few parallels in United States history, Texas quickly became one of the leading oil producing states in the US along with Oklahoma and California. The major petroleum strikes that began the rapid growth in petroleum exploration and speculation occurred in south east Texas but soon reserves were found across Texas and wells were constructed in North Texas, East Texas and the Permian Basin in West Texas.

The period of oil exploration had a transformative effect on Texas. At the turn of the century, the state was predominantly rural with no large cities, (U.S. Census Bureau, 2009) but by the end of second world war the state was heavily industrialized and the population of Texas cities had broken into top 20 nationally (U.S. Census Bureau, 2009). The city of Houston was among the greatest beneficiaries of the boom and Houston area became home to the largest concentration of refineries and petrol chemical plants in the world, the city grew from a small commercial centre in 1900 to one of the largest cities in the United States during the decades following the era (as cited in Mugisa, 2016).

Furthermore, regarding economic transformation the urban landscape of the cities changed dramatically the Praetorians building in Dallas (1907) and the amicable life insurance company building in Waco (1911) was among the first skyscrapers in Texas. Texans who became wealthy from oil exploration activities established upscale communities, including river Oaks which became a model for community planning in the United States (as cited in Mugisa, 2016).

Dhuor, (2019) examined the effects of oil production activities on the Socio-economic wellbeing of communities living in Greater Unity, South Sudan. It was noted that, Oil resource provides 98% revenue for South Sudan. At independence in 2011, the revenue from the oil was meant to provide for developments and improve on the lives of the local people. However, the communities are still poor and their lives have been impacted negatively by the oil production activities that have polluted the environment especially in communities living around the Oilfields in Greater Unity States.

Human wellbeing has many dimensions, income to pay for food, clothing and shelter, access to clean water and sanitation, good health, security, access to social services and amenities, freedom of choice. The conceptual framework used in the compendium of OECD (Organisation of Economic Cooperation and Development) wellbeing indicators distinguishes between material living conditions and quality of life and conditions required to ensure their sustainability over time. Material living conditions or economic well-being determines people's consumption possibilities and their command over resources. Quality of life, defined as the set of non-monetary attributes of individuals, shapes their opportunities and life chances and has intrinsic value under different cultures and contexts. The sustainability of the social-economic and natural systems where people live and work is critical for wellbeing to last

over time. Sustainability depends on how current human activities impact on the stock of different types of capital (natural, economic, human and social) (OECD; 2011).

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.

3. OBJECTIVES OF THE STUDY

3.1. Problem Statement /Scope of the Study

Globally, oil and gas constitute a package of socio-economic benefits which as natural resource 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 Jiwanji, 2001). 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 HOCADDO (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.

However, current reports on the socio-economic wellbeing of communities in the Abertine Graben region indicates that business opportunities from oil and gas exploration activities in the Albertine Graben, local communities have not yet benefited as indicted in HOCADDO report, (2021) whereby 70% of the study respondents believed 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, limited employment opportunities have been realized by the people in the region, limited access to basic health

service, to quality education among others still continues. And it's against such a background that the study sought to examine the contribution of oil governance on socio-economic wellbeing of communities in Albertine Graben- Uganda.

3.2. Objective of Study

Based on the secondary data, literature review and the gaps identified the objectives of the study were framed. The objectives of the study are as follows: -

1. To determine the relationship between new laws related to extraction rights and social safeguards contribute to the socioeconomic wellbeing of communities in the Albertine Graben.
2. To establish the contribution of policies on exploration, production and revenue sharing affect socioeconomic wellbeing of communities in the Albertine Graben
3. To analyse the role of transparency and accountability in the oil sector legislative framework on the socio-economic wellbeing of communities in the Albertine Graben, Uganda.
4. To assess the extent to which oil policies addresses environmental degradation concerns in the oil producing areas of Albertine Graben region of Uganda.
5. To advance a corporate governance model responsible for stakeholder engagement and social issues regarding the way the socioeconomic wellbeing of communities in the Albertine Graben can be improved.

3.3. Research Questions

1. What is the relationship between new laws related to extraction rights and social safeguards contribute to the socioeconomic wellbeing of communities in the Albertine Graben?
2. How do policies on exploration, production and revenue sharing affect socioeconomic wellbeing of communities in the Albertine Graben
3. What is role of transparency and accountability in the oil sector legislative framework on the socio-economic wellbeing of communities in the Albertine Graben, Uganda?
4. To what the extent do oil policies addresses environmental degradation concerns in the oil producing areas of Albertine Graben region of Uganda?
5. What are the corporate governance models responsible for stakeholder engagement and social issues regarding the way the socioeconomic wellbeing of communities in the Albertine Graben can be improved.

The study took into consideration the year 2015 up to date when the most important exploration companies, London-based Tallow Oil, gradually consolidated control over the oil-rich blocks in the Albertine Graben and then sought additional field development experience and investment capital by signing contracts with the French company Total S.A. and the Chinese National Offshore Oil Company (CNOOC) Ltd., granting each of them one-third interest in the exploration area (Mawejje & Bategeka, 2013). The actual study lasted for a period of 7 month, that is, from august to February 2022.

3.4. Significance of the Study

Environmental Impact Assessment (EIA) is a regulatory requirement in Uganda. Proper application of Environmental Impact Assessment studies will ensure that adverse impacts are minimized and positive impacts are enhanced during oil exploration activities. This study which focuses on Socio-Economic Impact Assessment (SEIA) is a major aspect of Environmental Impact Assessment (EIA) which identifies and evaluates the socio-economic and cultural impacts of an industrial development project on the lives and circumstances of people, their families and their communities.

The findings from this research will help policy makers working towards sustainable development in Albertine Graben community to be aware, in measurable terms, of the socio-economic consequences of oil exploration in the community. Thus, apart from being very useful to different units of government and her agencies, the following, though not exhaustive, will be the benefits of the findings of this research:

- Sociologists will use it as basis for informing local communities about changes in their wellbeing as they encourage the communities to participate in decision-making;
- Members of the local community, particularly the council of leaders and developers, will find the research output useful in justifying proposed development projects within their community;
- Political scientists will find it useful in their attempt of persuading bureaucracies to recognize and respond to concerns about socio-economic changes;
- Economists and other researchers will equally appreciate the output of this research in their process of trying to identify externalities associated with any industrial development proposal and assign monetary values to such externalities for proper costing.

The findings of this research will also contribute significantly to some policy debates. These will include economic, employment, social, environment, education, health, and housing policies. In addition, the result of this research will serve a baseline study for further studies in the community.

The findings of the study will be of help to the Government of Uganda, Hoima municipality, the Ministry of Energy and Mineral Development in making clear policies on how oil companies and individuals are to handle demands of the local community, concerning issues such as jobs, culture mix, health, displacement and peaceful co-existence.

The study findings will also enable other stakeholders, for instance the civil society charged with accountability and strengthening participatory mechanisms intervene in the 'paradox of plenty' and the 'windfall revenue phenomenon' which is likely to lead to the 'oil curse' (negative effects of oil; resource utilization leading to economic stagnation, environmental degradation and increased poverty).

4. RESEARCH METHODOLOGY

The methodology for this study was situated within the post-positivism philosophical position which understands phenomena through objectivity and subjectivity analysis. This chapter presents the methodology that was employed to arrive at the study findings. Specifically, the chapter describes the type of data that were used, the instruments utilized to collect those data, sample selection procedures and techniques, measurement of variables, process of data analysis, ethical considerations and limitations of the study.

4.1. Understanding the issue

The study started by understanding the concepts of good governance, Oil governance, Oil governance and socio-economic wellbeing of communities, and state of socio-economic wellbeing of communities in Africa. The oil governance and socio-economic wellbeing of communities in the Albertine Graben in Uganda had to be studied. Hence a thorough empirical analysis was very relevant to better understand the issue before conducting quantitative research. This step used secondary data analysis and is highlighted in subsequent chapter (Chapter 5).

4.2. Pre-Study

This was done by having an open conversation with the authorities from the Albertine Graben in Bunyoro region and various respondents were drawn from international oil companies, communities in the region, and political/religious leaders in Albertine Graben, local government officials in Albertine Graben and local council members in Albertine

Graben. Choosing to work with these categories of respondents in conducting this study was the researcher's main consideration as the oil exploration activities are covering most of the parts in the Albertine Graben. The initial pre-study phase included a review of Albertine Graben oil governance and socio-economic wellbeing of communities' related literature to understand the details pertinent to the study.

4.3. Data used

The study used both primary and secondary data:

- A. The secondary data provided details of Oil governance at international and Uganda's level as a nation as well as socio-economic wellbeing of communities in Albertine Graben.
- B. The primary data was a critical component of the study as it yielded crucial data that made it possible to analyze the oil governance and socio-economic wellbeing of communities in the Albertine Graben in Uganda.

The study would give an idea on:

1. Relationship between new laws related to extraction rights and social safeguards
2. policies on exploration, production and revenue sharing
3. Transparency and accountability, oil sector legislative framework
4. Oil policies, environmental degradation and corporate governance model
5. Stakeholder engagement and social issues

4.4. Instrument for Survey

The instrument used was a questionnaire. The questionnaire, interview guide and secondary literature/data and thus SR Guide was prepared taking into consideration certain parameters such as

1. General Information
2. Information related to exploration and governance of Oil resources.
3. Information related to socio-economic wellbeing of communities.
4. The new laws related to extraction rights and social safeguards are affecting socioeconomic well-being of communities
5. The policies on exploration, production and revenue sharing can be of significant value as far as corporate social responsibility (social investments).
6. Impact of Transparency and accountability in the oil sector legislative framework on the socio-economic well-being of communities.
7. The extent to which oil policies addresses environmental degradation in the oil producing communities.

Corporate governance model responsible for stakeholder engagement and social issues regarding the way the socioeconomic well-being of communities in the Albertine Graben can be improved.

4.5. Study Location, target population and Sample Size

4.5.1. Study Location

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.

The most famous of these ecological sanctuaries are Murchison Falls and Queen Elizabeth National Parks. Thus, far little comprehensive planning has gone into how oil will impact the wildlife that inhabit this pristine area as well as the expansive forest reserves (NEMA, 2009). It is also predicted that waste disposal from oil production activities could seriously contaminate underground aquifers and fishing areas (Governance, 2013).

In addition, air pollution is expected as a result of smoke and toxins being released from gas flaring. One consequence is that animals, elephants in particular, will be forced to migrate out of their natural habitat and create serious crop destruction. While environmental impact assessments are required, these assessments are not readily available to the public and are much too technical for the average citizen to comprehend.

4.5.2. Target Population

According to Amin, (2015), a population is the

entirety of elements (mostly people) to which the researcher ultimately wants to generalize the results. According to Focus on Geography Series, 2016 Census-Province of Alberta 2016, the enumerated population of Alberta is 4,067,175 which represent a change of 11.6% from 2011. This growth is higher than the national rate of 5.0%. Therefore, this study targeted a population of people with knowledge on the study subject (i.e. the role of oil governance on the socio-economic wellbeing of communities in the Albertine Graben) whose number was 260 which was distributed in the following ways; 4 officials from international oil companies, 242 community members, 4 political/religious leaders, 3 local government officials, 4 local council members and 3 Bunyoro kingdom officials.

4.5.3. Sample size

This refers to the number of items being selected from the universe to constitute a sample Kothari, (2014). Given that the target population was large, it was necessary to take a sample out of it. Consequently, out of the population of 260 stakeholders, a sample size of 158 respondents was calculated using Sloven's (1978) formula of minimum sample determination as illustrated below.

$$n = \frac{N}{1 + N(e)^2} = \frac{260}{1 + 0.65} = 158$$

Where

n - Sample size

N - Population size

e - Level of precision/margin of error = 0.05%

4.6. Sample Selection Techniques and Procedure

The study used both simple random sampling and purposive sampling procedures. Purposive sampling was used to select different activities in the area of investigation in order to get first-hand information from the key informants. Simple random sampling was used to give respondents equal chances of being selected. The sampling process was guided by table 3.1;

Table 3.1: Sampling Procedures

SN	Category	Target Population	Sample	Sampling procedure
1	Officials from international oil companies	4	4	Obtained on the basis of Purposive sampling
2	Local government officials	3	3	Obtained on the basis of Purposive sampling
3	Political/religious leaders	4	4	Obtained on the basis of Purposive sampling
4	Local council members	4	4	Obtained on the basis of Purposive sampling
5	Bunyoro kingdom officials	3	3	Obtained on the basis of Purposive sampling
6	Community members	242	140	Obtained on the basis of Simple random sampling
	Grand Total	260	158	

Source: Annual UNDP Assessment Project report, (2022)

4.7. Data Collection Instruments

4.7.1. Questionnaires

The main instrument of data collection was a questionnaire which assisted in collecting data respondents. In particular, two sets of questionnaires were developed, one for the community members of the Albertine Graben (Appendix II) which was used as a tool for the reason that most of the community members did not know how to read and write and another one for the other participants including Ministry of Finance, Ministry of Health, Petroleum Authority, Ministry of Energy and Mineral Resources, Petroleum Companies, Civil Society Organisations and Political leaders (Appendix III). According to Sotirios Sarantakos, (2015), a questionnaire is a method of survey data collection in which information is gathered through oral or written answers or responses. The questions involved the respondent groups regarding oil governance and socio-economic well-being of communities in the Albertine Graben. The questionnaire also aimed at getting responses from the respondents about their views oil governance and socio-economic well-being of communities in the Albertine Graben. Questionnaires were also used as the main data collection instruments because of their efficiency and effectiveness in soliciting reliable and valid data (Maicibi and Kaahwa, 2004).

4.7.2. Interview Guide

The researcher used an interview guide to collect data from 18 respondents that is Officials from international oil companies, Local government officials, Political/religious leaders, Local council members and Bunyoro kingdom officials. The researcher further interviewed the respondents on a few responses that required further clarifications. The questions for the interview guide were both open-ended and closed. The open-ended questions were given a chance for more discussions, while the closed questions were asked for particular responses. The interview method helped to collect additional views from respondents on the theme of the study.

4.8. Measurement of variables

The variables of the study were measured using the five-point Likert scale. Different variables were measured at different levels detailed as 1=strongly disagree, 2=Disagree, 3=Not Sure, 4= agree and 5= Strongly agree. Likert scales were used to fix choice response formats and were designed to measure attitudes or opinions of respondents.

The variables were measured at nominal and ordinal scale. The nominal scale measurement was used in the first part of the questionnaire (demographics) which comprised items with some common set such as sex, age, marital status, designation and level of education of respondents. According to Mugenda and Mugenda (1999), nominal scales are assigned only for purposes of identification but do not allow comparisons of the variable being measured.

Table 2: Mean Range Interpretation Table

Mean Range	Response Mode	Interpretation
3.26-4.00	Strongly agree	Very high
2.51-3.25	Agree	High
1.76-2.50	Disagree	Low
1.00-1.75	Strongly disagree	Very low

4.9. Data Analysis

The quantitative data involved information from the questionnaires only. Data from the field was too raw for proper interpretation. The raw data obtained from questionnaires were cleaned, sorted and coded. The coded data was entered into the computer, checked and statistically processed using a Statistical Package for Social Scientists (SPSS) software package and analysed by use of descriptive and inferential statistics. Descriptive analysis was applied to describe the objectives of the study using tables and figures while correlation was used to determine the relationship between the study variable while regression analysis was used to determine the impact of one variable on the other.

4.10. Ethical Considerations

It was important during the process of research for the researcher to make respondents to understand that participation was voluntary and that participants were free to refuse to answer any question and to withdraw from participation any time they are chosen.

Another important consideration, involved getting the informed consent of all those that took part in the research process, which involved interviews and observations on issues that delicate to some respondents. The researcher undertook to bear this seriously in mind.

Accuracy and honesty during the research process was very important for academic research to proceed. A researcher treated a research project with utmost care, in that there was no temptation to cheat and generate research results, since it jeopardizes the conception of the research.

4.11. Limitations of the Study

The researcher encountered some hindrances. These may include some uncooperative respondents; some respondents didn't have the time and commitment to fill the questionnaires this was because they were busy with their daily works. To mitigate this, the researcher asked the respondents during their free time and then the researcher administer the questionnaires to the respondents during their free time. Also there was suspension from Government agencies and we were fist barred from accessing Kingfisher, and Hoima International Airport at Kabale industrial park, because the security feared that we were antigovernment. But when we produced our identity cards and the introductory letter from Azteca University, we were allowed access.

5. DEVELOPMENT OF OIL GOVERNACE IN UGANDA

5.1. The existing scenario

A governance framework spans multiple areas across an organization starting with defining the core purpose for the organization and drilling down to details such as setting standards for policies and procedures. Additionally, it should also specify the support mechanisms that should be arrayed around it to aid in achieving proper governance and control. These include areas such as a suggested organizational structure, reporting lines and definitions of roles and responsibilities, a defined approach to risk management, and the ability to monitor and enforce compliance, among others.

5.2. Characteristics of Good Governance Framework

A Good governance framework is a conceptual structure and set of rules that outlines how an organisation is manages and controlled. It is built- upon some underlying characteristics which include;

- Crisp articulation of the mission, vision, and core values, by which the company operates. This entails an organisation determining its ultimate destination over a given span of time and how it intends to move there taking into considerations the principles that govern its journey to target place.
- Outline of the organization structure, reporting lines, and responsibilities for functional and operational elements of the organization. This specifically necessitates having a clear communication plan detailing who conveys what information, to whom and the period within which this is done.
- Clarity on ownership of governance, policies, and control activities. This is mainly about rules, policies and guidelines on how the organisation move together as an entity and who is responsible to whom and for whom in pursuing the organisation aspirations.
- Expression of the core business processes and how they interface. This means an orgnisations having in place processes and interconnectedness of different units which may have different operations but all geared towards a common goal. In some instances, the units have to work together aimed at producing certain deliverables.
- The framework for assuring compliance. This is in line with the rules and procedures in place meant to ensure that what is collectively discussed and agreed up are attained provided that the minimum inputs and working tools and equipment are provided and the process is well articulated.

Table 3: Key Elements of Governance Framework

GOVERNANCE FRAMEWORK			
Values	Operating model	Management system	Governing bodies
<p>A defined set of values that resonate with the business and are:</p> <ul style="list-style-type: none"> • Clear; • Memorable; • Mission focused; and • Guide decision- making. <p>The values naturally extend to the behaviors expected of individual employees and become guiding principles for “doing things right”.</p>	<p>An explanation of:</p> <ul style="list-style-type: none"> • The distinction between an operational role & a functional role; • Delegations; and • How the business plans its activities plus measures its success against that plan. 	<p>Documented:</p> <ul style="list-style-type: none"> • Policies, procedures and guidance – ordered in a hierarchy; • Process of self-attestation; and • Summary of how the business operates. 	<p>Roles and responsibilities at a ‘corporate’ level e.g.:</p> <ul style="list-style-type: none"> • Charters of the Board and its sub committees; • Non executive and top tier executive roles and responsibilities; • The role of Internal Audit (IA), compliance and risk management; and • The role of bodies such as a Functional Council to control and maintain policies and procedures etc.

The management system includes the set of hierarchically structured policies and procedures for the organization, including the process of self-attestation. Additionally, it entails a summary of how the business operates across the relevant areas. Governing bodies provides oversight for the whole governance framework, from the top-level board of directors' charter down to executive and non-executive roles and responsibilities. The second large part of the governing bodies' element is that of compliance, internal audit and risk management, which monitors the policies and procedures and ensures that they are adhered to.

Once the governance framework is developed, there are six critical success factors for effective implementation. These six elements also rely heavily on the involvement and engagement of stakeholders who understand and support the values of the organization. These are mostly focused around creating a compelling case through a thorough understanding of what motivates the stakeholders.

Secondly, by interacting with the stakeholders, you become aware of where pushback will come from and on which issues, leading to better mitigation strategies. Thirdly, a strong, united leadership will create a unified front for all stakeholders to get behind, to accomplish the task at hand. Next, providing enough time for all the changes to embed across the organization will ease the transition from the previous state to one with more controls and governance.

All along, ensuring that there is proper two-way communication between the stakeholder groups provide both with a means to deliver the messages across the organization, as well as relay feedback and concerns from the stakeholders back up to the leadership team. Lastly, having a well-articulated and detailed plan, along with review points and targets, will help with establishing the transition to an organization with proper governance at all levels of the organization.

In a sharp contrast, little work has been done at a sectoral level, whether globally or regionally, whereby the management and governance of the entire oil and gas value chain are assessed. It is unclear why this is the case. One justification could be the required technical knowledge of the sector to facilitate such an assessment. The other may relate to the opacity surrounding the management of the sector. Many governments do not reveal sufficient details to allow a comprehensive assessment a difficulty experienced by this author (Sauvant et al, 2012). Also, the concept of what constitutes good universal sectoral governance is still work in progress

and only a few objective yardsticks have been developed for this purpose. The Resource Governance Index (RGI), from the Natural Resource Governance Institute (NRGI), is, to date, the most comprehensive measure of governance quality in oil, gas and mining rich countries. According to the institute, the index is the only international index dedicated to resource governance. Given the increasing belief that poor governance and resource curse are connected, with the former contributing to the manifestation of the latter, it is expected that sectoral governance will capture more attention in academic research.

The concept of 'governance' has become more prevalent in the literature related to sustainable development. Good governance has been advocated as a core remedy for avoiding the resource curse which has blighted many developing countries. Significant empirical evidence shows that hydrocarbons rich countries often grow more slowly than resource poor countries. This is what experts have labelled the curse of natural resources, or 'the paradox of plenty' resources rich, economically poor. Authors like Deacon and Rode (2012) contend that the resource abundance tends to generate a curse in countries with weak pre-boom institutions, but not in countries where governance and the rule of law are strong initially.

In international development initiatives, good governance is embedded as a crucial target to aim for. It was accepted as one of the targets of the Millennium Development Goals (MDGs) then their successors the Sustainable Development Goals (SDGs), and confirmed in the Addis Ababa Action Agenda (AAA). The concept has become synonymous with sound development management (UN, 2000). In the UN 2030 Agenda for Sustainable Development (2015, p.4), "good governance and the rule of law, as well as an enabling environment at the national and international levels" are described as "essential for sustainable development, including sustained and inclusive economic growth, social development, environmental protection and the eradication of poverty and hunger."

In its report 'Governance and the Law', the World Bank (2017a) refers to the SDG16 on promoting "peace, justice and strong institutions," as explicitly related to governance. The Bank further adds that this SDG "has important instrumental value because the attainment of the goal will aid in the attainment of all the other SDGs" and that "the achievement of all the development goals will require a solid understanding of governance to enable more effective policies" (p.4).

In the oil and gas sector, sustainable development requires “a political system that embraces good governance and transparency” (Alba, 2009). The question is how to measure it and what are its key dimensions. A few organisations have developed governance indicators – such as the World Bank Worldwide Governance Indicators (WGI) which focuses on six dimensions of governance, mainly: voice and accountability; political stability and absence of violence; government effectiveness; regulatory quality; rule of law and control of corruption. For the extractive sector, the RGI is the most comprehensive dedicated measurement of governance quality. The index also embeds most of the WGI elements. Other indicators, such as the Ease of Doing Business (also by the World Bank), are available but they are not sector specific; they focus on the overall business climate in a country.

A World Bank study on the extractive industries’ value chain identifies five inter-related pillars where each pillar needs to be managed properly to ensure good governance and, in turn, promote sustainability (Alba, 2009). The chain includes: 1) awarding contracts and licenses; 2) monitoring operations, enforcing environmental protection and social mitigation requirements; 3) collecting taxes; 4) distributing revenues in a sound manner; and 5) implementing sustainable development policies and projects.

5.3. Hydrocarbons Wealth in the Mena

The Arab region is probably best known for its sizeable oil and gas resources. The region sits on 43% and 28% of world proven oil and gas reserves and produces around 32% and 16% of global oil and gas (BP, 2017). The hydrocarbon riches are not evenly distributed across the region. Saudi Arabia alone holds the bulk of oil reserves and Qatar of gas reserves. In fact, the Gulf Cooperation Council (GCC) countries sit on 69% and 77% of the Arab region’s proven oil and gas reserves and produce 60% and 75% of its oil and gas respectively. Bahrain and Oman are the exception among the GCC, given their minuscule reserves compared to their neighbours. Oman’s proven oil reserves are only 2% of Saudi Arabia’s and the Sultanate’s proven gas reserves are 3% of those of Qatar (Ministry of Justice and Islamic Affairs, 2008).

The Arab region’s resource potential is not limited to conventional oil and gas. Preliminary research indicates a substantial resource base of unconventional hydrocarbons. For instance, according to the Energy Information Administration (EIA, 2013), Libya is the world’s fourth largest holder of shale oil while Algeria is the world’s third largest

holder of shale gas resources. The exploitation of these resources will require the design and application of new policies and new regulatory and fiscal terms – something that goes beyond the scope of this paper but is of research value. Seven out of the nine net oil exporters are members of the Organization of the Petroleum Exporting Countries (OPEC), making half of the organization’s membership, which in turn affects their oil production level. Saudi Arabia is the largest oil producer and exporter in the region, a position occupied by Qatar in terms of gas.

According to Malik, A. (2015) only three Arab countries (Djibouti, Lebanon, and the Palestinian Authorities) do not produce any oil or gas, though Lebanon may join the club of producers should any discoveries be made while gas fields exist offshore the Gaza strip but have not been developed because of the existing political stalemate. The distribution of reserves across the region has impacted the industry structure. When oil and gas activity started in the MENA in the early decades of the last century, the industry was dominated by the then few large international oil companies (IOCs), which operated under very generous concessions, especially in comparison with what is offered today.

Early concessions granted in Kuwait were for up to 99 years, while in the UAE a single onshore concession, granted in the 1930s, covered the whole of Abu Dhabi. The financial benefits accruing to the host government under such arrangements were limited, consisting primarily of royalties imposed at a flat rate as a percentage of the oil produced. The concessionaire retained control over virtually all aspects of the operations, including the rate of exploration, the decision to develop new fields and the determination of production levels, among others, leaving the government with a relatively passive role (New Kuwait, 2011). Most of the Arab net oil exporters have managed to translate their hydrocarbons resources into financial wealth and are the richest in the region. All the six Gulf Cooperation Council (GCC) are in the upper income category and they are the only Arab countries at that level. The other three net exporters - Algeria, Iraq and Libya, fall under the upper-middle income category. These three countries have had their share of social unrests, sanctions and wars, which have had their toll on income classification, compared to the more stable GCC countries.

5.4. Oil and Gas Sector Management

Arab net oil exporters’ management of the five principal pillars of the value chain as explained, each pillar is covered in a separate sub-section. Such an analysis uncovers the strengths and weaknesses in the

existing systems. It also identifies similarities and differences between the Arab net oil exporters and as they compare to Norway (Norwegian Petroleum Directorate, 2010). In the overall governance ranking of the oil and gas sector, the RGI index classifies all the Arab net oil exporters as: weak, poor or failing, unlike Norway which ranks the highest among the 89 cases studies surveyed. No Arab net oil exporter makes it to the 'good' or 'satisfactory' category. Kuwait is ahead of the other Arab net oil exporters, ranking 33rd given its low corruption and strong rule of law, according to NRGI, followed by Oman at 39th – these are the only two Arab net oil exporters, out of the nine countries studied, that fall into this category; the others are either poor or failing (Arab Monetary Fund (AMF), 2017). One of the biggest difficulties in completing this section resided in the limited publicly available information on the institutional framework of the oil and gas sector in the Arab region. The results below are based on what was found in the public domain.

5.5. Award of Contracts and Licences

Governments can assign petroleum exploration and production rights in various ways. Irrespective of the choice, the objective in designing the award process is to find the best candidate, maximise potential revenues resulting from the award, and avoid any distortion of incentives to perform. The allocation strategies are typically grouped under two categories:

Open door/informal process, which is based on one-on-one negotiations and encompasses two subtypes: 'first-come, first-serve' and direct negotiations.

Exploration and production rights are allocated following negotiations between the government and companies through solicited or unsolicited expression of interest.

Licensing, which includes administrative procedures and auctions (or competitive bidding)? The former is known as a discretionary system that is based primarily on the proposed work programme. Companies present plans for exploration and development according to a formal process. A government committee assesses various proposals against a defined number of criteria. The license is awarded to the plan that has the best "mix" of those criteria. Under auctions, licenses are awarded based on competitive bids whereby rights go to the highest bidder (for instance, the highest governments take).

Governments can select a combination of procedures to meet different conditions and circumstances. Auctions, however, are becoming the most preferred and adopted process. Their superiority resides in the fact that they are the most transparent way of

allocating rights. A central limitation of informal processes, such as negotiation on a first-come-first-serve basis, is that they lack transparency. The criteria for award are often not pre-defined and known to market participants and the government retains considerable discretionary power and flexibility in awarding exploration and production rights, hence the risk of favoritism and corruption. In contrast, auctions typically require rules to be clearly established before the start-up process, giving transparency benefits for both bidders and auctioneers, mitigating potential corruption and encouraging competition through a fair process (Rodriguez and Suslick, 2009).

Compared to auctions, administrative procedures are not as transparent, since it may be difficult for the bidders to know the reasons for government selection and as such the system becomes more vulnerable to favoritism and corruption (Tordo, 2009). It also requires a certain level of technical capacity and resources to evaluate the proposals. The only feature of the Norwegian system that does not score favourably in terms of governance of the oil and gas sector is the use of the administrative procedure for the allocation of licenses. Because of this choice, the RGI classifies Norway as weak since the process is not as transparent as auctions. Still, compared to the Arab net oil exporters, Norway scores better.

Four Arab countries Algeria, Iraq, Libya, and Oman use auctions or competitive bidding to allocate oil and gas licenses. The other countries rely predominantly on direct negotiations. As mentioned earlier, despite the superiority of competitive bidding, the process is questionable if the licensing round is poorly designed or administered and lacks transparency, which applies to the Arab countries surveyed. For instance, in most cases the biddable parameters are not clearly defined and not easily identified; Iraq and Libya can be considered as exceptions as the terms are known in advance. Iraq's first post-second Gulf war licensing round in 2009 was broadcasted on national television to promote its transparency.

In a region where nepotism and the use of middlemen (wasta) to do business are particularly common, according to Gan Integrity (2016), having clearly defined prequalification and allocation parameters acquire a greater sense of urgency. Algeria's oil and gas industry has been hit by several scandals. In 2010, the head of the NOC - Sonatrach, three of its vice presidents and the then energy minister were dismissed in the wake of a corruption investigation related to license allocation. Then in 2013, another bribery scandal erupted around Sonatrach and Italian and Canadian companies. Algeria has been trying to restore its tarnished reputation by improving existing

processes such as detailing the licensing rules in the hydrocarbon law. This explains why Algeria leads the Arab net oil exporters on license allocation on the RGI, but, like Iraq, the country's performance still ranks as poor. All the other Arab countries are classified as 'failing', primarily because of the lack of transparency and clarity pre- and post- the license allocation process.

In addition to the constitution which typically reinforces the national ownership of natural resources, the main elements that define a petroleum system are:

The petroleum policy, which provides the basis on how a government intends to manage the sector and the objectives it wants to achieve. Although there is no universally acceptable policy model,

- The petroleum policy should be in line with the country's wider policy objectives, namely economic, social, and environmental.
- The petroleum/hydrocarbons law, which is the cornerstone of an effective petroleum legislative framework.
- The petroleum/hydrocarbons regulations, which implement the objectives of the policy and the petroleum law.
- The petroleum contracts, which concretize the legal and commercial relationship between the host government and investors.

5.6. Regulations and Role of Key Institutions

The effective and efficient management of the oil and gas sector requires a clear definition of responsibilities and separation of roles between various government entities. A typical model which is increasingly advocated as the 'good practice' model is the one that properly delineates the duties of the designated ministry which oversees policy making and the regulatory agency which fulfils non-commercial responsibilities such as licensing and ensuring compliance with existing legislation. In some cases, the regulatory function is fulfilled by the NOC. However, if the government wants to exercise a commercial role, such as directly carrying out exploration and production activities, through its NOC, it is recommended that the NOC transfers its regulatory responsibilities to the sector's regulator to avoid a conflict of interest in line with the Natural Resource Charter recommendation in Percept. The management of the NOC is an important aspect of the sector's governance; as Heller et al (2014) argue, it has "a major impact on how well oil producing countries translate potential wealth into sustainable development that benefits citizens".

The 'trio' model of institutional sector setting is best fitted for resource rich countries with established

administrative capacity and expertise. However, "when technical and regulatory talent is particularly lacking in a country, better outcomes may result from consolidating commercial, policy, and regulatory functions in a single body until institutional capacity has further developed" (Thurber et al, 2010).

5.7. Revenue Management

Managing oil and gas wealth has been a daunting challenge for resource rich countries. When these riches first flow in, they can have an empowering effect, but the question is what follows. In many developing countries, such a wealth has failed to translate into sustainable economic growth which is much needed to create jobs, reduce poverty and provide basic services such as health and education, let alone preserving securing the needs of future generations. This section starts by studying the distinctive features of petroleum revenues and which in turn raises fundamental question about their management strategy. The section also analyses the related policy choices in the selected countries and investigates how they score on the good governance of this pillar, with a special focus on petroleum funds.

5.8. Distinctive Features

While most of the principles for the sustainable management of petroleum revenues are the same as those for good budget management in general, some issues are particularly important for oil and gas exporters, because of the distinctive features of these revenues. Firstly, they are generated from the sale of an exhaustible resource. They are assets not a source of income: any consumption of revenues from sales are viewed as a consumption of capital rather than a consumption of income (Humphreys et al, 2007). According to Heal (2007), "it is like augmenting the family income by selling the family silver: it cannot last and is really a form of asset disposal".

The wealth is extracted, not produced, and can therefore occur independently of other economic processes in a country. Resource exhaustibility gives rise to intertemporal decisions about how much of the resource wealth to consume and how much to save (IMF, 2012). The asset depletion therefore raises the issue of inter-generational equity and calls for the need to convert the extracted resource into a portfolio of other assets that yield a sustainable flow of income for current and future generations.

Secondly, the scale and timing of petroleum revenues do not follow a known path. Oil and gas, have the potential to generate significant windfalls in terms of export earnings, which if not well managed, can put upwards pressure on local price levels and trigger the Dutch Disease. These revenues are also volatile and uncertain given the high volatility in oil and gas

prices, and the uncertain production pattern which in turn complicate fiscal planning, with potentially destabilizing budgetary and liquidity effects. Price volatility leads to volatility in government revenues making it difficult for governments to impose fiscal discipline and encourage short-sighted policies.

Both exhaustibility and volatility of petroleum revenues potentially give rise to unsustainable increases in consumption (Collier et al, 2009). Van der Ploeg and Poelhekke (2009) argue that it is not the level of natural resource dependence or abundance but the notorious volatility of commodity prices that is the quintessence of the resource curse. Commodity price swings can be large, long-lasting, and asymmetric, making it hard to forecast prices and complicate the task for policy makers to assess whether a shock is permanent or temporary (IMF, 2012). The result can be high levels of expenditure in good years followed by deep cuts in bad years, instead of sustained higher growth. Humphreys et al (2007) argue that the magnitude of price fluctuations can be amplified by international lending. When oily prices are high, oil rich countries resort to international borrowing, further exacerbating the boom. When prices fall, international lenders demand repayment and force expenditure reductions, thus increasing the magnitude of downturns (Badeeb et al, 2016). The outcome is debt crises (Van der Ploeg, 2011).

Thirdly, oil and gas revenues tend to be sizeable relative to the size of the economy especially in developing countries, risking disorienting the country into a single commodity economy and increasing its vulnerability to external shocks. The share of oil revenues out of the Gross Domestic Product (GDP) in the Arab net oil exporters varies from double to more than eight times that of Norway's, which enjoys a more diversified economy.

5.9. Sustainable Development Policies

“Once the extractive industry contracts and licenses have been awarded, exploration has been completed, construction of production facilities has taken place, operations have been well monitored and regulated, the Extractive Industry income has been collected, and the revenue has been soundly distributed and managed, governments can expect to have excess capital at their disposal to pursue and implement sustainable development investments” (Alba, 2009). This last pillar of the value chain encompasses broader socio-economic and environmental goals in line with the concept of sustainability – though the separation between these three dimensions is not always clear cut. It will be difficult to capture them all in this paper, but the section will highlight general

sustainability related policies as adopted in the selected countries. Like the findings of the previous sections, the analysis indicates commonalities between the Arab net oil exporters and significant divergence with Norway.

5.10. Economic Sustainability

Most Arab countries have announced agendas to improve sustainability, some are rather like five-year plans and others are more for the long term. One common aspect among these plans is the emphasis on economic diversification and the reduction in the dependence on oil revenues (Table 6). Apart from Oman which announced such a plan in 1996, all the other plans in the Arab net oil exporters were declared a decade later. The trigger behind such plans has often been directly or indirectly oil related. For instance, the slowdown in oil production growth contributed to Oman's agenda. In other countries, the decline in oil price has been a more obvious trigger (e.g. Saudi Arabia Vision 2030). Norway neither published its detailed National Strategy for Sustainable Development in 2002, with the oil price or production performance being the trigger nor is economic diversification the focus. Norway's plan was announced following The UN's Millennium Declaration, in September 2000, which commits world leaders to combat poverty, hunger, disease, illiteracy, environmental degradation, and discrimination against women.

Authors like Cullinan and Bernu (2017), believe that most of the Arab net oil exporters plans, particularly in the GCC, are “aspirational”. Perhaps the most ambitious plan is that of Saudi Arabia's Vision 2030, which was described in the media as the biggest economic shake-up since the establishment of the Kingdom and the most sweeping of any attempted previously in the Middle East or by an oil-producing developing country. The reform agenda includes the introduction of basic taxes, such as income tax and a value-added tax (VAT), a reduction in energy subsidies, promotion of the private sector, and support for the role of women in the economy, among others. The most prominent changes announced, however, are the sale of a 5% share of Saudi Aramco and the creation of the world's largest SWF.

5.11. Environmental Sustainability

Although economic diversification is prominent in the Arab net oil exporters reform agenda, other goals have been set and are being pursued on the environmental sustainability front, particularly in terms of diversifying the energy mix and boosting energy efficiency to reduce wasteful consumption and carbon footprint. In 2013, carbon dioxide (CO₂) emissions in Qatar were more than three times those

of Norway's on a per capita basis, and in Kuwait and Bahrain they were more than double. Unlike Norway which gets its energy from a well-diversified mix, giving the country the dual benefits of ensuring security of supply and reducing carbon emissions, all the Arab net oil exporters heavily rely on oil and gas to meet their domestic energy needs.

5.12. Social Sustainability

Social sustainability is a broad concept, with many facets. This section will address one of its important dimensions that is the HDI, which integrates three basic aspects of human development: life expectancy, years of schooling and gross national income per capita which reflects the ability to achieve a decent standard of living. All Arab net oil exporters achieve a 'very high' HDI, except for Algeria, Libya and Oman with a 'high' ranking, and less impressively Iraq with a 'medium' level. Although Qatar scores the highest at 0.86, it still lags behind Norway's 0.95 (UNDP, 2016). The income per capita in Norway is higher than the Arab net oil exporters which partly explains the difference, but Norway also scores better on the other two indicators. Additionally, Qatar's high income per capita is the highest among the Arab net oil exporters, ranking fourth in the world behind Luxembourg, Switzerland and Norway, given its vast gas wealth and small population. However, although Saudi Arabia and the UAE have a lower income per capita than Qatar, their HDI is almost similar.

5.13. Oil governance framework in Uganda

The discovery of commercially viable quantities of Oil in the Albertine Graben in Western Uganda was announced by the Government of Uganda in 2006 (Veit, Excell & Zomer, 2011). By end of 2014/2015, Uganda had twenty-one (21) Oil and Gas discoveries with an estimated accumulation of 6.5 billion barrels of Oil equivalent of which 1.4 billion barrels is recoverable. Uganda's Gas reserves are estimated at 672 billion Cubic feet of Gas with 499 billion barrels of non-associated gas and 173 associated gas (MEMD, 2015). There is still considerable potential of discovering more petroleum given that less than 40 per cent of the total area in Albertine Graben with the potential for petroleum production has been explored (MEMD, 2017, PEPD, 2017).

Oil production is expected to lead to increase in government revenue and promotion of development in Uganda (Veit, Excell & Zomer, 2011). This expectation of national benefits from oil production has sparked interests in governance of oil wealth to avoid the experiences of other countries where discovery and exploitation of oil has attracted woes rather than wealth (see Kiiza, Bategeka & Ssewanyana, 2011). It is against this background that

President Yoweri Museveni has affirmed that oil resource will be well managed for national development:

The development of Oil resources will go hand in hand with the continued efforts to develop other sectors of the economy – that is, the diversification of the economy will continue to be among the top priorities of Government in spite of the Oil wealth. The Government recognizes the critical importance of managing Oil resources well; to avoid the mistakes many other countries have faced (cited in Veit, Excell and Zomer, 2011).

5.14. Beyond the resource curse perspective

Some influential studies have shown the connection between resource-rich countries and the resource curse phenomenon (Sachs and Warner, 1997, 2011; Ross, 2001). The 'Dutch disease' is one of the noticeable signs of the resource curse. The disease occurs when economic resources shift from a competitive sector such as manufacturing, known for creating economic growth, to a newly booming sector of an economy, especially in the natural resource field. One of the consequences of the disease is the appreciation of a country's currency relative to other currencies, which is often due to the windfall in government revenues from the booming sector of the economy (Rosser, 2007). The volatility of global market prices of natural resources, especially oil and gas, is another manifestation of the curse phenomenon (Sachs and Warner 1997).

However, considerable research have been carried to determine how countries richly endowed with natural resources such as Oil and Gas are building and using institutions to attain good governance and optimum benefits from the resources (Anthonsen, Löfgren & Nilsson, 2009; Mehlum, Moene and Torvik, 2006; Isham, Wookcock, Pritchett and Busby, 2005; Collier and Hoeffler, 2005; Sachs and Warner, 1995). This is focused on determining how political and economic options taken by Governments typified by the quality of decisions made, policies and regulatory models selected and institutional frameworks adopted will affect the management of the resources (Weinthal & Jones, 2006; Ibadildin, 2011). Anthonsen, Löfgren and Nilsson (2009) submit that the quality of institutions is critical in explaining the consequence of resources in the economy. This is a marked departure from the existing discourse that posits quality of institutions as an intermediate or intervening variable.

Several scholars have rightly argued that the quality of institutions determines whether natural resources are a blessing or curse to a given country (Kaznacheev, 2017; Mehlum, Moene and Torvik, 2006). Frankel

(2010) conducted an econometric analysis and concluded that possession of abundant natural resources does not lead to the resource curse syndrome. Rather, factors such as commodity price volatility, the Dutch Disease, political and civil unrest and poor institutional quality sets stage for a resource curse. Karl (2006) emphasizes that the resource curse problem is more political than economic. Barma *et al.* (2012) have also indicated that governance indicators for most-resource rich developing countries are poor, thus attesting that the resource curse phenomenon has an institutional dimension.

5.15. Uganda's Legal Framework for Oil and Gas

The Constitution of the Republic of Uganda vests the ownership and control of Petroleum in the Government on behalf of the people (Article 244 of the Constitution of Uganda). Accordingly, the Government of Uganda holds in trust for the people of Uganda all the natural resources, such as minerals and petroleum. Within the constitutional context, the primary framework that guides the management of Oil resources in Uganda is the National Oil and Gas Policy (NOGP) (MEMD, 2008, 2014). With the overarching theme of using the resource to eradicate poverty and create lasting value to Ugandans, NOGP recognizes that to attain the ultimate goal, it should have as a primary objective the "development of institutions, including legislation and manpower, necessary for effective management and regulation of the sub-sector."

The Petroleum (Exploration, Development and Production) Act 2013 governs upstream activities as is known as the Upstream Act. The Act provides for licensing and management of the Oil resources and the establishment of the principal institutions that are charged with overseeing and supervising the Oil exploration, production and distribution processes in the country.

The second relevant legislation is the Petroleum (Refining, Conversion, transmission and midstream Storage) Act, 2013 ("Midstream Act") that focuses on the subsequent process of refining. The Oil exploration and production activities are also guided by the following subsidiary legislations passed in 2016. These are:

- Midstream National Content Regulations
- Midstream General Regulations
- Midstream HSE Regulations
- Upstream General Regulations
- Upstream HSC Regulations
- Upstream Metering Regulations
- Upstream National Content Regulations

The Government of Uganda also developed a model Production Sharing Agreement (PSA) that is central

in guiding negotiations with potential licensees in the Oil exploration and production activities. A model Joint operating agreement has also been put in place.

The Oil fiscal regime is defined in the model PSA and the relevant tax legislation, including the Income Tax Act, (Cap. 340 of the Laws of Uganda), and the Value Added Tax Act, (Cap.349 of the Laws of Uganda). The Public Finance Management Act, 2015, is another legal document that defines a framework for the collection, deployment and management of the revenue from the Petroleum resource. This includes the establishment of a Petroleum Fund (under Section 56 of the Act) that will keep the petroleum revenues collected by Uganda Revenue Authority and the Petroleum Revenue Investment Reserve that will keep the petroleum revenues for investment. Additional laws relevant to the Petroleum Sector include:

- A. The Land Act, 1998, which defines property rights in relation to land, and governs access and utilization of land in Uganda.
- B. Access to Information (ATI) Act, 2005, that guides access to information especially of public interest in Uganda. The ATI Act grants every Ugandan citizen a right of access to state-held information, with exception to infringement of national security or sovereignty, and individual privacy.
- C. Investment Code Act (CAP 92 of Laws of Uganda), which defines access to investment opportunities, especially in respect to a foreign investor. Crucially, Uganda is a liberalized economy and there are no ceilings or limits on foreign or local shareholdings.
- D. Penal Code Act, (CAP 120 of Laws of Uganda), which defines basic standards in (of) compliance in the country.
- E. Wildlife Act, (CAP 200 of Laws of Uganda), is significant in that a number of National parks and wildlife sanctuaries lie within the Albertine Graben. It is estimated that the Albertine Graben accommodates up to 39 per cent of Africa's mammal species, 51 per cent of its bird species, 19 per cent of its amphibian species and 14 per cent of its plant and reptile species (Viet et al, 2011).
- F. National Forestry and Tree Planting Act, 2003, is also important as the Albertine Graben region is home to a number of multiple-use natural and planted forest reserves.
- G. Public Health Act, (CAP. 281 of the Laws of Uganda), is also important in that Oil exploration

and production activities have implications for the health of the citizenry. This is primarily because there will be public health perils if there are no deliberate quality controls imposed on oil production and products.

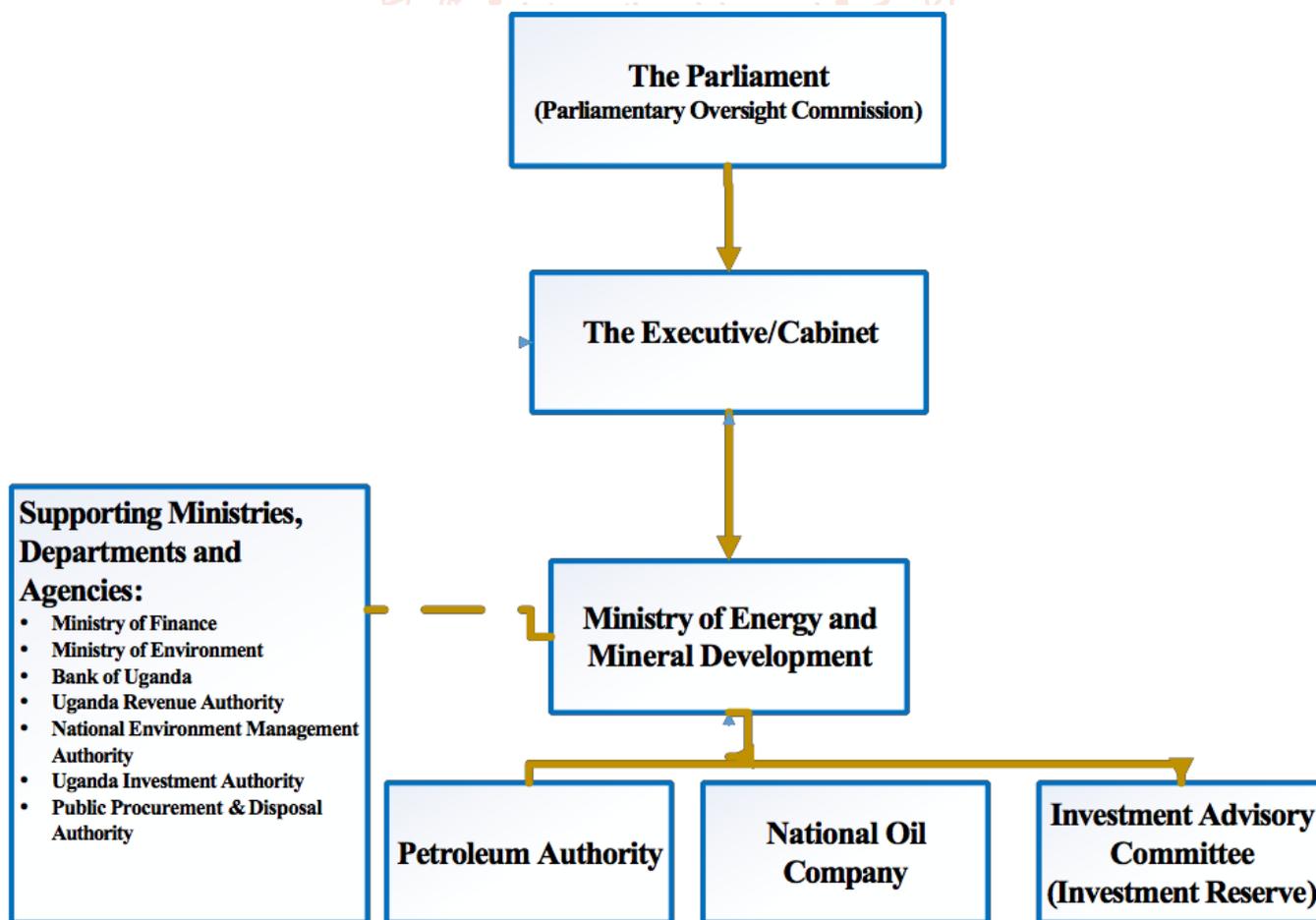
H. Water Act, (CAP. 152 of the Laws of Uganda). This Act governs management of water extraction activities in Lake Albert for use in petroleum activities. It is pertinent in the sense that without proper environmental and water management guidelines, water resources would be polluted and mismanaged to the detriment of the society.

The Oil and Gas sector is also being developed and governed in accordance with the National Development Plan that is underscoring programs such as fiscal expansion for front-loading physical infrastructure investment, industrialization through resource beneficiation, fast-tracking skills development and strengthening governance or enabling business environment. The next section explores and analyses the different institutions and practices that have been put in place in Uganda to manage and regulate the Oil and Gas sector.

Prior to the coming in force of the National Oil and Gas Policy (NOGP), Uganda’s Oil and Gas activities were regulated under the Petroleum Exploration and Production Act, (1985) Cap 150 of the Laws of Uganda that was implemented by the Petroleum Exploration and Production Department under the Ministry of Energy and Mineral Development (MEMD). This was a single department handling all the Oil and Gas activities in the country. This 1985 law, covered exploration operations but did not have adequate provisions to cover development and production operations. The NOGP recommended the establishment of:

- The Petroleum Authority of Uganda to handle the regulatory functions;
- The National Oil company to handle the commercial interest of the state and
- Directorate of the Petroleum to advise on policy issues and resource management.

These were eventually established under the Petroleum (Exploration, Development and Production) Act, 2013. Figure 3 shows the interaction of the recently established institutions together with other Government ministries, Departments and Agencies.



Source: Authors’ Fieldwork (2016).

Figure 3: The interaction of the recently established institutions together with other Government ministries, Departments and Agencies

Uganda's Oil and Gas sector shares similar characteristics with the East Timor's governance framework which is internationally recognized as a robust system. The Timor Leste Model of Oil and Gas Revenue Management was developed with assistance from the Norwegian government. The model shows the interconnectedness of various institutions including civil society organizations for the prudent management/governance of oil and gas revenues in Timor-Leste. The Timor-Leste oil and gas revenue management model has been hailed for providing strong foundation for fiscal stability. Investing oil and gas revenues in foreign portfolio and reducing the possibility of the "Dutch Disease" (Mackechnie, 2013). The features of the model include the following:

5.16. The Parliament

The Parliament, which has overarching responsibility to provide checks and balances to the Executive, is critical in preventing the occurrence of the resource curse through judiciously using its 'power of the purse' (WBI, 2012). The National Oil and Gas Policy (2014) provides that the role of Parliament is to enact "petroleum legislation including legislation on petroleum revenues and monitoring performance in the petroleum sector through annual policy statements and budget approval processes" (MEMD, 2014). The role of Parliament can be exercised across the Oil and Gas value chain, starting from Upstream activities of exploration, development and production; to Midstream activities, of refining, storage and conveyance through pipelines, to Downstream activities of processing, marketing and distribution (Woolf, 2009; Tordo et al, 2011, WBI, 2012).

The depth of Parliamentary involvement varies among different countries, and this usually starts at the point of initial licensing and contracts of the companies extracting the resource. Given the importance of this level in developing a framework in which the resource will be exploited, some countries raise the profile of Parliament in having powers to approve and/or veto resource contracts (WBI, 2012). In Azerbaijan and Georgia, the Parliament has constitutional powers to ratify or veto international agreements, including extractive industry contracts. In Egypt, a Production Sharing Contract can only take effect if approved by the Legislature. In Liberia, investment contracts are ratified by Parliament consequent to negotiation and signature by the line minister (WBI, 2012).

The Constitution of the Republic of Uganda mirrors the above practices, as it places considerable responsibility over the Parliament to provide oversight role in the management and exploitation of

resources and other operations of the state of Uganda. Parliament of Uganda is accordingly the apex institution mandated to make regulatory laws for the management and exploitation of the minerals and natural resources such as Oil and Gas in the country and the sharing of royalties arising from petroleum exploitation and other related activities.

The legal regime in Uganda is however not as strong as say in Liberia or Egypt, where the international agreements or investment contracts are only given effect after Parliamentary approval/ratification. In Uganda, the Minister responsible for petroleum (Minister of Energy) negotiates and enters into petroleum agreements (Section 9 of Upstream Act and Section 8 of the Midstream Act) and only informs Parliament. Although there is a National Resources committee of Parliament, the oversight role of parliament is not visible. As a result, parliament has no control of the negotiated contract terms and appears to be merely a bystander or spectator in the process.

The Minister in essence is an extension of the executive and as such this process is prone to political interference and direction. The only way this can be avoided is to allow the Petroleum Authority to negotiate and enter petroleum contracts instead of the Minister. This was the view held by several legislators during the discussion of the petroleum bills in 2012. In addition, government ought to open up to public scrutiny by providing full disclosure of the contracts, signature bonuses, royalty fees and other payments the government receives from companies. Parliament as well, should be empowered to exercise its oversight role in this sector.

One of the major challenges for the sector is that the agreements that the executive enters into have always been shrouded in secrecy. The executive argues that agreements have proprietary information that would be inimical to the interests of the investor if placed in the public arena (Veit, Excell & Zomer, 2011). This is a contentious matter and is part of the general point of contention of access to information (Veit, Excell & Zomer, 2011). For example, when Parliament passed a resolution requiring executive to submit Production Sharing Agreements, the members of parliament were only allowed a glimpse of the signed PSA's. This does not auger well for the future developments in the oil and gas sector.

Sections 151 and 152 of The Petroleum (Exploration, Development and Production) Act (2013) seem contradictory. Whereas Section 151 avers that the Minister may provide information about petroleum agreements to the public, Section 152 restricts access to information provided by a licensee to the Minister.

In some countries such as Timor-Leste, information on contracts for the exploration, development and production of natural resource is in the public arena (WBI, 2012). The Ugandan legal regime is accordingly weak on accountability (Veit, Excell & Zomer, 2011) and is not even comparable to the regime in Sierra Leone where Parliament has access to resource contracts but with its obligation restricted to providing advisory role that can be accepted or otherwise (Revenue Watch Institute, 2009; WBI, 2012).

In the execution of its legislative function, the Parliament of Uganda has enacted a number of laws, as highlighted above, to guide Oil operations in Uganda. The significant slip-up mentioned in this regard is that most of the laws passed by Parliament concentrate powers in the hands of the Executive (the Minister of Energy and Minerals Development), and this has implications on ensuring accountability and transparency in the Oil sector.

In execution of its oversight role, the Natural Resource Committee of Parliament noted the following issues that have implications for the quality of governance of the Oil and Gas sector in Uganda (Parliament of Uganda, 2016).

- The Ministry of Energy and Minerals Development is constrained to competently execute its role due to its size and capacity as pitted against the scope of its operations and the widening mandate largely precipitated by the emerging Petroleum sub-sector operations.
- There is lack of an adequate monitoring and inspection regime to oversee mining and generally the extractive industry operations in the country.
- Parliament expressed concern over Government's slow pace in joining the Extractive Industry Transparency Initiative (EITI). This situation was attributable to the Executive's failure to put in place "regulatory and institutional frameworks" that would facilitate Uganda joining global transparency forums. This is a recognition that Uganda has some distance in attaining acceptable governance standards
- The country lacks a Petroleum Technical Committee, which is provided for under Section 8 of Petroleum Supplies Act, 2003, and Petroleum Supply (General) Regulations, 2009. The Committee is supposed to advise the Minister on "legislation, technical standards, levies, taxes, prices of petroleum products, develop policies for improving supply of petroleum products - in the country, coordinate preparation of emergency

petroleum plans, dispute resolution between participants in the industry and manage applications and licenses to the Petroleum Committee. The last fully constituted Committee had its term expiring in 2014.

- The Parliament also noted that the Executive has failed to provide the necessary finances for the operationalization of the Petroleum Fund as required under Section 9(2)(a) of the Public Finance Management Act.

These parliamentary observations have however not led to desired changes because the Parliament only makes recommendations while the Executive is charged with implementation. Moreover, the limited influence of Uganda's Parliament is largely attributable to the political system in which Cabinet Ministers who are Members of Parliament are selected from the majority party (WBI, 2012). In such a scenario, where the ruling party has an overwhelming majority, Parliament will have no firm basis to develop independent capacities (Barkin, 2009; WBI, 2012). No wonder therefore that it is a common practice in the Ugandan Parliament for the ruling party, the National Resistance Movement, (that controls 293 out of 400 members of Parliament) to have critical Parliamentary decisions made based on prior deliberations and commitment agreed on in the NRM party caucus. Parliament has generally become a rubber stamp of the NRM party decisions, as all Parliamentary institutions are under the control of the NRM which is the dominant party.

5.17. The Cabinet

The Cabinet is the Executive arm of Government that directly supervises the Ministry of Energy and Mineral Development. The Cabinet is responsible for approving policies and administrative mechanism to guide governance and operations. It also approves draft legislation that is submitted to parliament, and gives consent to production sharing agreements (MEMD, 2014). The Cabinet approved the National Oil and Gas policy and model production sharing agreement that have been used in the negotiation by MEMD with potential investors (MEMD, 2008, 2014).

There is, however, a grey area over Parliamentary and Cabinet oversight. The Cabinet approves the Policy which guides the design and enacting of the appropriate legislation. If the policy was to be in discord with the legislation, the framework does not provide how such a contradiction will be managed. For example, whereas the National Oil and Gas Policy places the responsibility for approving the policy on Cabinet, and the Minister providing policy guidance to the sector, the Petroleum (Exploration,

Development and Production) Act 2013) provides in Section 8(b) that the Minister will be responsible for “initiating, developing and implementing the oil and gas policy”. On this count, it is possible for the Minister to change policy without recourse to any party in the country.

5.18. The Ministry of Energy and Mineral Development

The Ministry of Energy and Mineral Development is the parent ministry under which the oil sector is managed and regulated (MEMD, 2008). Section 8 of the Upstream Act, 2013, spells out the functions and powers of the Minister in this Ministry to include issuing and revoking licenses, submitting draft legislation to Parliament; developing policies and regulations; negotiating and approving agreements and field development plans; and promoting and sustaining transparency in the petroleum sector. The Act gives the Minister of Energy unlimited powers to negotiate grant and revoke oil licenses.

The Minister of Energy in Uganda has evidently been given unusually strong powers to manage the sector and this has raised some eyebrows in many sections of the population (see, International Alert, 2011; WBI, 2012; Veit, Excell & Zomer, 2011; Golombok & Jones, 2015; ASF, 2015). The concentration of powers and responsibilities in a single person may breed risks. For instance, Section 47 of the Upstream Act gives power to the Minister of Energy and Mineral Development to open up areas for petroleum activities. The Act stipulated the process as follows: An assessment must be made of the impact of petroleum activities on trade, industry and environment, possible risks of pollution and of the economic and social effects that may result from the petroleum activities.

A report is then submitted to Parliament and the Minister makes a public announcement of the new areas to be opened, while impact assessments are made available to the public. Within 90 days, interested parties may present to the Minister their written views on the intended petroleum activities. Where the views are positive, the areas will be opened but where the views are negative the areas won't be opened. The Minister has the authority to determine whether or not to open the area. This evidently presents an opportunity for public involvement with one hand, but takes it away with the other by giving the Minister total discretion to decide whether or not to open the areas.

The Minister is also mandated to develop a model Production Sharing Agreement, which has to be approved by Parliament. Once approved, this model is supposed to guide future agreements. The Act has

been criticized for not having any provision for disclosure of the contents of the agreements that Uganda has made over the years in the oil sector. The Ugandan public has been left in the dark regarding the details of all production sharing agreements, which is contrary to the international norms of transparency in the sector and the local access to information act. This matter became a point of public interest when in 2005 a Member of Parliament and two journalists took Government to Court over the restriction of access to information on Oil contracts on account of public transparency. The Court ruled in favour of Government as the petitioners failed to show “the public benefit of disclosing the information to the public.” In 2010, Government conceded and tabled parts of the Oil contracts in Parliament with a caveat that the matter cannot be subject to parliamentary debate.

According to the law, the Minister is also responsible for appointing the Boards of Directors for the Uganda National Oil Company (NATOIL) and the Petroleum Authority of Uganda (PAU) although these have to be approved by the entire Cabinet and Parliament. Interestingly, Parliament rejected the nominee for the Chair of the Board for the Petroleum Authority on account of lack of requisite knowledge and exposure to the Oil and Gas industry (New Vision, July 14, 2014)

In general, the Petroleum Act gives the Minister too much discretionary power to approve licensees and their content, which arguably puts the sector at risk, as there seems to be no checks and balances on the Minister. The powers vested in the Minister appear to be too far-reaching. There is also potential for confused lines of authority. Many countries that have failed to utilize oil for the benefit of their citizens like Nigeria and Angola have similar institutional structures where substantial decision-making powers are vested in a single institution with very limited checks and balances (Hammond, 2011; Mähler, 2010).

Centralization of power poses a major challenge to the oil sector and undermines the authority of the oil governance institutions (Patey, 2015). There is evident political interference in the management of Uganda's oil and gas sector. Several newspaper reports have revealed the President's role in the management of the sector. The President has insisted on maintaining a firm control over the oil industry, reportedly stating: ‘In the case of petroleum and gas, I direct that no agreement should ever be signed without my express written approval of that arrangement’. The powers vested on the Minister of Energy and Mineral Development in Uganda are excessive and create a

conducive milieu for possible misuse and abuse (Veit, Excell & Zomer, 2011; Golombok & Jones, 2015; International Alert, 2011).

There have been a number of opaque events swirling around the Government's management of the Oil and Gas industry in Uganda that undermine the credibility and quality of governance institutions and practices. For instance, top ministers were accused of taking bribes to support some international oil companies in acquiring a stake in the country's resource in October, 2011. Similar accusations were also made against the President. Although accused officials have denied the allegations, the suspicions and allegations have dented the image of the Government of Uganda.

Transparency is undermined by the limitations of access to information laws that give contradictory positions on the right of citizens to access information (Veit, Excell & Zomer, 2011). In spite of passing the Access to Information Act, Uganda has the following laws which seem to impinge on unfettered right to access information: (a) 1964 Official Secrets Act (CAP. 302) of the Laws of Uganda, that provides for secrecy in matters such as security and defence), (b) the Evidence Act of 2000 and the 1955 Parliament (Powers and Privileges) Act.

The Petroleum Act allows access to information in Section 152, and then prohibits access to information in Sections 153, 155 and 156 in a manner reminiscent of the authoritarian regimes (Hammond, 2011). The government has of today released only partial details of the PSAs to Parliament but has not disclosed these to the public (WBI, 2012). This lack of transparency has created lingering suspicions that the PSAs were not well negotiated for the benefit of the people of Uganda⁷. Uganda does not subscribe to the Extractive Industries Transparency Initiative (EITI) which requires its member Countries to publish all payments made by oil, gas, and mining companies to government, and all revenues received by the government from those companies. EITI compliance helps to prevent oil, gas or mining revenues being mismanaged or lost to corruption. Experience shows it also leads to improvements in the tax collection process and boosts public finances as it has in Ghana and Nigeria.

5.19. The Petroleum Authority of Uganda – The Regulator

One of the key institutions put in place to regulate Uganda's Oil sector is the Petroleum Authority of Uganda (PAU). Section 9 of the Act provides for the establishment of PAU. The Authority was established in 2015 as an independent body corporate with the following major functions (as defined in Section 9 of the Act): advising the Minister over the negotiation of

petroleum agreements and in the granting and revoking of licenses; ensuring that licenses uphold laws, regulations, rules and contract terms; and overseeing compliance by oil licensees with the provisions of the Act and regulations made under it. The PAU had its Board of Directors approved by the Parliament in September 2015, so work begun 2016 mainly to organize the company and recruit personnel.

Although the mandate of the Petroleum Authority is laid out in the law, there is still potential for confused lines of authority (Shepherd: 2013). The legislation lays down some important rules for ensuring the impartiality of the Petroleum Authority, intended to 'monitor and regulate' petroleum activities. However, there are also significant ambiguities like the relationship between that body and the Minister. The Petroleum Authority is set up as an independent body but in practice it may play more of an advisory role. It is required by law (Section 13(1) of the Act) to comply with written instructions from the Minister and this poses risks of political interference in its decision-making.

This paves way to possible blurring of lines of accountability. As a number of critiques have observed (Revenue Watch: 2012, and Shepherd: 2013), it seems that there is some dual governance structure where the Authority and the Minister share the top seat depending on the issue at hand. It is important that there is a clear definition of mandate between the Authority and the Ministry, lest the country is open to a risk as the system will create unnecessary duplication or bureaucratic delays, and multiply the potential for bureaucratic competition, corruption or mismanagement (International Alert, 2011). This may easily lead to situations where the Minister and the Authority may try to deflect the responsibility for their actions onto the other.

At this point, the lines for conflict and blurred relationship is a conjecture as the Authority has not fully started operations to make those hard-operational decisions that may bring it in the way of political leadership of the country. It is after that point that more objective analysis of the relationship can be made.

There is growing recognition that governance institutions such as the Ministry of Energy and Mineral Development -and more specifically the Directorate of Petroleum- is simply too lean to fully execute its role in the Petroleum sector (MEMD, 2016; Parliament of Uganda, 2016). The effort to reorganise and strengthen the Ministry has been constrained by limited funding. Funding has also affected both strategic and operational business

activities of fully developing the oil and gas sector in the country. Government has also been slow in developing and skilling human resources for the sector (Kashambuuzi, 2010).

5.20. Uganda National Oil Company (UNOC) – The Business Arm

Section 42 of The Petroleum Act (2013) also provides for the establishment of a National Oil Company, which is supposed to handle the state's commercial interests and manage the business aspects of state participation in oil. According to Section 43 of the Act, the role of the National Oil Company (UNOC) will primarily include handling Government commercial and business interests and participation in the Oil and Gas sector.

UNOC was officially incorporated on June 12, 2016 as a company limited by shares, under the Companies Act 2012, but wholly owned by government. The company has two shareholders namely; the Minister of Energy and Mineral Development who holds 51 percent shares and the Minister of Finance, Planning and Economic Development who owns 49 percent shares on behalf of the Ministry⁹. Upon its incorporation, the company became a separate and distinct legal entity from its subscribers and it can sue or be sued in its own name, enter into legally binding contracts and own property. The PSAs also provide for government participation through carried interest of up to 15 percent in licensed oil fields (MEMD, 2014). The Governing Board for NATOIL has already been put in place by government and a number of top managers have also been recruited (New Vision, August 18, 2015).

NATOIL is set to manage the government's interests in upstream and downstream activities. It will manage the country's share of petroleum received in kind, as well as business aspects of state participation and develop in-depth expertise in the industry. The company is expected to boost energy security, improve revenue generation, and help reinvest profits in economic development and job creation. It is also expected to handle up to 40% government interests in an oil refinery that has an estimated cost of US\$4 billion (MEMD, 2017). UNOC is also expected to hold a substantial interest in the East African Crude Pipeline through its subsidiary the National Pipeline Company.

The Act provides high standards for appointment to the Board of Directors of both PAU and NATOIL. The power to appoint the members of the Board lies with the President and subject to approval of Parliament. The high standards (or vigilance of parliament) resulted in non-confirmation of some of

the nominees that the President had submitted to Parliament (New Vision July 14, 2014).

The Act stipulates that the Petroleum Authority will focus on regulation, while the National Oil Company will actually engage directly in the industry on behalf of the government. The standard model for the organization of oil regulation is one that sees a 'separation of powers' between a petroleum authority, national oil company and Ministry (Shephard, 2013). This is the kind of model that was adopted by Norway, which brings the major advantage of - separating licensing and monitoring functions from the day-to-day pressures of government, and allowing an independent national oil company to develop technical capacity (Shephard, 2013). The same cannot be said for Uganda.

5.21. The Investment Advisory Committee

Section 66 of the Public Finance Management Act (PFMA) provides for the establishment of the Investment Advisory Committee, which is mandated to advise the Minister of Energy on the Investments to be made under the Petroleum Revenue Investment Reserve (PRIR). Although this investment committee is not yet in place, it is supposed to be composed of seven members with representatives from the Ministry of Finance; the Ministry for Petroleum Activities; and the National Planning Authority (NPA) as well as four persons who are not public officers but appointed by the Minister of Energy (MEMD, 2017). Again here, it is left to the discretion of the Minister to decide what the terms of appointment for this committee will be, which may be risky in itself, as the Minister can be prone to corrupt tendencies if there is no clear system in place to check any excesses.

Section 62 of the PFMA provides that funds to be invested in the PRIR will be appropriated annually from the Petroleum Fund by Parliament. The red flag on this matter has been raised by the Parliament's Natural Resource Committee which has indicated that in line with the subsisting legal framework, Government is obliged to remit Oil and Gas revenue to the Fund (Section 57 of the Public Finance Management Act, 2015) which can easily be misappropriated if the regulatory framework is weak. Government for instance received funds from the Tullow Operations Uganda that was assessed by Uganda Revenue Authority to the tune of USD 36,058,521 or UGX. 119,323,709,754 and this was supposed to have been remitted to the Fund (Parliament of Uganda, 2016). It is not clear today where this money is now. The notable omission and challenge to Government is that it currently does not have clear guidelines and procedures for managing

the oil revenue (2016/17 Committee report). This is an indictment of the Governance institutions responsible for the Oil and Gas sector. It is also important to note that if the Petroleum Fund is not credited with the inflows, then the Reserve will be non-functional.

Section 63(2) of the Public Finance Management Act provides that the PRIR is to be managed by Bank of Uganda within the framework of a written agreement signed between Minister responsible for Finance and the Governor of the Bank of Uganda.

6. SOCIO-ECONOMIC WELLBEING OF COMMUNITIES IN UGANDA

6.1. Socio-Economic Wellbeing of Communities in the Albertine graben

The discovery and exploration of natural resources in any country have several socio-economic and environmental implications on the citizenry (Olujimi et al. 2011; Sojinu and Ejeromedoghene 2019; Faria 2020). The African continent accounts for five among the top thirty oil-producing nations in the world (Steyn 2009; Anyanwu et al. 2010; Akpata et al. 2013). The five countries are Nigeria, Angola, Algeria, Libya, and Egypt. In 2019, the aforementioned countries accounted for about 8 million barrels per day, which was almost 10% of global output (Graham and Ovadia 2019). The continent is endowed with vast deposits of crude oil reserves. In its original state, crude oil has little or no practical application and/or economic value (Dincer and Rosen 2013). Therefore, the need arises for the conversion of the unprocessed crude into more valuable products.

The largest oil producers globally are the United States, Russia, and Saudi Arabia accounting for 54% of the total world production (Investopedia, 2020) with Africa also not relenting currently with 10 oil-producing countries. In global trade, oil and gas are the major internationally traded commodities and this is because they are easy to transport. There have been more than 275 new oil fields discovered in West Africa since 2000, according to a U.S. Geologic Survey Fact Sheet issued in February 2010 (Kramer, 2010). Proper management of natural resources and the revenue generated from trade and investment in petrochemicals and affiliated products, can be harnessed for economic growth, reduce unemployment, infrastructural development, alleviate property and hunger in the African continent (Nyemah 2011; Faria, 2020). However, despite the discovery of oil fields and deposits in Africa within the last century, poor resource management, lack of local investment, and corruption have inhibited

desired growth and development, yet the adverse effect of exploration and processing is enormous.

Russia has been selected as the focus country in this study because it flares the most associated petroleum gas (APG) in the world and currently pursues an environmental agenda at a national level and SEPs in the O&G industry at a regional level. Russian regions also appropriate significant foreign investments. However, institutional context can also create conflicting pressures on companies in the oil industry (Levy & Kolk, 2002). To further investigate these opportunities and pressures in terms of achieving sustainability, through interviews with key informants and the study of secondary data we research both foreign and local O&G companies operating in three regional jurisdictions in Russia, which allows us to compare the effects of different SEPs on environmental performance. The policies are analysed at the regional level: while a general environmental policy framework is formulated at the national level, implementation is region-specific.

In addition, global actors such as the World Bank with its Global Gas Flaring Reduction partnership (GGFR) have been leading awareness campaigns and aid programmes since the early 2000s to help reduce this practice. Russia's environmental strategy induced the creation of a complex regulatory framework, involving over 30 laws and 200 bylaws concerned with biodiversity, climate change, natural resources and Indigenous people (Gladun and Zakharova, 2020). The new UN's SDGs require countries to measure progress towards more efficient and enduring use of natural resources, which will consecutively require the global engagement of local stakeholders as an essential element of a global partnership for sustainable development (Graute, 2016).

Africa currently produces about 7% of the world's gas from a range of basins, including intracratonic sags, epicratonic embayments, and basins that form part of the rift-drift sequence caused by the post-Triassic break up of Pangaea (Selley and van der Spuy 2016). Over 2400 hydrocarbon deposits have been discovered in Africa, 700 of them were large enough for significant exploration (Hemstel 2003; EIA, 2017). Petroleum occurs throughout the stratigraphic column from late to recent Archaean (Selley and van der Spuy 2016). Oil production is concentrated in North and West Africa, which holds seven of OPEC's 14 members, producing about 7 mm bpd; however, minimal production has been recorded outside the North and West Africa (Nyemah, 2011). There are two main geographical concentrations of hydrocarbon fields in Africa, namely; (1) West

African coastal seaboard between the Niger Delta and the Congo and Cuanza basins and (2) North African basins (from Algeria, across Tunisia, Libya, and Egypt); other producing basins include, the Senegal basin, the Muglad basin in Sudan, and Quteniqua basin, offshore South Africa (Hemstel 2003; Ekweozor, 2004).

Natural resources serve as a strong economic base for sustainable development in many African countries (Hachay, 2017). The exploration of crude oil in several African countries has brought foreign earnings into those countries, which in turn should improve the living conditions of the population if properly harnessed and managed. Notwithstanding the cost of natural resources management in Africa is high due to lack of infrastructures, poor education, and over-dependence on foreign experts, managerial incompetence, and corruption which has disproportionately affected and hampered the economic growth and development of most African countries (Kalu and Ott, 2019).

Severe environmental hazards have been attributed to crude oil exploration and processing in Africa, mostly arising from the discharge of wastes, including drilling fluids, atmospheric emissions, oily drill cuttings, oil spills, gas flares, well treatment fluids, and deck drainage, etc. (Beyer et al. 2020; Vargas et al., 2020). Noise, atmospheric, and marine pollution arises from onshore and offshore operations of oil rigs, distillation plants, tank farms, and vehicular emissions; which negatively impact water and air quality (Pathak and Mandalia 2012; Jiang et al. 2020). Besides, trace elements are introduced into surface waters from deep aquifers, as a result of the exploration processes, and many of these chemicals, such as cadmium, arsenic, mercury, copper, zinc, and lead, etc., are toxic to aquatic animals as well as humans (Ore and Adeola, 2021).

There is the rarity of comprehensive literature overview of the significance and impact of crude oil exploration in Africa, which is essential for scientific awareness and policymaking toward mitigation of existing challenges peculiar to the African continent. This comprehensive review, therefore, provides useful insights into the occurrence, relative abundance, and exploration technologies of crude oil in Africa, as well as the socio-economic and environmental impacts of crude oil exploration and processing in Africa. This report also highlights existing and emerging remediation approaches suitable for oil/hydrocarbon-based pollution. The scope of the literature considered in this study was published articles, thesis, and books from reputable scientific journals and university repositories.

6.1.1. Socio-economic impacts of crude oil exploration and processing

The exploration and processing of crude oil in Africa has its attendant socio-economic impacts. At the end of 2007, Africa was referred to as the fastest-growing source of energy with 117.481 billion barrels of crude oil or 9.49% of the world's reserves (Nyemah, 2011). Largely, oil exploration has its benefits to the economy of a nation and the world at large for example; the revenue from the oil sector has been the mainstay of the economy of the countries producing it in Africa; as it is also infused into other sectors for developmental purposes (Olujimi et al. 2011; Mensah and Casadevall, 2019). In today's modern society, however, the quest for rapid development and making life comfortable for human beings has rather taken overriding priority over environmental safety.

The Nigerian government, for instance, exercises absolute control over property rights. In other words, they exercise the sovereign power to take seizure of any landed property for use (Boele et al. 2001; Agbogidi et al., 2005). Earlier reports suggested that the total wealth accrued from crude oil exploration in Nigeria get siphoned by only 1% of the entire population (Junger 2007; Brown and Tari 2015). Reports between 1970 and 2020 and the average price of barrel oil and a gallon of gas between the period in review, suggest that \$669 billion in revenue was generated from the sales of crude oil between 1970 and 2010.

Furthermore, between 1999 and 2010, over 742 million cubic meters of gas were produced, if harnessed would have been equivalent to \$192 billion, and 587,375,000 cubic meters were flared, which represents a loss in revenue of around \$151.3 billion. Nigeria is regarded as the number one crude oil producer in Africa, the seventh-largest exporter of crude oil in the world, and holds the 10th biggest processed gas reserve in the world (Amnesty International 2006; Donwa et al. 2015). Despite the massive earning from oil, Nigeria is ranked among the poorest and heavily indebted countries in the world (Agbibo, 2013). Over 70% of its estimated 200 million people live on less than \$2 US per day, due to corruption and mismanagement of resources and revenue according to the corruption perception index (CPI) reports (Hope 2017). The diversion of funds from public coffers to certain individuals, and award of oil blocks, contracts, licensing, and production rights to individuals have impaired economic growth and led to civil war, banditry, and insurgency in Nigeria.

The rampant corruption of government officials, particularly in Africa, is a downside to the exploration

and processing of crude oil in Africa. A large number of host communities of crude oil deposits in Africa suffer from a lack of infrastructure. Fertile soils and clean rivers are integral resources required by residents of local communities to ensure their economic wellbeing, which has been negatively impacted by crude oil processing, exploration, and transportation (Ehirim et al., 2018). Most of the communities are deprived of a potable water supply due to oil spills emanating from crude oil exploration (Junger, 2007). The resulting influence of the oil spills into water bodies is a threat to aquatic life which then results in aggravating hunger and poverty (Pitcock et al. 2018).

Agricultural farmlands are also affected in the process due to runoffs from crude oil deposit areas, thus turning originally fertile soils into wastelands. The economic downturn of this is a reduction in crop yield and productivity (Sam et al. 2017; Chijioke et al., 2018), thus affecting sales and subsequently the gross domestic product from agriculture. Gas flaring is characterized by the release of harmful gases and particulate may pose health threats to both humans and animals (Otitolaju and Dan-Patrick, 2010). Over 250 toxins, which include polycyclic aromatic hydrocarbons (PAHs), hydrogen sulfide, toluene, benzene, sulfur dioxide, nitrogen dioxides, xylene, etc., have been detected in flared gases; some of which are responsible for acid rain, ozone depletion, global warming, cancer, and other harmful effects (PAHs) (Giwa et al., 2019). Thus, the indiscriminate release of particulate matter and precursor gases around oil-producing communities may call for concern.

Furthermore, quite a large number of oil-producing nations in Africa are heavily reliant on the output from the processing of crude oil. The corruption embedded in the system makes little room for accountability and as such lump sums are siphoned elsewhere. This leads to impairment in the infrastructural development of oil processing since most of the money is being siphoned elsewhere. The socio-economic structure of many African countries has been altered, as a result of the operation of crude oil exploration activities, resulting in a lack of accountability and less citizen participation (Kiomugasho, 2016). Countries with significantly lesser revenue generated from oil production fared better in terms of human development and capacity building. This point to the fact that revenues do not automatically transform poor economies into thriving ones, except the revenue is efficiently managed, effectively redistributed, and properly harnessed for diversified local investments.

Nigeria continues to experience national underdevelopment despite her enormous exploration and processing of crude oil. This is largely due to neglect experienced by other sectors of the economy as a result of the large revenue incurred from crude oil, thus making the nation a mono-culture economy (Adefolaju, 2014). The failure of most African governments to mitigate corruption and associated risks of oil pollution has reportedly contributed to militant activities in the crude oil-producing regions (Tantua and Kamruzzaman 2016; Babatunde et al. 2018). In addition, poverty is a major experience of crude oil-host communities in Africa (Sam and Zabbey, 2018). Crude oil is majorly found in rural areas in Africa. The technological expertise required for its exploration and processing is oftentimes imported due to the low level of education of persons living in such communities. It was reported that about 70% of individuals resident in the Niger Delta area of Nigeria are living below US\$1 per day (Amnesty International, 2006).

In Angola, even though the first commercial oil discovery was made in 1955 and the oil industry has grown exponentially since then, yet economic growth has fluctuated substantially averaging just about 5% per annum between 1985 and 2015 (Mohammed, 2018). In the wake of oil discovery, civil war struck in Angola between 1975 and 2002, thus limit expected growth and development (Malaquias, 2001). However, between 2006 and 2015, oil accounted for 97% of Angola's export and 45% of its gross domestic product (GDP) (World Bank, 2017). In Angola to date, over-dependence on oil exports as the major contributor to economic growth is a major concern for policymakers, especially due to the falling price of oil and global recession during the COVID-19 pandemic.

Libya is renowned traditionally for agriculture until the discovery of oil in 1959 (Blake, 1969). Since its discovery, crude oil is the major source of revenue (50% of GDP, 97% of exports, and 75% of national revenue), and plays a dominant role in the socio-economic development of Libyan society (El-Sharif, 2005). Although the advent of oil has brought about tremendous prosperity, the country has lost economic diversity and affected the provision of certain goods and services, especially during the ongoing exogenous world oil price instability (Ali and Harvie, 2013).

In Egypt, the export of crude oil has declined as a result of global recession and global market instability, leading to the rapid decline in Egyptian's living standards, welfare benefits, and public outrage from labor unions and government employees. The

plummeting price of crude oil has increased the need to borrow from the International Monetary Fund, leading to unpalatable structural reforms, austerity measures, and currency devaluation (El-Shimy, 2016).

The livelihood structure of residents of oil communities in Ghana has been altered due to a ban on fishing in the oil-producing areas (Nguah and Mensah 2016; Akakpo et al., 2018), thus affecting the standard of living in the process. Deprivation, occupational dislocation, abject poverty, rural–urban drift, and social conflicts are some of the many peculiarities associated with these oil-producing areas due to crude oil exploration and processing (Mugisa 2016; Dauda 2017; Matemilola et al., 2018). These impacts of oil exploration are predominantly felt by local communities due to the possibility of having their social and communal values affected (Fentiman and Zabbey, 2015). For instance, in a bid to ushering in a New Year in the Niger Delta area of Nigeria, community members undergo festive bathing as it is believed to be integral to the prosperity of the community in the New Year.

Cultural beliefs like this, among many others, have been obliterated due to oil spills emanating from crude oil exploration (Onuegbulam 2018; Onyena and Sam, 2020). Other economically viable aquatic species such as Eastern oyster (*Crassostrea virginica*), Nile tilapia (*Oreochromis niloticus*), rainbow trout (*Oncorhynchus mykiss*) are negatively impacted by oil pollution (De Anna et al. 2021; Garcia et al. 2020; Olajuyigbe et al. 2020). This has affected the ecological profile, the economy of the oil-producing region, and the lifestyle of people in the region. The corporate activities of multinational oil corporations (MNOCs) and suspected unethical practices associated with MNOCs have resulted in social movements against them by host communities, human rights groups, and non-governmental organizations (NGOs). The agitations are mainly hinged on the attitude of MNOCs toward nature, human health, and the rights of citizens (Kalu and Ott 2019).

6.1.2. Environmental pollution as a result of crude oil exploration and processing

Environmental pollution due to crude oil exploration occurs due to an increase in global demand, uncontrolled exploration practices, poor waste management, etc. Despite its growing importance across the world, crude oil exploration leaves the environment polluted. The impact of environmental pollutions across the world, especially in Africa, has far reached worrying proportions (Kelishadi, 2012). The strides being made in the developing world

particularly in Africa through industrialization and economic development have undoubtedly increased exposure to environmental pollution (Briggs, 2003). Pollutants can cause adverse effects to human health from early life and this includes cardiovascular disorders, mental disorders, allergies, and respiratory disorders (Kelishadi, 2012).

Despite the economic benefits of crude oil discovery and exploration in Africa, oil exploration no doubt has far-reaching adverse effects on environmental compartments; air, land, water as well as all living things on earth. Some avoidable occurrences, which are often mismanaged in Africa include oil spillage, gas flaring (causing various gas emissions), noise, and improper waste management (wastewaters and solid wastes) (Pathak and Madalia, 2012). In exploration and exploitation of oil and gas, the major environmental pollutants are; (i) effluent water contaminated with oily effluents (oil & grease), chemicals, and solids from drilling fluid, (ii) formation water produced along with crude oil, and (iii) gaseous emissions having CO, SO₂, NO_x, hydrocarbons and fine particulate matter from the gas flare.

The contamination of water, soil, and air by oil and gas wastes as well as its associated byproducts is a possibility. Reports by citizens have shown the relative effect of production and drilling activities on the contamination of surface waters, soils surrounding well sites, and water wells; air emissions emanating from wellheads, pipelines, drilling sites, compressor stations, and several other oil and gas field infrastructure have been reported to pose air quality concerns (Jiang et al. 2020). Other significant environmental threats are those emanating from the dust particles left from drilling which can coat the surrounding areas, as well as flames produced upon combustion of natural gas in the oil fields which are known to cause air pollution. Gaseous emissions include SO₂, CO, hydrocarbons, NO_x, and particulate from the gas flare. In addition, accidents, illegal dumping of oil barrels and produced water, and oil spills also lead to distressing health and ecological consequences that may persist for decades.

Several activities in crude oil processing ranging from extraction, refining, transportation, and gas flaring introduce greenhouse gases especially carbon dioxide into the atmosphere. The process of burning fossil fuels (coal), oil, and gas leading to the emission of carbon dioxide (a greenhouse gas) has led to global warming raising serious environmental challenges (Darkwah et al. 2018; Jiang et al. 2020). Also, the flaring of gases rich in a liquid produces smoke having aerosols that also contribute to global

warming (FOE 2004; Darkwah et al. 2018). Acid rain which is caused by some activities involved in the crude oil exploration process has adverse effects on the ecosystem.

Oil spills which are seen as the unlawful release of liquid petroleum hydrocarbons within the environments, accidentally or due to intentional human factors have the potentials of adversely impacting the different coastal and marine habitats, wildlife, fisheries, and even human activities (Sojini and Ejeromedoghene, 2019). According to a study by Ordinioha and Brisibe (2013), it was reported that oil spills could lead to a 60% reduction in household food security and were capable of reducing the ascorbic acid content of vegetables by as much as 36% and the crude protein content of cassava by 40% thus resulting in a 24% increase in the prevalence of childhood malnutrition (Ordinioha and Brisibe 2013).

Various kinds of waste may be generated in the processing of crude oil and when not properly handled becomes a threat to the environment. Oil pollution affects the water-retaining capacity of soils, makes them repel water, blocks soil pores thereby affecting the movement and flow of soil water (Hewelke et al. 2018; Wei et al. 2020a; 2019). The physicochemical and biochemical properties of soils polluted by crude oil are altered (Dong et al. 2020). It was shown that oil and gas exploitation activities resulted in land degradation in a study carried out in Ondo state, Nigeria.

Marinescu et al. (2011) reported that the organic carbon content and the carbon/nitrogen (C/N) ratio of polluted soils were increased. Salts absorbed by the soil from drilling fluids during disposal can alter the physical properties of the soil indirectly impacting plant growth (Pathak and Mandalia 2012). Research has shown that soils around areas where gas flaring and spillage occur experience soil acidification, resulting in the loss of their fertility and their capacity for agriculture over some time (Zhao et al. 2020).

Impact on humans and aquatic species

Crude oil exploration and oil spills have negative impacts on the surrounding environment causing hazards, both short and long term, on the neighboring vegetation, animals, and even humans (Barron et al. 2020; Vargas et al. 2020). The esthetics, ecological profile, economy of the region affected, and even the lifestyle of people resident in the area are not spared of these damages. Contaminated soils negatively affect building constructions through the degradative effect on their foundations, leading to the collapse of buildings and death (Alfach and Wilkinson 2020). Polycyclic aromatic hydrocarbons, one of the toxic

compounds found in crude oil have been documented to cause cancer and cardiovascular problems in aquatic life (Dubansky et al. 2018; Moorthy et al. 2015). Humans exposed to oil pollution over some time and their offspring are also prone to cancer and heart defects. Crude oil-related pollution has increased greatly and this has been a source of concern to researchers.

Exposure of the fish *Achirus lineatus* to the water contaminated with light crude oil led to changes in the normal bacteria composition of the gut. These changes were observed both over a short period of 48 h (Améndola-Pimenta et al. 2020) and a severe exposure of 28 days (Cerqueda-García et al. 2020). Although the oxygen concentration in the gastrointestinal tract of the fishes was not measured, it was presumed that toxic exposure to crude oil and gas, could lead to oxygen depletion, since bacterial activity affects oxygen availability and vice versa. Ackerly and Esbaugh (2020) reported that 24-h exposure to crude oil and then hypoxic conditions affected the metabolic activities and aerobic performance of the red drum (*Sciaenops ocellatus*) via an additive effect unlike when the fishes were subjected to each condition individually.

Khursigara et al. (2021) also observed that the specific growth rate of aquatic species was lowered among weeks after crude oil exposure. The reduced growth rate corresponded with a reduction in the standard metabolic rate but did not affect their aerobic performance. Polycyclic aromatic hydrocarbons in crude oil have been reported to impair vision in fish. Magnuson et al. (2020) found out that embryonic zebrafish (*Danio rerio*) exposed to crude oil exhibited cell death in the retina and bradycardia. A reduction in cardiovascular performance was observed in the Gulf killfish (*Fundulus grandis*) exposed to oil. The hatching success of the killfish eggs was also reduced when they were exposed to crude oil (Gurung et al. 2021).

Large-scale oil pollution has affected the avian population, leading to their mortality. Various species of seabirds and coastal birds have experienced effects ranging from physiological to lethal such as inflammation, suppression of the immune system, oxidative cell damages, reduced reproductive success, organ malfunctions, hemolytic anemia, and susceptibility to other diseases (Esler et al. 2000; Fallon et al. 2018; 2020). Improper waste disposal system in the process of oil exploitation is a major threat to humans and animals. Runoffs could occur into water bodies leaving them toxic to marine animals.

6.1.3. Existing and emerging remediation approach for crude oil pollution

In the last few decades, environmental scientists have made several attempts to develop biochemical, thermal, and physical methods for the remediation of polluted water (Adeola and Forbes 2021a, 2021b). Existing remediation options include volatilization, emulsification, chemical oxidation, biodegradation, and adsorption. Gong et al. (2020) recently developed a highly effective, fast-action, photothermal Ti₃C₂TX MXene based sponge, based on the hypothesis that when crude oil is heated, the viscosity reduces, and it can be adsorbed easily (Li et al. 2018).

A graphene oxide-melamine sponge composite effectively cleaned up crude oil from water (Wang et al. 2020). In less than 12 min, with light irradiation, crude oil 95 times the weight of the composite was absorbed in situ. Wong et al. (2020) also reported the ability of magnetic graphene oxide composites to serve as demulsifiers in crude oil removal. Wood sawdust-coated magnetite nanoparticles functionalized with stearic acid were demonstrated to effectively remove oil from seawater by adsorption (Soliman et al. 2020), while Kamgar et al. (2020) functionalized sawdust with Iron oxide nanoparticles also recorded efficient crude oil removal from aqueous solution.

In soils, a zeolitic imidazole framework coated on carbon fiber; activated carbon, and diatomite were applied on polluted soil as an adsorbent and the total petroleum hydrocarbon was significantly reduced (Vasilyeva et al. 2020). Polycyclic aromatic hydrocarbons were successfully broken down in crude oil-infected sediment by *Rhizophora mangle*; however, the field application of this method is in doubt due to physical and biological variations that could occur in the natural environment (Verâne et al. 2020).

Ekperusi et al. (2020) and Enibukun and Boboye (2020) posited that *Lemna paucicostata*, a duckweed species, significantly degraded hydrocarbons in contaminated wetlands. Six (6) *Rhizobia* were isolated from legumes; however, *R. leguminosarum* BIHIB1217 and *R. leguminosarum* N871 were the most efficient in breaking down crude oil in soils. A controlled greenhouse experiment revealed that *Vetiveria zizanioides* could be used in the bioremediation of contaminated soils (Kiamarsi et al. 2020), with the researchers recommending further research to determine its applicability in the field. Other plants such as *Cyperus brevifolius*, *Mirabilis jalapa* L., *Tectona grandis*, *Gmelina arborea*, *Sebastiania commersoniana*, corn (*Zea mays*), and soybean (*Glycine max*) are some of the plants that

have been documented to clean up the crude oil-polluted environment (Issoufi et al. 2006).

Emerging technologies/methods include the use of hydro carbonoclastic bacteria native to the environment and bioaugmentation, for environments heavily polluted by crude oil and heavy metals (Ali et al. 2020). This is a proven integrated approach to remediation (Adeola and Forbes 2021a). Solid inoculants of LZ-2 bacteria were found to degrade hydrocarbons found in crude oil (Li et al. 2021). Bioaugmentation was also the rationale behind the use of bacterial strains *Rhodococcus rhodochrous* and *Nocardia farcinia* to successfully break down crude oil in water bodies (Rodrigues et al., 2020). *Exiguobacterium* sp. A0-11, *Bacillus licheniformis*, *Pseudomonas aeruginosa*, *Pseudomonas putida*, and *Rhodococcus* sp. Moj-3449 aided the removal of crude oil from contaminated soil by breaking down long-chain n-alkanes in water bodies (Muangchinda et al. 2020; Binazadeh et al. 2020). Biosurfactant produced from *Bacillus subtilis* strain Al-Dhabi-130 and *Staphylococcus* sp.

However, the application of these bacteria species may be problematic in heavily polluted environmental compartments, especially toward restoring them to their pristine conditions. Besides, phytoremediation holds an added advantage of reducing air pollution by absorbing excess atmospheric CO₂; however, it may require many years to achieve significant crude oil remediation. Furthermore, some of the remediation methods are not robust enough to deal with heavily polluted soil and water. A number of the remediation method discussed in this review and presented in are still at the prototype stage, awaiting field trials, while others have been used on a field scale and are effective; however, several challenges and limitations still exist, such as high operational cost, fouling, non-regenerable materials, non-ecofriendly processes, long treatment time, generation of a large amount of sludge or secondary pollutants, etc.

6.2. Surveying the Local Communities Affected by Oil Discoveries

In light of the complex climate surrounding local community engagement and expectations concerning oil discoveries, the Economic Policy Research Centre (EPRC) in Uganda, in partnership with the Africa Growth Initiative at Brookings, is undertaking a household baseline survey in the Albertine Graben region with the goal of exploring the social and economic impacts of oil activities there. The survey will specifically assess three broad areas: land challenges, population dynamics and health considerations; food security, employment trends and the environment; and governance and the private

sector. The following describes background on each of these study areas and why EPRC thinks they will be important for the region.

6.3. Land, Population and Health

Land is a very important resource. Several reports (e.g., Uganda Land Alliance, 2011; Bomuhangi and Doss, 2012) indicate that oil exploration activities, such as the digging of seismic wells and drilling, have already led to changes in ownership of land, conflict, and displacement as well as an influx of migrants vying for opportunities in the Albertine Graben.

Not only is this growing migration likely trigger population growth, increase land pressure, and escalate competition among the indigenous people and newcomers, it is also likely to place more demand on the already limited social services of education, health and water in the region.

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. In addition, there is a precedent of increased health and other social problems connected with oil exploration: For example, studies from Nigeria and Ecuador document increased health risks to communities as result of pollution from oil exploration. There are also risks associated with transfer of disease by migrant populations to their new communities (Dadiowei, 2003).

6.4. Food Security, Employment and the Environment

Oil discovery and exploration similarly have a history of altering food security and agriculture. Communities in the Albertine Graben are dependent on crop agriculture, livestock rearing, hunting, fishing and forestry, all of which are impacted by oil exploration and drilling. In addition, it is quite possible that the presence of oil will usher in new employment patterns as has been observed in some many Arab oil-producing countries. Our survey created a baseline to study how the economic patterns of the Albertine region has changed as more land is acquired for oil exploration and production. In particular, an examination of how such changes impact the availability of business opportunities and shifts in employment such as from agriculture to trading and other activities.

With population growth and displacement and as people search for new ranges, agricultural land, fuel sources, and settlements, it is likely that encroachment on forest reserves and deforestation

will also increase. Along the same lines, oil exploration is known to have destructive environmental impacts. In our study, we will look into how community resource utilization and conservation change in response to environmental changes. For example, we will investigate if and how household access to quality water is impacted as well as if and how forest and game reserves are changed.

6.5. Governance and The Private Sector

Oil activities have also brought to light a range of governance challenges and expectations from local communities. The local citizens are particularly concerned with maintaining and protecting land rights as well as the equitable distribution of oil revenues and hope that the government delivers effective programs, laws and interventions that work for the community. But, how can the local people ensure that their rights and needs are met by the government? Our survey will explore in what ways and to what extent communities engage in citizen participation and demand for inclusion, stronger transparency and accountability from government. Scoring these aspects will further add to efforts of managing expectations and ensuring that government plans properly respond to the needs of the community.

In places where considerable amounts of natural resources deposits are discovered people form expectations; anticipations about the effects the discovered natural resource will have on their livelihoods. In reference to the Albertine region, expectations reflect peoples' needs in that area. (Mawejje, 2019) Oil discovery in Uganda raised high expectations of speedy human development not only in the oil producing areas but throughout the whole country (Mawejje and Bategeka, 2013). Generally, most adult Ugandans are aware that oil exist in Uganda and its presence will affect his or her livelihood either negatively or positively, directly or indirectly. The level of expectation is anchored upon a number of factors herein one's proximity geographically to the oil producing area and the extent to which one is active politically, culturally, socially and professionally (Musiime, 2018).

Distinctively, expectations are either positive or negative (Kiiza et al., 2011). To (Bategeka, Kiiza and Sewanyana, 2009) positive expectations are opportunities for improving wellbeing. Positive expectations are positive impacts income from the sale of natural resource makes towards the amelioration of social services and social service delivery systems. Some stakeholders in Uganda's oil sector believe that revenues from oil will propel Uganda to self-reliance. Uganda is expected to earn \$

2B every year from the exportation of oil (Kiiza et al., 2011, 8).

Some stakeholders in the oil and natural gas sector are convinced that revenues from the sale of oil will contribute significantly to the national budget thereby helping Uganda break loose from foreign aid dependence and realign local governments' finances to enable district development. Additionally, oil revenue is expected to improve the numerous infrastructures in the areas for example construction of power dams, roads, and health and education facilities. Bunyoro kingdom hopes for an improved transport system including construction of new roads, railway network, schools, hospitals and creation of employment opportunities for kingdom subjects. (Bategeka et al., 2009; Kiiza et al, 2011) The Albertine region which was hitherto a remote received new roads by the help of government and oil companies. This made fishing communities to be accessible. Between 2006 and 2008 improved access led to increase in the price of fish, a major activity of people along L. Albert for example those in Kyehorro village, which meant increased household income and reduced food prices in the area as trucks would bring in cheaper food from other parts of Uganda. (Kiiza, Bategeka & Sewanyana, 2011, 22-23)

The whole Bunyoro region which did not have major banks till the rediscovery of oil in 2006, saw a dramatic increase of commercial banks from five to ten banks in a period of only two years. Local people have set up shops, malls, guest houses and forex bureaus. Government has embarked on the improvement of infrastructure in the area. In 2014 a 92-kilometre road was completed going through Hoima-Kaiso and Tonya. Governments has prioritized the development of public infrastructure in the Albertine Graben region responding to the huge infrastructural requirement for the oil sector development and improve the area which has been for long a relatively remote region. (Oil in Uganda, 2014.).

Communities located in the Albertine Graben region anticipated to partake of the oil wealth through trade with the oil industry. Some anticipated getting direct employment from the oil and gas sector. Many young professional pursued further studies in oil related disciplines to prepare themselves for the employment market in the emerging oil and natural gas sector. Bunyoro kingdom, a kingdom formed by majority oil rich districts of Uganda through its king presented to the national parliament that it should get 12.5% of oil royalties. Local businessmen turned to banks to get loans to set up facilities and services to transact

through forward and backward linkages with the oil industry. This positive excitement was nationwide. (Musiiime, 2018).

Musiiime (2018) posts results from the national household survey held in 2014 showing that there are strong positive expectations from the oil and gas industry bearing the following percentages: access to healthcare 78%, access to education 83%, business opportunities 90 %, access to electricity 84%, access to safe water 70% and improvement in quality of roads posting an 87%. These high positive expectations are influenced by both works done by government and companies through Cooperate Social Responsibility (SCR) in the oil reach areas. SCR has been very instrumental in improving service delivery in this area. (Mawejje, 2019.).

As discussed in the preceding chapters, benefits accrued from the oil resource discovery are at local, national and international level. Internationally Uganda will join the league of Oil Producing and Exporting Countries (OPEC). Belonging to this club gives Uganda some economic and political leverage in the international arena. Economically it will cease being a Least Developed Country (LDC) graduating to a middle-income country. This means less dependence on donor support and less interference in running affairs of the state and the economy by the international community through institutions like the World Bank and International Monetary Fund.

Politically Uganda will be able to influence its foreign policy and more important having strong economic muscles. This will translate into living in harmony with its neighbors in the great lakes region who might fear to destabilize Uganda because it will be well prepared militarily having acquired oil money which can be used to equip her with modern warfare equipment. Some neighboring states may fear to antagonize a strong economic trading partner Uganda would have become given the grown economy with oil revenue. Care should be taken though for this not to translate into economic chaos and political turmoil due to "excess freedom". With good management the resource will boost industrial sector take of in Uganda and hence benefitting from the wide market of the East African Community by being an active trading partner. However, a hasty decision to extract the oil resource before setting up of the necessary legal infrastructure to direct extraction for posterity may turn this venture into a missed opportunity. (Bategeka et al, 2009).

Nonetheless, businesses that require large capital outlay are a no-go area to majority locals since they are too poor to afford the required capital ensemble, in fact such businesses a preserve of "foreigners to the

area". Through a deliberate government effort local should be helped to get necessary business skills to help them identify available business opportunities in their area and also use the already existing Private Sector Initiative to emphasize the local content policy in the oil and gas industry. (Mawejje, 2019).

However, some critics are reluctant to believe that the NRM government that has been in power in Uganda for over twenty years possess political will to exploit the oil resource for the benefit of all Ugandans. Critics cite undue influence by the presidency over the oil resource through the militarization of the oil producing area and elite capture of oil revenue. Some oil companies lament the unnecessarily delay in issuing oil permits which has increased cost of idle time. Apart from the recent announcement of the route of the oil pipeline and the awarding of licences to International Oil Companies (OICs), to the average Ugandan there hasn't been any tangible benefit from the oil sector till to date. (Musiiime, 2011)

Referring to expectations and natural resources, negative expectations find their explanation in the "natural resource curse" theory (Mawejje 2019; Bategeka et al., 2009) and the Dutch disease phenomenon. Humphreys et al. (2007) argues that resource curse is a condition where countries with colossal amount of natural resources perform poorly in terms of economic growth, social development and democratic governance vis a vis those with lesser natural resource endowments. Sadly, governments experiencing the resource curse phenomenon are usually characterized by egoistic exploitation behaviour instead of managing the natural resource strategically to benefit the wider community. The resource is viewed as a windfall for obtaining quick cashes for a few, most especially the elite members of society. Such a myopic view on resource income disregards a crucial characteristic of depletion of all-natural resources. A characteristic which demands that natural resources be exploited in a planned and conscious manner if they are to as to benefit the community for a longer time. (Sovacool, 2007).

Countries suffering the natural resource curse problem have little diversification in their economies and tend to rely principally on that single sector and one resource envelope hence forth a fall in that resource price directly affect the country's budget. Due to the resource's substantial contribution in terms of fetching foreign exchange to the economy, the natural resource may cause crowding out of other sectors. Earnings from oil or other natural resources negatively affect economies in two ways.

First, by creating the Dutch disease syndrome where income earned from the sale of the natural resource

spent domestically causes the value of the local currency to appreciate which consequently makes the country's exports to be highly priced on the global market hence forth cutting down on their sale on the global market. This scenario makes the economy to rely majorly on the revenue from natural resource since other sectors are no longer bringing in substantial foreign exchange. As a result, people formerly employed in other sectors other than the nature resource sector face unemployment and are hit by poverty. This creates economic stagnation and stress to the government (Mawejje & Bategekka, 2013).

Most extractive sectors are capital intensive; normally countries with large resource deposits are poor to possess the required technology and skills. They end up hiring foreign companies and expatriates to do the job, creating capital flight and unemployment to the nationals. Locals were concerned about the arrival of foreigners in their area. They accuse immigrants for taking away their work, land, causing environmental pollution and interfering with their livestock. Local communities are also worried about the rise of urban centres and the malaise that come with urbanization (Tumusiime et al., 2016).

People's expectations need to be appropriately managed through consultative decision making and developing channels of proper information dissemination to ensure legitimacy and acceptance of intended interventions in these areas. In spite of the negative expectations raised, local communities in the oil rich area of the Albertine region welcome the ongoing activities in oil and natural gas sector. They highly anticipate that the resource will improve their socioeconomic life (Mawejje, 2019)

Stakeholders including the government of Uganda, the oil companies, the local communities, the Bunyoro Kitara and civil society organizations should work together so as to maximize efficient exploitation of the oil resource and bring about balanced regional development. (Alstine et al., 2014) affirms that through exercising norms of transparency and accountability along the value chain of oil coupled with developing projects that focus on addressing poor people's predicaments, communities possessing the oil resource have been able to counter the negative effects of the resource curse theory.

According to Lindstadt and Staton (2007) there are three ways to manage expectations whether positive or negative; laissez-faire, exaggeration and underreporting. Laissez-faire is the most liberal way where citizens are allowed to say what they want and feel. The challenge with this strategy is that people

might end-up trading in lies and hearsays for example in the oil region due to such a strategy people circulated information about how top army officers were grabbing peoples' land which was not true. This strategy arises from the deficit side; characterized by absence of proper channels of information flow especially from government to the population, from experts to politicians and from knowledgeable civil servants to the press which leaves an information vacuum only to be filled by grapevine. Underreporting is conscious reporting since trading in empty promises and lies comes with sanctions for example loss of popular support. Exaggeration is a populist strategy used by politicians mainly as way of accumulating political capital. Some politicians claimed revenue from the oil sale will be enough so people will stop paying graduated tax (Kiiza et al., 2011).

7. EFFECT OF OIL GOVERNANCE ON THE SOCIO-ECONOMIC WELLBEING OF COMMUNITIES IN THE ALBERTINE GRABEN –UGANDA

7.1. Uganda: Geographical Historical and Political Overview

7.2. Geographical

The country is neighbored by Kenya (East), Democratic Republic of Congo (West), Tanzania (South), Rwanda (South West) and Sudan (North). Uganda is a landlocked country with a total area of 236,040 km² of which 36,330 km² are inland water. It is located in Sub-Saharan Africa, on the East African Plateau – zone of the East African Rift. The country is part of the African Great Lakes region and is one of the seven African countries split by the Equator into the Northern and Southern hemispheres.

The climate is mainly equatorial with clear distinctions depending the latitude. The country knows different rainy and dry seasons per year, more or less intense depending the region. Temperatures may vary significantly during day and night from a season to another but also from a region to another during the same season. From western high-top mountains with snow and frequent rains to the North semi-arid in nature, Uganda is gifted by a wide range of biodiversity.

This variety makes Uganda the Pearl of Africa has named by Winston Churchill. "The kingdom of Uganda is a fairy-tale. You climb up and at the end there is a wonderful new world. The scenery is different, the vegetation is different, the climate is different, and, most of all, the people are different from anything elsewhere to be seen in the whole range of Africa. For magnificence, for variety of form and colour, for profusion of brilliant life – bird,

insect, reptile, beast for vast scale Uganda is truly the pearl of Africa." W. CHURCHILL, My African Journey. Uganda is characterized by an important part of inland water. Bounded by Mountains (Rwenzori 5109m, Mount Elgond 4321m, Mgahinga 4127m) and freshwater water bodies, the country shares an important part of the Lake Victoria with Kenya and Tanzania.

The South-East part of the country is mainly covered by the Lake which influences the climate and the local livelihood. The city of Jinja (80km East Kampala) is known as the Source of the Nile since the declaration of the explorer JH Speke (1863). From Jinja, the River Nile flows successively through Lake Kyoga, Murchison Falls and Lake Albert making the Nile basin an important part of Uganda. Other lakes such as Lake Edouard and Lake Bunyonyi complete the long list of natural and protected area to explore.

Thanks to its strategic location and various climates, the country is the convergence of different African's vegetation areas. It is partly for this reason that it attracts over 50% of the continent bird's species and over 10% of the world bird's species. 60 important protected area and 10 National Parks are gazetted and promoted making Uganda a wonderful place to discover in many ways. The national environment conservation policy is affecting positively the Ugandan wildlife by a net increase of the population in the protected area. Two of Uganda's national parks are recognized by UNESCO as World Heritage Sites: Bwindi Impenetrable National Park and Rwenzori Mountains National Park.

7.3. Historical

The Country was largely monarchical in nature. Most of its sub-regions were split into different Kingdoms ruled by chiefs who doubled as political and cultural leaders. Most of these now only foresee the cultural spheres of their kingdoms. The British Protectorate of Uganda was established in 1894 until the country granted its Independence on 9th October 1962. In 1980's, the country suffered guerrilla wars as different governments took over power only to be ousted before long. However, all this is history now. Peace has been fully restored in the country.

The Republic of Uganda is governed by the President of the Republic of Uganda, the Government and the Parliament. The country is divided into districts, counties and sub-counties, town councils and municipalities. Elections are held for the President, the Members of Parliaments, Lord Mayors and other local political leaders. Uganda is part of the East African Community with Kenya, United Republic of Tanzania, Burundi, Rwanda, and South Sudan.

7.4. Demography

As per findings of a National Census carried out in 2014, the country's Total population is 34.6 million (UBOS). 51% are female, 49% male. Children below 18 years constituted 55% of the population; Youths (18/30 Years) constituted 23% of the population. Population density is 173 per/km². The average annual population growth rate is 3.0% Uganda has one of the world's youngest populations. According to end of 2016 report by United States Agency for International Development, over 78% of its citizens are below the age of 30 and about 8 million youth aged between 15 and 30.

Partially responsible for this trend is the high fertility and reduced mortality over the last several decades. Total Fertility Rate (TFR) was 5.8 children per woman. Infant Mortality Rate (IMR) was 53 infant deaths per 1000 Live Births. The country's Literacy Rate is 72.2% (of the population aged 10 years and above) 69% of the households depend on Subsistence Farming as their main source of livelihood. 80% of the households are involved in Agriculture. Nearly one-quarter (25%) of the households is living in urban areas. 20% of the households have access to electricity.

7.5. Economy

Uganda's economy grows between 4 to 5% per annum. Inflation averages at 5%. GDP per capita represents 670 USD. Services contribute for more than 50% of the GDP followed by industry and agriculture. The country ranking at the Human Development Index is 163/187 (2015). According to the World Bank and the African Development Bank: "Uganda's economic stance remains focused on containing inflationary pressures and on enabling growth by ensuring exchange rate stability and maximizing domestic resources mobilization. Uganda has made progress in reducing poverty and in enhancing gender equality and women's empowerment. In the short term, large public sector infrastructure projects will continue to be the main driver of economic activity. The country's economic growth faces a number of risks, delayed completion of the massive public infrastructure program, regional instability, global uncertainty, and credit market constraints."

The weather- and climate-related changes are also a source of vulnerability for agriculture. Most families depend on substance farming as a source of livelihood.

The development of the tourism sector is a strong asset for the Ugandan economy. Beyond its contribution to the national wildlife and environment conservation policies, tourism impacts directly the

local livelihoods. The sector follows a continuous development at human-scale without being industrialized. Uganda is favorable and suitable for green and inclusive tourism.

7.6. Political overview

Uganda is a presidential republic in which the President of Uganda is the head of state and the prime minister is the head of government business. There is a multi-party system. Executive power is exercised by the government. Legislative power is given to both the government and the National Assembly. The system is based on a democratic parliamentary system with equal rights for all citizens over 18 years of age.

The head of state in Uganda is the President, who is elected by a popular vote to a five-year term. This is currently Yoweri Museveni, who is also the head of the armed forces. The previous presidential elections were in February 2011, and in the election of February 2016, Museveni was elected with 68 percent of the vote. The cabinet is appointed by the president from among the elected legislators. The Right Hon. Prime Minister, Robina Nabbanja, assists the president in the supervision of the cabinet.

The Cabinet of Uganda, according to the Constitution of Uganda, "shall consist of the President, the Vice President and such number of Ministers as may appear to the President to be reasonably necessary for the efficient running of the State

7.7. Poverty in Uganda

Over the past three decades, the Government of Uganda has made remarkable progress in its quest to eradicate poverty. Indeed, between 1992 and 2017 the proportion of the population living in monetary poverty fell dramatically from 56% to 21%. However, while the method used to measure monetary poverty provides a clear account of households' financial resources, it does not capture the extent and depth of deprivations experienced by children and adults in Uganda. Broadening our understanding of poverty requires going beyond traditional household expenditure dynamics.

Drawing on data from the 2016/17 Uganda National Household Survey (UNHS), this policy brief presents the national multidimensional poverty profile. Additional details on the integration of the consensual approach in national statistics and the methodology underpinning the construction of the multidimensional poverty profile can be found in Multidimensional Child Poverty and Deprivation in Uganda Volume 1: The Extent and Nature of Multidimensional Child Poverty and Deprivation1 and its Appendix I.2

The following three sections present the distribution of multidimensional poverty levels for the Ugandan population by:

Household Characteristics: sex, education and marital status of the household head, households with and without orphans or elderly person/s (65+), the composition of adults and children in the household, and the household dependency ratio based on the number of children relative to that of adults

Geographical Location: regions and sub-regions in Uganda, and place of residence (i.e. urban or rural)

Individual Characteristics: sex and age of household members along with their economic activity, disability and migration status.

The multidimensional poverty rate is highest among households where the household head has no formal education and declines consistently with the educational level of the household head. Households headed by unmarried women represent the lowest level of multidimensional poverty (31%), while it is highest for those with widowed heads (56%). Although there is only a difference of 6 percentage points between the households with and without elderly member/s, the rate of multidimensional poverty is above the national average for those living with elderly people (52%).

People living in households with an orphan tend to experience a greater level of multidimensional poverty (53%) than those with no orphan (48%). Households where there are more children than adults experience higher levels of multidimensional poverty than average. For example, households with four or more children per adult represent a particularly vulnerable group, with a multidimensional poverty rate of 70%. Based on household characteristics, the multidimensional measure captures a four-percentage point gender disparity, with 50% of households headed by women showing multidimensional poverty compared with 46% of male-headed households.

7.8. Socio-Economic activities in Uganda

The year 2021 opened with renewed hope for an improved economic environment as a result of an initial slowdown of the COVID-19 pandemic. Nonetheless, this trend and the related optimism were later reversed as a new wave of the pandemic ravaged the country, bringing with it record high numbers of infections and deaths. Like other countries, Uganda continued to experience varied social and economic effects from this pandemic during the year 2021, with several economic activities and enterprises, particularly those in the tourism and education sectors bearing the brunt of these effects. Throughout this

period, the Bank continued to play its pivotal role in facilitating economic recovery.

UDB continued to implement credit accommodations to its customers especially those directly distressed by the COVID-19 pandemic, to guarantee the survival of these enterprises beyond the pandemic. To this end, the Bank deferred repayments on Ushs 172.5 Billion on its portfolio. The Bank also disbursed Ushs 428 Billion in new funding to various enterprises, thereby availing liquidity within the economy to facilitate varied economic activities. Additionally, under its interventions dubbed the “Special Programs”, the Bank launched specialized lending products specifically aimed at addressing constraints to credit access by the underserved segments including the youth, women and SMEs.

These products are complemented by the UDB Business Accelerator for Successful Entrepreneurship (BASE) Program through which the Bank provides business development and advisory services, whose purpose is to support informal enterprises to formalize, support credit-readiness as well as improved business operations for the enterprises enrolled onto the program – through capacity building interventions including training in financial management, book keeping, regulatory compliance, governance, among others. The Bank remains committed to providing relevant financial and non-financial interventions that support the private sector to be vibrant and sustainable, and to continue making its mark on building a sustainable economy.

The bank in 2020 approved a total loan value of Ugx 444Billion toward 75 projects spread across the country. These projects, upon full implementation, are expected to create 57,234 jobs, generate output value of Ugx 3,785Billion, contribute taxes amounting to Ugx 749Billion and generate Ugx 1,138Billion in foreign exchange earnings.

Despite the COVID19 crisis 24,013 jobs were created/maintained amongst the enterprises that the bank financed. This is down from 28,313 jobs in 2019. The total contribution to government tax revenue by companies financed by the bank amounted to Ugx 160.1Billion, growing by 12% from Ugx 141.7Billion in 2019. The annual output value for companies financed by the bank witnessed a 38% growth, supported by improved production mainly in agriculture and industry. Profitability of the businesses financed by the Bank totaled to Ugx 409.4Billion.

Conversely, there was a 50% decline in export earnings during the year, yielding at Ugx 175.4Billion – the drivers being the marked reduction in forex

earnings for businesses engaged in tourism and hospitality, and manufacturers opting to either scale back production for export or to produce mainly for the local market during the lockdown.

Employment

Jobs created /maintained were 24,013, 33% (or 7,859 jobs) were held by females. Similarly, women held 34% representation in the shareholding, board and senior management structures of the companies funded; 23 jobs were occupied by persons living with disability.

Number of people lifted out of poverty.

5,275 people were lifted out of poverty during the year and from the Bank's interventions i.e., they started to earn incomes above the poverty line (US\$1.90 per day). The average yield per acre for cereal improved by 4% to 1,610Kgs while the value of industrial output improved from Ugx410.9Billion to Ugx1, 520.7Billion.

In 2019, UDB generated socio-economic development through funding of various projects across the country. Annual turnover of firms increased by 3% from UGX 1.738Tn in 2018 to UGX 1.795Tn in 2019. Profitability of enterprises supported increased by 10% from UGX 161Bn in 2018 to UGX 177Bn in 2019. Foreign exchange earnings for the economy increased by 17% from US\$ 81M in 2018 to US\$95M in 2019. To further boost government efforts towards domestic revenue mobilization, enterprises supported by UDBL registered 6% increase in tax contribution from UGX 133Bn in 2018 to UGX 141Bn in 2019.

The level of employment increased by 18%, an upsurge from 23,970 in 2018 to 28,313 in 2019. This implies that 4,343 new jobs were created by enterprises financed by UDB.

- Employment
- Tax Contributions
- Total Turnover/Revenues
- Profitability
- For ex Exchange Earnings
- Green Finance Outcome 2019

Employment

Overall, employment increased by 18% from total employment of 23,970 in 2018 to 28,313 in 2019, with an equivalent of 4,343 new jobs created. There was a 18% increase in male employment compared to 11% increase in female employment.

There was 63% increase in female youth employment compared to 34% male youth employment from 2594 in 2018 to 6,975 in 2019 and 8,056 to 12,120 in 2018 and 2019 respectively. Full time employment grew by 52% and 27% for temporary employment respectively.

Tax Contributions

The Bank through the enterprises supported, contributed to the revenue mobilization of the government. The Bank tracks the contributions from corporation tax and Pay as You Earn as her share of contribution to the domestic revenue mobilization narrative.

In 2019, tax contribution increased by 6% from Ushs133Bn in 2018 to Ushs 141Bn. Corporation tax contributed the largest share at 84% and 16% PAYE respectively. The manufacturing sector contributed 75% share of tax revenue, followed by 23% in agriculture. Health and education both contributed 1% whereas tourism, infrastructure, mineral oil & gas all had less than 1% contribution.

In Uganda today, revenue mobilization remains a key development priority and essential to finance investments in human capital and infrastructure to achieve the SDGs. UDBL contributes to Uganda's effort to generate and collect public revenues through taxes domestically to finance activities and services to improve healthcare, education, infrastructure services among others.

Total Turnover/Revenues

Overall, turnover increased by 3% from Ushs.1.738Bn to Ushs 1.795Bn in 2019. Agriculture sector registered the highest contribution to annual turnover at 58%, followed by 23% in manufacturing and 13% in mineral, oil & gas sector. Infrastructure, health, education and tourism contributed 3.4%, 1.7%, 0.8% and 0.1% respectively. The high increase in turnover in agriculture sector is attributed to creation of linkages within the value chain and the shift to value addition especially in agro-industries. In manufacturing, the growth in turnover is as a result of production of goods which were originally imported like PVC pipes and the growth of recycling industries.

Profitability

There was a 9% increment in profitability of enterprises supported by the bank. Enterprises which maintain a profitable position is a relief to the bank as this reflects improved capacity to meet the operating cost (including loan repayment). Profitability impacts a company's ability to secure financing from a bank, attract investors to fund its operations and grow its business. In 2019, profitability was high in the manufacturing sector at 71%, followed by 22% in agriculture sector. Mineral, oil & gas, health, infrastructure, tourism and education reported the least level of 3%, (for both health and mineral, oil & gas) while tourism and education both recorded less than 1% in overall profitability.

Forex Exchange Earnings

Foreign exchange earned increased by 15% in 2019. The main leading sectors contributing to increased forex earnings include; Education, Tourism, Health, Manufacturing and Infrastructure. Agriculture contributed 5% with 0% from mineral, oil & gas. The significant contribution from the education sector is attributed to increased number of foreign students in the school's/education services supported. The tourism and hospitality sector registered over 70% foreign guests, significantly contributing to the forex earnings in 2019. In the case of health sector, this the cost of treating foreigners at facilities supported by the bank, an infant stage of health tourism.

The manufacturing and agro-industrialization sectors also registered increase in exports which attracted forex earnings. Foreign exchange earned through exports plays an important role in the growth process domestically. This is capable of further contributing towards improving the balance of payments for the country.

Green Finance and Impacts

- Green finance portfolio toward emission sequestration and climate resilient was up to 36% (UGX66.47 Bn) for manufacturing sector and 16% (UGX 29.65 Bn) for Agriculture sector, out of the total amount of funds (UGX 96.12 Bn) invested by the bank in 2019 (Other sectors contributed 0% to emission sequestration).
- The 36% allotment of green finance to the manufacturing sector led to a reduction of GHG emission by 84,162tco_{2e}, saved 7,742m³ of water, resulting into 2,550 jobs.
- The agriculture sector with a green finance allotment of 16% reduced GHG emission by 1,854tco_{2e}, saved 960m³ of water, creating 22,969 jobs.
- The high investment in the manufacturing is mainly concentrated in the plastics and paper recycling industries, while in agriculture, mainly included establishment of mini-water storage infrastructures such as earth dams and livestock breed improvement for drought resilience for high milk productivity.
- There is high potential to spur up low-carbon and climate resilient through proper green design and business models to harness this opportunity across all the sectors.

7.8.1. Oil exploration and Socio-Economic activities in Albertine Graben

Oil has had more profound impact on world civilization than any single natural resource in recorded history. Oil has become a very decisive

element in defining the politics, rhetoric and diplomacy of states. All over the world, the lives of people are affected and the destiny of nations is determined by the results of oil exploration. Oil keeps the factors of the industrialized countries working and provides the revenues which enable oil exporters to execute ambitious national economic development plans. The march of progress would be retarded and life itself would be unbearable if the world was deprived of oil. That is why oil has become the concern of governments, a vital ingredient of their politics and crucial factor in social economic strategies.

The oil boom presents a moment of great opportunity because the amount of revenues available for poverty reduction is substantial. On the other hand, dramatic development failures that have characterized most oil dependent countries indicate that the oil boom has not helped developing countries fight poverty instead it has worsened the poverty situations.

Petroleum occurrence was first recorded in Uganda in the early 1920s one deep well was drilled in 1938 which encountered hydrocarbons but was not tested, several shallow wells were also drilled during the 1940s and 1950s for strategic purposes. There was then a period of limited or no activity between 1940s and 1980s largely due to the Second World War and political instability in the country. A modern and consistent effort to establish the country's petroleum potential has been undertaken since the 1980s. Aeromagnetic surveys undertaken during 1983 and 1992 respectively identified five sedimentary basins in the country. They are the Albertine Graben, Lake Kyoga basin, Hoima basin and Moroto-Kadam basin. Follow-up work on the ground has shown that the most prospective sedimentary basin to date is the Albertine Graben. Therefore, the exploitation and utilization will create durable and sustainable social and economic effects for Uganda. These resources have a potential to provide immense benefits to the country through creation of employment, generation of revenues, development of infrastructure and subsequent fast-tracking social transformation of the country.

Seismic survey, further exploratory drilling, the longer-term production stage pipelines, decommissioning plans and audits are envisaged to continue in the Albertine rift area in general and in the protected areas. The exploration of oil offers tremendous opportunities for Uganda and Hoima municipality in particular. It also poses several risks if the country succumbs to the oil curse or the diversion of revenues for development through mismanagement and corruption.

Government of Uganda has made significant progress in the petroleum sector; this has been possible through investment in the human resource capacity through specialized training and procurement of specialized equipment to collect geological, geophysical and geochemical data. These efforts led to attraction of investment for exploration and, more importantly, the discovery of commercial oil and gas reserve in 2006.

Investment and licensing in the sector and cumulative foreign direct investment in petroleum exploration in the country since 1998 was over USD 2.4 billion at the end of 2013; and investment in the sector is expected to increase as the country enters the development and subsequently the production and refining phases of the petroleum value chain. Three oil companies have been licensed to carry out exploration, development and production in far exploration areas. These are Tullow Uganda Operations Ltd, Total E & P Uganda and China National Offshore Oil Corporation (CNOOC).

Oil exploration in Uganda covers more than 20 districts but the focus is presently in 4 districts of Hoima, Buliisa, Kikube and Kakumiro. According to the Ministry of Energy and Mineral Development (Petroleum Exploration and Production Department Update) 2016, the discovered oil and gas in the Albertine Graben is 6.5 billion barrels, an amount considered viable for commercial oil production. Its estimated future output will be 200,000 barrels per day.

Hoima district, located in mid-western Uganda, was originally part of former Bunyoro district, at independence Bunyoro was a kingdom. Seven years after the abolition of Ugandan kingdoms in 1967, North Bunyoro and South Bunyoro were created; the latter becoming Hoima district in 1980, Hoima municipality is located on the edge of the Great Rift Valley, 203 kilometres from Kampala city.

Following oil exploration and discovery in the Albertine Graben, Hoima is becoming an attractive and dynamic centre of economic activity and rapid development. This led to Hoima Town being upgraded to municipality status in 2010 through an Act of Parliament. Hoima Municipal Council (HMC) was formed from Hoima Town Council, Busiisi Sub County, some parts of Buhanika, Kitoba, Bugambe sub counties and covers a total area of 89 square kilometres. It comprises four divisions, sixteen wards and 143 cells. Hoima's geographical position provides a huge potential to be a hub in the Great Lakes region. Improvements in infrastructure and utilities such as railway, water, roads and in land port facilities could help exploit this position.

7.8.2. Oil and Bunyoro-Kitara Kingdom

Parallel with the state administration division, five traditional Bantu kingdoms, enjoying some degrees of mainly cultural autonomy have remained in Uganda. The Empire of Kitara (also known as Bachwezi, Bacwezi, or Chwezi Empire) is a strong part of oral tradition in the area of the Great Lakes of Africa, including the modern countries of Bunyoro-Kitara Kingdom, Uganda, northern Tanzania, eastern Democratic Republic of the Congo, Rwanda and Burundi. According to the story, the Kitara Empire lasted until the 16th century, when it was invaded by Luo people, who came from the South of the present-day Sudan and established the kingdom of Bunyoro-Kitara. Once the most powerful in East Africa and one of the oldest on the continent, Bunyoro rose to power and controlled a number of the holiest shrines in the region, as well as the lucrative Kibiro saltworks of Lake Albert.

Having the highest quality of metallurgy in the region made it the strongest military and economic power in the Great Lakes region. But besides the inspiring history and a rich culture, this Kingdom has also a bright future. His Majesty, the Omukama (King in traditional language) of Bunyoro-Kitara Kingdom and the Bunyoro-Kitara Kingdom were restored by the Amendment of 1993 enacted by the Parliament of Uganda and officially recognized and protected by the Constitution of the Republic of Uganda.

In addition, HM Rukirabasajja Agutamba King Solomon Gafabusa Iguru the First, as the forty-ninth Omukama of Bunyoro-Kitara and the twenty-seventh King of his dynasty, which is the royal Babiito dynasty, was specifically recognized as the rightful King of Bunyoro-Kitara by the Supreme Court of Uganda. Similar to other reigning monarchs, the traditional kings currently serve as "cultural figures" or "traditional leaders" and are barred from engaging in politics. These "living symbols" which are now regional heads, are an inspiration in remembrance of the greatness of the past, reigning and serving accordingly.

However, HM King Solomon Iguru I is more! Because his ancestors never renounced their rights, never abdicated the kingdom, never ceded sovereignty, suffered exile rather than capitulate and concede anything, they maintained their original royal status and sovereign rights under the rules of "prescription." This is very significant as King Solomon is not simply a constitutional king. He is also the heir to a dynasty that has kept all its ancient rights intact. Moreover, the Grandfather of the current Omukama, His Majesty The Omukama Kabalega

Chwa II, is a National Hero of the Republic of Uganda.

7.8.3. Oil findings to restore the Bunyoro's glory

In the past, the traditional economy revolved around big game hunting of elephants, lions, leopards, and crocodiles. Today, the Bunyoro people are agriculturalists who cultivate bananas, millet, cassava, yams, cotton, tobacco, coffee, and rice. Moreover, the Bunyoro Kingdom is also blessed with mineral wealth, including oil at the Lake Albert rift valley, gemstones: tourmaline, ruby, red and green garnet, and other minerals, titanium, tin and gold, as well as iron.

The oil in Bunyoro-Kitara Kingdom as a natural resource was known to exist as early as the kingdom existed. People used to see signs of oil seepages in their lands until the colonialists attempted to tap it in 1923. Both the 1st and 2nd World Wars as well as post-independence political turmoil in Uganda interrupted further drilling until 2006 when a United Kingdom listed Company -Tullow Oils Plc discovered 12 oil locations in the Kaiso Tonya area. Since then, other oil companies have also entered the industry. With the discovery of commercially viable oil and gas deposits in the Albertine basin in Bunyoro Sub-region of Uganda (estimated 6.5 billion barrels of crude oil have been confirmed, with revenue production capacity of \$2 billion to \$3 billion per year), preparations are underway and commercial production was originally slated to begin in 2020.

However, a series of oil drilling and development activities have simultaneously raised a lot of expectations, worries and joys. People from both the local communities and urban centers expect that the discovered oil resource will spur sustainable growth and development while others are already anticipating an imminent oil curse. Their worries that oil production sharing agreements were signed without participation of key institutions such as Bunyoro Kingdom that hosts the oil resource on its lands are coupled with concerns that the emerging oil industry will deplete most of the ecosystem resources since oil wells discovered are located in fragile ecosystems such as lakes, rivers and wildlife reserves as well as crop husbandry and cattle.

The fact is that people are scared of likely future oil spills that may result to, internal and cross boarder conflicts over resource use and control, ethnic tensions and above all erosion of the long time-tested cultural heritage of Bunyoro-Kitara Kingdom. This is because the entire Albertine Rift right away from the borders of Southern Sudan down to the southern border with Rwanda has been divided into eight oil

blocks moreover, almost 96% of these appearing in protected, environmentally sensitive areas.

The attempts to restore Bunyoro's former glory have been given a huge boost by oil discoveries in the region. Nevertheless, MPs and representatives of the Bunyoro Kingdom itself, completely aware of the challenges ahead, have all played a significant role in managing these expectations and opinions which required particular attention. In the light of the view that for Uganda to take full advantage of its oil resources and become one of Africa's oil success stories it must strengthen its oil governance institutions and become more transparent and accountable in the way it manages its emerging oil industry, the recent appointment of an oil expert at the Prime minister position in Bunyoro-Kitara Kingdom could be considered as visionary and very important!

Although it is suggested that oil states have little interest in developing sound institutions because stronger institutions demand higher accountability, as well that weak institutions are chiefly responsible for the lack of development and growth in many rich oil countries in the global south, the case of Uganda shows that attempts have been made to develop sound institutions to manage oil sector. Moreover, during the preparations for the exploration of oil in Uganda, the government has embarked on key infrastructural development projects among them major roads from Hoima to Buliisa, Kigumba to Kyenjojo and an international airport in Kabaale, which is expected to facilitate movement of heavy, bulk and sensitive cargo.

These projects bring in multitudes of people, in search for jobs and opportunities every day. Government and joint venture partners - Total E&P Uganda, China National Offshore Oil Corporation (CNOOC) Ltd and Tullow Operations Pty Ltd have also lined up a number of infrastructure projects needed in the oil production phase. These projects are expected to employ as many as 100,000 people in the construction phase and up to 2,000 in full-time jobs. "It is our hope and desire that the infrastructural developments, which are being implemented in Bunyoro Sub-region, will improve on the welfare of our people. As a Kingdom, we are mobilizing our people to tap the social-economic opportunities of these infrastructural projects," – Rt. Hon. Andrew Byakutaga, the Bunyoro Kingdom Prime Minister said.

7.8.4. The Omukama as the catalyst in the development process

The major impact visible in all communities where prospecting is taking place is the tremendous improvement in public infrastructure and social

services undertaken by central and local government, as well as by the oil companies themselves, in support of oil-prospecting activities. Bunyoro Kitara Kingdom is blessed with vast oil deposits. However, it is also aware of the implications of the activity on the social, cultural, and economic and environment.

In order to overcome the development challenges, the Kingdom faces there are a wide range of initiatives with regard to the implementation of appropriate and advanced methods. It is important to say that Bunyoro-Kitara Kingdom Parliament has on the 30th November 2019 unveiled the Annual Budget (Embalirra) for the financial year 2019/2020. The budget, under the theme: “improving governance for a prosperous Bunyoro” was read by the Finance Minister – Owek. Owagonza Robert Abwooli. A total of 10 Billion shillings is budgeted for the financial year 2019/2020.

The King is in general doing a lot of work to improve the living standards of the people. Relations are maintained with the European community via the development organization Association of the Representatives of Bunyoro-Kitara. In spite of the fact that many Western cultural elements have been assimilated, the Banyoro has maintained their rich cultural heritage and many Banyoro proudly uphold the ancient traditions of their ancestors. Under the leadership of HM the Omukama Solomon Gafabusa Iguru I, great efforts are underway to revive many of their cultural traditions, and document them for posterity. Schools are encouraged to include traditional Kinyoro (adjective) culture in the curriculum.

Unlike the pre 1967 Omukama who was a titular head of the local government of Bunyoro, the Omukama, today, is a cultural leader with no governmental functions. His mission is to give his subjects cultural leadership, and to be a catalyst in the development process. The overall welfare, cultural and economic well-being of the people of Bunyoro-Kitara is priority number one on the Omukama's agenda. To this end, he has created The Bunyoro Kitara Cultural Trust and initiated a number of humanitarians, cultural and economic development projects.

A profound social effect of oil prospecting has been the opening up of communities that were previously closed to external influences. Bearing in mind that modernization has led to the breakdown of the traditional setup, which used to impart some knowledge and values to the young generation, the activities of Kabalega Foundation and Bunyoro Kitara Kingdom Education Fund through the programs focused on civic advocacy and engagement, cultural research and development, environment protection,

education and life skills development, health and sanitation, as well as community social-economic empowerment supporting this cause, while also preserving and promoting the legacy of the ruler of Bunyoro-Kitara Kingdom from 1870 to 1899, and a celebrated hero, could be characterized as the ones of immense importance.

7.8.5. Community based initiatives of the Bunyoro-Kitara Kingdom

Although the cultural leaders of Uganda's Bunyoro kingdom and Bunyoro itself are prohibited from engaging in national politics they remain very influential in Uganda. According to the 1955 agreement signed between the Bunyoro Kitara Kingdom and the U.K. protectorate government, which provides that Bunyoro is entitled to substantial amounts of revenue from mineral exploration in its kingdom, it is stipulated that in the event of mineral development taking place in Bunyoro, a substantial part of the mineral royalties and revenue from mining leases would be paid to the native government of Bunyoro Kitara.

As the Restitution Statute reinstated the Omukama as a Traditional Ruler with all his Privileges, the Omukama regards the provisions of the 1955 Bunyoro Agreement still valid and binding. It is essential to note that is not adequate to have agreements signed between the Oil Companies and the Government of Uganda without acceptance of His Majesty -the Omukama of Bunyoro Kitara. Thus, the responsibility is on the Oil companies to secure user rights from the Omukama of Bunyoro-Kitara otherwise they are acting in breach of the constitution of the Omukama deems the Oil Companies liable.

Proving that the Omukama's exclusive rights primarily serve to Bunyoro's community development purposes and emphasizing the need for transparency on how companies are operating in Bunyoro Kingdom region, Rt Hon Andrew Byakutaga said the Kingdom has been reaching out to several companies operating in Bunyoro to ensure that the King's subjects benefit from the ongoing developments in terms of jobs, employment and businesses in the oil sector. It is important to note that in marginalized areas, local people are usually more dependent on local resources – most obviously relating to land availability, but also soil fertility and the ability of that land to support crops and livestock, access to water and fuel, fish stocks and other “ecosystem goods and services”.

Since commercially viable oil deposits were discovered on the shores of Lake Albert in mid-western Uganda, multi-billion-dollar infrastructural projects have sprung up in Bunyoro Sub-region. In

order to avert any existing or possible threat to his Kingdom, the Omukama demands that contracting parties must appropriately compensate all people whose properties have been destroyed by the oil and gas exploration and drilling activities, insisting on the need to protect cultural resources being destroyed by ongoing oil drilling activities without permission from the King and many more that shall be endangered by future developments in the oil industry due to the laying of oil pipelines, construction of refineries and the imminent oil spills and fires.

7.8.6. Need for corporate social responsibility as an imperative

Prior engagement of communities can possibly lead to better understanding and supportive relationships between companies and communities, helping to prepare the community for the eventual transformations that will take place. In Uganda, Tullow and its partners (CNOOC and Total) continues to work with the government of Uganda on the development plan for Lake Albert which is to include a local refinery and international pipeline.

Simultaneously, under the theme, "Creating shared prosperity", Tullow has made some contributions to the economic and social sectors of the countries within which they operate. This includes educational scholarships, water supply projects, health program, and wildlife conservation. Tullow has demonstrated the greatest seriousness towards managing its social and environmental footprint in the interests of peace and development and company representatives generally seem committed to the idea of transparency and openness regarding their own operations with stakeholders.

As to Total Uganda which has been operating in Uganda since 1955, in line with its' vision, the image of its service stations has been improved into a more contemporary and environmentally friendly look. Moreover, in accordance with the Kingdom's intentions to outreach to development partners and companies operating in Bunyoro region, the Prime Minister of Bunyoro Kitara Kingdom after his visit to CNOOC Uganda appreciated the scholarships and the best performer awards that were offered by CNOOC Uganda to pupils and students from Bunyoro annually, revealing the CNOOC's commitment to continue supporting some of the activities of Kingdom of Bunyoro-Kitara.

7.8.7. What's Next for Oil in Uganda

Until recently considered one of the hot spots for new oil developments in Africa, Uganda has pushed first oil to no sooner than 2022, later than a previous target for 2021, because of lack of infrastructure and disagreements over taxes and plans with operators. In

September 2019, reports had it that all activities on the oil pipeline planned to export crude from Uganda had been suspended, following the collapse of a stake acquisition deal in the key Ugandan oil project. The East-African Crude Oil Pipeline (EACOP) is planned to be a 1,443-kilometer-long pipeline worth US\$3.5 billion and expected to transport oil from Uganda to the Tanga port in Tanzania.

In confirmation of these tendencies former Energy Minister of Uganda and current senior presidential advisor, Hon. Irene Muloni, explained in an interview, that Uganda canceled a plan in 2016 to jointly develop an export pipeline to Kenya's coast in favor of a southern route through Tanzania. Although the final investment decisions with Total, CNOOC and Tullow have been delayed, the government now expects them by the first quarter of 2021, said Muloni, adding that Uganda also wants to improve electricity supply and distribution in its region. Moreover, Uganda plans to spend at least \$5 billion on the development of the Kingfisher and Tilega oil fields, which are currently the subject of a tax dispute between the government and the aforementioned three oil companies.

Total, CNOOC and Tullow Oil jointly own the two fields and the Ugandan government is in negotiations with Tullow to reduce its stake in the projects and allow final investment decisions to be concluded. The challenges are both profound and complex, but nevertheless go to the heart of ensuring oil contributes to peace and development in Uganda. Emphasizing the need of developing the durable capacity for economy, the Uganda's President Yoweri Museveni has said proceeds from the oil, if invested well (to be used for the key sectors such as electricity, agriculture, education, science and innovation), will pave the way for the next phase of Uganda's development.

7.9. Expectations and Demands of the Bunyoro Kitara Kingdom

The people of Bunyoro, represented by the Bunyoro-Kitara Kingdom, are demanding a significant share of oil resources to address the high levels of poverty in their region. Kingdom officials are complaining that the National Oil and Gas Policy left out the Kingdom as one of the rightful direct beneficiaries of the oil wealth. This is arguably an important mistake. For, the Bunyoro-Kitara Kingdom historically and culturally 'owns the land where oil has been discovered in Hoima, Kibaale, and Buliisa districts' (Interviews, Jul 202).

The Kingdom rejects the claim by the Uganda Wild Life Authority (UWA) of the land. For one thing, UWA is a recent creation of the Government that is

deemed to be bent on denying Bunyoro its rightful claim of the oil wealth. Yet, the Kingdom has been in existence for over 1000 years. On account of land ownership and in view of its status as an institution representing the interests of all the people of Bunyoro-Kitara, the Kingdom expects to benefit directly from the oil wealth. Asked why the Kingdom would want to benefit from the oil wealth, Kingdom officials pointed to the need to use the oil revenues to address the high levels of poverty that have afflicted the Kingdom since the advent of colonialism in the 1890s. Under colonial rule, Bunyoro Kitara suffered neglect.

The colonial government marginalized us because Omukama [King] Kabalega mounted a spirited resistance against colonization and humiliation' (Interviews, June 2008). Postcolonial governments have arguably done little to address the past crimes, marginalization and humiliation of the people of Bunyoro. 'Now is the time for the Banyoro to reassert their collective and group rights. We either share the oil wealth or cause chaos.

The list of immediate demands articulated by the Kingdom officials includes: i) infrastructure development (mainly tarmac roads throughout the Kingdom and a railway network); ii) education, particularly establishment of a polytechnic and a University (teaching oil-related courses among others) and other tertiary institutions, which are almost totally lacking in the Kingdom; iii) constant supply of electricity (once thermal electricity that will be generated using 16 heavy fuel oils; iv) Jobs for the people of Bunyoro Kitara; and v) Strengthening the people's culture to mitigate the social evils (associated with migration, prostitution, HIV/AIDS etc) that may come as a result of the oil industry. The Kingdom expressed willingness to be accountable for the revenues received and to follow the guidelines that may be put in place by the central Government.

On jobs, Kingdom officials proposed that the oil companies should open liaison offices at least in Hoima to increase the flow of information and improve access of the people of Bunyoro to jobs in the oil industry. The Kingdom is calling for dialogue with the central Government. It demands recognition as a key stakeholder in the oil. The Kingdom also demands representation on the Governing Boards of the oil exploration/extraction companies (a position of Director to be occupied by a Kingdom representative) to ensure that the Kingdom is well represented when decisions that affect the people in the area are being made.

Generally, Kingdom officials are very suspicious of Government on the matter of oil as the following

quotations show: The current Government that some of us fought for has not helped us – it is not ours; there is conspiracy on part of the government of the day to rob us of our wealth; there is a sinister secret plan to rob Bunyoro of its wealth³⁷. Where are the brave heroes of Bunyoro? Certain government officials allege that we, the Banyoro, are cowards – should we fight to prove that we are the Abanyoro, that is, respected chiefs who have the power to fight for our rights? Should we prove that Kabalega's spirit of resistance flows in our blood? We are going to fight. Bunyoro is so poor and marginalized that even the Orukurato [Bunyoro Parliament] cannot sit for lack of money.

In addition to the above views, the Kingdom officials are demanding for the return to Bunyoro Kitara of the counties that were stolen from Bunyoro and donated to Buganda Kingdom. The counties include Buwekula, Buruli, Bugerere, part of Nakaseke and Luwero; and Singo. The claim is that the oil wealth will enable Bunyoro Kingdom to look after its people, including those that were lost to the kingdom of Buganda. Kingdom officials said that Bunyoro Kitara Kingdom did not sign the 1900 Uganda Agreement. This implies that Bunyoro Kitara Kingdom was not a party to the agreement and is therefore not bound by the agreement that marginalized Bunyoro. The Kingdom thinks that now is the time to resurrect the lost glory of Bunyoro Kitara.

7.10. Expectations of Hoima, Kikube, Kakumiro and Buliisa District Local Governments

The district local Governments observed that ever since oil was discovered, the oil prospecting/extracting companies have never established an office in the major towns in the 17 districts, especially Hoima. The Officials conceded that they were aware of the National Oil and Gas Policy but that consultations were few and late.

The technical staff of the districts reported that development activities that the oil companies are undertaking are not discussed with district technical staff. Consequently, some of the infrastructure that the oil companies have put in place is not linked to development plans of the districts. They pointed out that it is not fair for an oil company to expect the local governments to take over the staffing of say schools and health centers that were not discussed and agreed with the district technical staff.

The technical staff reported that there is lack of transparency in oil exploration; that the corporate social responsibility of the oil companies (e.g., building schools or health units) focused exclusively on the people near the oil wells. Yet, oil is a resource of all the people in the oil districts and should be seen

to benefit all, including those in the ‘hinterlands’ (of Hoima, Kibaale, Buliisa and Masindi). Regarding the mitigation of oil’s adverse effects on the environment, the district technical staff reported that they are not really involved in the Environmental Impact Assessments (EIA); the EIA are a matter of formality and fail to take into consideration critical issues like catering for the water catchments areas in the hinterland.

The district environment officers reported that they lacked resources to enable them to visit the oil wells and conduct regular M&E exercises including, but not limited to, ensuring that the oil companies comply with agreed environmental standards. The district land boards of Hoima and Kibaale districts reported that there is no (illegal) land grabbing as reported in the media. On media reports that the President of Uganda has acquired land in the area where oil has been discovered, one district technical staff asserted: “the President does not have land here, not even by proxy.” While no evidence of illegal land acquisition was obtained some respondents reported that some top army officers have acquired land using local people as agents, especially in Buliisa district.

The technical staff expressed concern that land use in the area is not being planned well. The land boards of the districts reported that they are going to gazette the area for planned urban development. Notwithstanding these views, the district technical staff was of the view that land conflicts are likely to intensify in areas where oil has been discovered. The district technical staff reported cross-border insecurity threats emanating from DR Congo. It was also reported that the 18 fishing communities originating from DR Congo are usually very hostile to Uganda fishermen on Lake Albert.

On positive expectations, district technical officers pointed out that good management of the oil wealth is important if the resource is to lead to reduction in poverty, improvement in delivery of social service and development of infrastructure are expected by the masses. Lack of transparency in oil exploration and extraction, and exclusion of key players including the districts could make the anticipated benefits a mirage. However, the district technical staff expects increased revenues that would accrue to the districts where oil has been discovered (generic oil sharing agreement). The increased LG revenues would enable them to upgrade the physical infrastructure (such as tarmacking all the major roads) and improve service delivery.

7.11. Expectations and Demands of Members of Parliament in the Albertan Graben

Concern was expressed by area MPs about the secrecy surrounding oil exploitation and development. One area Member of Parliament said:

The fears of the Kingdom could be genuine. They lack sufficient information on what is happening. Even me as a Member of Parliament, I feel the same. I am worried and scared that the final oil policy and petroleum law will come up without adequate inputs from Bunyoro. If we were brought on board properly, there would be no suspicion.

The view of the Bunyoro area MPs was that suspicion is a major challenge. Each of the area MPs thought that Government had compromised the other members and probably asked them not to talk about the oil issue. However, MPs from the area expected improvement in the livelihoods of the people if oil development is handled well.

The MPs called for the establishment of a regional tier Government to enable the Kingdom to benefit from the oil royalties as an entity. The MPs said that the oil companies are ‘either proud or have gotten politics wrong. They consult with District Chairpersons but ignore the District Council or even the CAO’s office’ (Interviews, July 2022). They said that the road equipment that constructed the roads in the areas where oil has been discovered came from the district; but that it was not clear ‘under what arrangement’ this happened.

Furthermore, the MPs were concerned about recruitment of technical staff by the oil companies saying that there are hardly any people from Bunyoro that are employed by the oil companies at that level. They were not 19 happy about the behaviour of the oil companies to fly in everything from Kampala without any linkages to the local Bunyoro economy.

The Members of Parliament said that they deserve knowledge of how the oil companies are operating. They expressed concern that the employment needs of the local people were not considered. The MPs said:

We are being blamed as leaders, yet we know nothing about what is happening in our areas as regards oil. These people want to fragment us – they pick only one. There is no transparency. The oil issue should be treated as a Bunyoro issue. We shall suffer the environmental consequences as a region and not individuals. The Kingdom as an institution should be respected and used as an avenue for Bunyoro’s development.

The MPs observed that public expenditure that takes place in Bunyoro is very small because of absence of national institutions (they cited a share of 1.4% for Bunyoro as compared to 6.4% for the Kigezi region). They said that there are imbalances and called upon the central Government to invest more in Bunyoro. They called upon the oil companies to exercise their social responsibility transparently by involving the MPs and the district technical staff.

The MPs said that there is lack of a comprehensive plan to sensitize the people on what they should expect. Some people are suffering anxiety that they could be displaced; that displacement of people has already started. The MPs demanded that Government should put them on board i.e. involve them in the process to ensure that the oil program gains acceptance by the local people:

Put us on board now and we see the process to the end. Even if the oil project is good, people could reject it. We expect action now improve roads. Oil discovery is something good but if not handled well, it will end up the Nigerian style. People expect benefits but they are not seeing them. They expect participation and involvement, but they are not seeing them. We are being distanced from the oil business. There is discontent already. And if this is not managed well, explosive conflicts will emerge.

One of the MPs said that the discussion is clearly indicating loss of trust by the public in Government to deliver, because of high levels of corruption. Unless official corruption is decisively addressed, the public will remain very suspicious about how the oil revenue will be utilized. However, one of the MPs advised that for the people to benefit from the oil revenues, they must be undertaking economic activities that will enable them to tap the money. While recognizing that 20 there will be money for improvement of the people's welfare, the MP advised that the MPs should guide the people to manage their expectations and enable them to benefit from the oil resources. He advised that the oil companies should not take things for granted but sit and listen to people's anxieties and hopes.

7.12. Expectations and Demands of Communities around the Oil Wells and in Albertan Graben

The social responsibility actions by oil exploration/extraction companies in areas where oil has been discovered raised hope for improved livelihoods of people in those areas. The area where oil has been discovered was not accessible by road prior to the discovery of oil. As such, the price of fish was very low and incomes of the fishing communities were very low. The discovery of oil saw construction

of a road to the lake through a steep escarpment. Furthermore, murram runways were constructed to enable small planes to land and take off. As such, the area was opened up for the first time and became accessible both by road and air. Improved accessibility of the area immediately raised the price of fish and thereby increased household incomes of fishing communities.

Furthermore, it led to lower prices of food (the fishing communities purchase food brought down the escarpment from the hinterland). A combination of higher incomes and lower prices of food significantly improved the welfare of fishing communities in areas where oil has been discovered. The incidence of cholera was reported to have reduced significantly. In Kyehorro fishing village, in addition to improvement of infrastructure, the oil exploration/extraction company put in place a maternity clinic, improved a primary school, and sunk some boreholes.

The oil company operating in the area also mobilized the community through the LC1 Chairperson and provided manual jobs to the locals. Furthermore, security improved because of deployment of the UPDF. The fishing community of Kyehorro fishing village accordingly welcomed the oil companies. It is noteworthy that initially the activities of the oil companies were limited to offshore and not into the lake waters on which the community depend for a living.

However, with time the oil company began oil exploration in the lake waters, a thing that raised anxiety among the fishing communities. Some of the fishermen think that with time the oil companies could refuse to allow them to fish. Some have fears of being required to relocate from Kyehorro village to another place altogether; the local fishing communities are worried that the activities of the oil companies could adversely affect their livelihoods. The local fishing communities along Lake Albert do not know the boundary of Uganda on the lake. Already, there is reported hostility between the fishermen from Uganda and those from DR Congo whenever the two meet on the lake waters. The fishing communities fear that the hostility could get worse in the long run.

On newspaper reports of land grabbing, the locals of Kyehorro village were unanimous that there is no land grabbing taking place in the area – there are no national level politicians or soldiers that have acquired land in the area. The land available for sale is little as most of the land was reported to belong to the UWA or Government. Local people sell land among themselves but there are no newcomers in the area with claim on land. However, they claimed that

the area where a camp for Tullow Oil and Gas Company is located in Kyehorro was donated to the oil company by the LC 1 executive of Kyehorro village. But UWA extended its boundaries to include that area in the game reserve. The game reserve is the area on which the Bunyoro Kitara Kingdom is also claiming ownership.

Generally, the local communities have no interest in the off shore land – their interest is in the lake waters. Largely, the community of Kyehorro village is not aware about what the oil companies are doing. On power generation of the 50 megawatts of electricity, the community knows nothing. The Community was not involved in the drafting of the National Oil and Gas Policy. What then, are the opportunities and challenges of oil discovery in Uganda? And how are the leading stakeholders managing the expectations (both positive and negative)?

7.13. Opportunities and Challenges of oil governance in Albertine Graben

There are good development opportunities for the area where oil has been discovered. As pointed out already, there are high expectations of significant increase in public investment in Bunyoro. Public expectations in this regard include development of infrastructure in the area, education including a national state University and other tertiary institutions, health, rail network, and above all strengthening of the Bunyoro cultural institution (the Bunyoro Kitara Kingdom). In addition to public investments the people of Bunyoro have high expectations of jobs both in the oil industry and state jobs. There is high feeling of marginalization economically, politically, and socially that has gone on for a long period of time and left the people of Bunyoro very poor relative to well performing districts.

While Government could indeed meet most of the positive expectations it will depend mainly on the willingness of the Government to do so. Interviewees raised the following are specific issues which Government should address to ensure that oil extraction benefits all Ugandans in general and the people of Bunyoro in particular:

➤ There is a high possibility of the people of Bunyoro fighting the Government in power politically or even through an armed struggle. Political opposition groups could take advantage of the frustrations of the people of Bunyoro to advance their own agenda and incite the Banyoro to deny the party in power votes or fight it militarily. However, Bunyoro’s interest is more about development through increased public investment in Bunyoro and public sector employment opportunities for the Banyoro.

➤ Bunyoro’s demand for all its ‘Lost Counties’ is something the central Government should handle decisively. The issue is a developmental one and not whether the counties belong to Buganda or Bunyoro. The constitution is clear on the matter. However, like current day Bunyoro the counties that Bunyoro is claiming from Buganda also suffer high levels of poverty partly attributed to inadequate public investment. The public infrastructure Bunyoro is demanding should therefore extend to the counties in question that are in Buganda.

➤ Land issues are very pertinent when it comes to sharing of oil royalties. Bunyoro Kitara Kingdom is demanding its land that UWA has taken over. It would be appropriate for the central Government to return the land where the oil wells are located to Bunyoro Kitara Kingdom. However, the central Government should reserve the right to determine how the Kingdom will utilize the oil royalties.

➤ Some communities, especially the Bagungu (in oil exploration area 1) are complaining of an invasion by the Baraqro. The Bagungu claim that the Baraqro displaced them from their land with a view to benefiting from oil royalties. The Bagungu feel marginalized and are likely to reject the Government in power because of the land question. Other political groups are likely to take advantage of the situation to politically fight the Government in power.

8. DATA INTERPRETATION AND FINDINGS

8.1. Governance and socio-economic wellbeing of communities

This finding attempts to draw socio-demographic profile of respondents covered in the study. It includes Profile of the respondents and the entrepreneurial activities.

8.1.1. Gender of Respondents

The gender profile of the study respondents is reported in table four (4).

Table 4: Gender Distribution of respondents

Gender	Frequency	Percentage
Male	88	56%
Female	70	44%
Total	158	100

Source; Primary data (2022)

The findings table 4 shows that; males dominated the participants in the study as represented by 56% compared to their female counterparts who were 44%. This implies 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 Albertan 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 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.

8.1.2. Classification of respondents by age

The age composition of the study respondents is reported in table 5

The table 5: Below displays the summary of statistics on age of respondents.

Age group	Frequency	Percentage
20-29	69	44%
30-39	47	30%
40-49	25	16%
50+	17	10%
Total	158	100%

Source; Primary data (2022)

According to table 5; out of the five categories by which gender was classified, respondents with in the age bracket of 20-29 were the highest in relative terms constituting 44%, 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 respondents of 50 years and above were the least in numbers as they made up only 10% of the total number of participant in terms of age. The age group (20-29) constituting the biggest relative frequency suggests the likelihood of a high number of youths in the Albertine Graben districts of Hoima, Kakumiro, Kikube, and Bulisa. This finding compares well with the national youth unemployment rates of the country which imply that the oil governance system has not catered much for the youth section in as far as the socio-economic wellbeing of communities in the selected district of Albertan Graben are concerned.

8.1.3. Classification of respondents by marital Status

The distribution of the study's respondents by their marital status is given in table six

The table 6: 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/ widower	8	5.0
Total	158	100

Source; Primary data (2022)

An assessment of the respondents' marital status indicated that 70 (44.3%) of the respondents in the study were married. These were followed closely by respondent who we single who constituted almost 38% of the interviewees. In a distant third position were the separated who were 20(12.6%) and the widow/widower trailed with only 5% of the total number of respondents. This implies that, majority being married, they were responsible people with families and children to look after and hence need a better state of socio-economic wellbeing at a community which can only be achieved through a good oil governance system. The respondents were disaggregated 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 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 Bulisa. Therefore, the study had to make an analysis of the sample respondents based on their marital status.

8.1.4. Classification of respondents on the business operation

The classification of the respondents of the study by their business operation is presented in table seven (7)

Table 7: 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 7, over one third of the respondents represented by 38.0% revealed that they are farmers. These were followed by 24.4% of the respondents who indicated that they were involved in merchandise, 12.7% of the respondents dealt in boutiques, 9.5% were dealing in restaurants, while 8.3 were in the service sector and lastly but not the least 6.4% of the respondents revealed that they were dealing in merchandise. The findings give an implication 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.

8.1.5. Classification of respondent's level of education

The highest level of education qualification of respondents is indicated in table 7

Table 7: 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%
Master's degree	15	9.4%
Others	16	10.1%
Total	158	100%

Source; Primary data (2022)

According to the study findings in table 7, the distribution of respondents did not deviate from the

8.2. Objective One: To determine the relationship between new laws, extraction rights and social safeguards contribute to the socioeconomic wellbeing of communities in the Albertine Graben.

In this section the researcher describes the findings the first objective of the study which was to determine the relationship between new laws, extraction rights and social safeguards contribute to the socioeconomic wellbeing of communities in the Albertine Graben. The items showed the average response from the respondents for each item in relation to new laws, extraction rights and social safeguards contribute to the socioeconomic wellbeing of communities. The items were rated on the 5 point likert scale ranging between strongly disagree, disagree, not sure, agree and strongly agree.

Table 8: Frequencies of the relationship between new laws, extraction rights and social safeguards contribute to the socioeconomic wellbeing of communities in the Albertine Graben.

	Item	Strongly disagree	Disagree	Neither agree nor disagree	Strongly agree	Agree	Mean	Std. Dev
		N (%)	N (%)	N (%)	N (%)	N (%)		
1.	Employment for locals	10 (7)	13 (9)	15 (10)	70 (45)	50 (32)	2.45	1.23
2.	Environmental protection e.g. a forestation	4 (3)	6 (4)	8 (6)	80 (51)	60 (38)	2.74	1.01
3.	Effective revenue collection from oil companies	60 (36)	50 (32)	15 (15)	10 (7)	23 (15)	2.65	1.10
4.	Controlled gas flaming	50 (32)	40 (26)	20 (13)	25 (16)	23 (15)	3.45	1.32
5.	Limited oil spilling	10 (7)	13 (9)	10 (7)	75 (48)	50 (32)	1.33	0.71
6.	Controlled corruption from government officials	6 (4)	7 (5)	5 (4)	90 (57)	50 (32)	1.33	.719
7.	Monitoring of exploration activities	60 (36)	75 (48)	15 (10)	3 (2)	8 (5)	2.1	.652
8.	Sensitization of community awareness on danger of oil wastes	60 (38)	40 (26)	10 (7)	28 (18)	20 (13)	1.69	.342
9.	Establishment of Cumulative Effect Assessment Systems	10 (7)	12 (8)	2 (2)	95 (60)	40 (26)	1.78	1.3
	Total mean						19.52	

Source: Primary data (2022)

normal trend where the numbers reduce as you move to the apex (i.e. as the level of Qualifications increase). Out of the six categories on which data was sought, respondents with Uganda Certificate of Education (UCE) had the highest relative frequency (28.4%), then 20.2% of the respondents had UACE certificate whereas 17.7% of the interviewees had attained diploma, 13.9% of the respondents were degree holders and only 9.4% of respondents had attained master degree. The category of others made up 10.1% of the respondents. This category of respondents included respondents with certificate in professional and other courses. In cumulative terms close to half of all respondents; 48.6% possessed 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 limited their understanding of how oil governance system works and it could explain why there were land conflicts resulting from oil discovery and exploration effects because they lacked adequate literacy level to comprehend to take and instead some took the law into their own hands.

The results shown in table 8 above revealed that, respondents strongly agreed that there was need for the employment of the local people and from across all districts in the Abertane Graben (45%) and 32% agreed to the statement. This suggests a belief in local employment benefits and relative degree of equality in the distribution of benefits across the districts in the region.

Similarly, respondents strongly agreed that; there should be environmental protection e.g. afforestation as revealed by; (51%) of the respondents supported by 38% of the respondents who agreed on the same. Respondent from interview guide stated that *“in Oil exploration areas, land acquisition for road construction, waste treatment sites, bush clearing sites affecting biodiversity of the area”* the findings reveal a strong sense of belief in sustainable development whereby there is exploration of mineral resources that is associated with economics benefits but this should take into consideration the protection of nature and its inhabitants

On whether there is effective revenue collection from oil companies; the study findings established that (36% respondents strongly disagreed, 32% disagreed and 15% were not sure). Whereas responses on whether controlled gas flaming (32% strongly disagreed and 40% agreed) responses from interview guide revealed. Overall therefore, the feeling of the people of Albertine Graben feel that revenue collection is not yet effective in the region. The mean score of 2.67 support those findings.

An analysis on whether community will be limited to oil spilling indicated that 48% of the respondents were in strong agreement and 32% agreement with it. Correspondingly, it was strongly agreed (57%) and agreed (32%) that, there is failure to control corruption from government officials. In contrast, responses on whether there is monitoring of exploration activities ranged from; (36% strongly disagreed and 48% disagreed). Arising from the interview, it was revealed that *“there is no provision of information regarding oil activities and also there is no engagement of the community through meetings and yet it’s important for the community”* Thus, responses on whether sensitization of community awareness on danger of oil established a general disagreement as 38% of the respondents strongly disagreed and while 26% disagreed to the statement). However, regarding the establishment of a cumulative Effect Assessment System, the respondents strongly agreed (60%) and agreed (26%) suggesting that this is desired in the region.

Considering, the study objective, how the new laws related to extraction rights and social safeguards are affecting socioeconomic well-being of communities in the Albertine Graben, the table indicates a weighted mean of 2.16.

This change in sources and forms of livelihoods meant that their agrarian occupations became either diminished or are lost entirely. Again, this in turn meant more scarcity of farming land or fishing area and thus affected their livelihoods greatly. This change which has affected the people's forms of economic subsistence equally meant that more people in oil communities become landless, leading to many forms of violent struggles over the remaining farming land or fishing water.

From the interview, findings, one respondent painfully exposed that there are *destruction and changes brought about by the oil resources on their old forms of livelihoods*: Specifically, the revelation was that *“For a long time, we were into farming and fishing at Lake Albert. But with the result of oil exploration, we don't have fertile land as oil production is affecting us. The rivers for fishing are without fishes for example River Wambabya again due to dam construction which links to supply of electricity for oil exploration. And this developed hardship for the people. Our lands are either collected from us or given to the oil companies for oil wells by government for little compensation. Our lands now belong to the government, which gives such land to the oil companies to explore oil. We now depend on what we get as land dwellers, as we are banned from such land and this has led to so many problems in our communities”*

Table 9: correlation analysis between new laws and Socio-economic wellbeing of communities in the Albertine Graben

	Pearson Correlation	1	2
New laws	Sig. (2-tailed)	3	.703**
			.000
		158	158
Socio-economic wellbeing of communities in the Albertine Graben	Pearson Correlation	.703**	1
	Sig. (2-tailed)	.000	
	N	158	158

** Correlation is significant at the 0.01 level (2-tailed).

A strong positive relationship ($r=.703^{**}$, $p<0.01$) was established because .703 is close to 1, with a p-value of 0.000 which is less than 0.01 implying that a positive relationship that was significant at 0.01 level existed between new laws and socio-economic wellbeing of communities in the Albertine Graben. Therefore an alternative hypothesis (H_i) is retained and it is concluded that there was a significant relationship between new laws and socio-economic wellbeing of communities in the Albertine Graben.

H_i : There is a significant relationship between new laws and socio-economic wellbeing of communities in the Albertine Graben.

To further establish the significance of the contribution of new laws and socio-economic wellbeing of communities in the Albertine Graben. The coefficient of determination (r^2) was computed. Since $r=0.703$, $r^2=0.644$. This implies that new laws contributed 64% on socio-economic wellbeing of communities in the Albertine Graben while 36% was contributed by other factors. The implication of the above relationship is that new laws influence Socio-economic wellbeing of communities in the Albertine Graben therefore this reminds the Oil exploration companies, government of Uganda, other concerned stakeholders the need to effectively streamline formulate the required laws or rather follow them if they are to achieve the target of socio-economic wellbeing of communities in the Albertine Graben.

Table 10: Correlation analysis between extraction right and socio-economic wellbeing of communities in the Albertine Graben

		1	2
Extraction rights	Pearson Correlation	1	.603**
	Sig. (2-tailed)		.000
	N	158	158
Socio-economic wellbeing of communities in the Albertine Graben	Pearson Correlation	.603**	1
	Sig. (2-tailed)	.000	
	N	158	158

** Correlation is significant at the 0.01 level (2-tailed).

A strong positive relationship ($r=.603^{**}$, $p<0.01$) was established because .603 is close to 1, with a p-value of 0.000 which is less than 0.01 implying that a positive relationship that was significant at 0.01 level existed between the extraction rights and socio-economic wellbeing of communities in the Albertine Graben. Therefore an alternative hypothesis (H_i) is retained and it is concluded that there was a significant relationship between extraction rights and socio-economic wellbeing of communities in the Albertine Graben.

H_i : There is a significant positive relationship between extraction rights and socio-economic wellbeing of communities in the Albertine Graben..

To further establish the significance of the extraction rights and socio-economic wellbeing of communities in the Albertine Graben the coefficient of determination (r^2) was computed. Since $r=0.603$, $r^2=0.604$. This implies that the extraction rights contributed 60% on socio-economic wellbeing of communities in the Albertine Graben while 40% was contributed by other factors. The implication of the above relationship is that the extraction positively influences socio-economic wellbeing of communities in the Albertine Graben and therefore reminds the oil exploration or extraction companies, government and concerned stakeholders of the need to effectively follow the extraction right well if they are to achieve the solutions for improving the socio-economic wellbeing of communities in the Albertine Graben.

Table: 11: Correlation analysis between social safeguards and socio-economic wellbeing of communities in the Albertine Graben

		1	2
Social safeguards	Pearson Correlation	1	.503**
	Sig. (2-tailed)		.000
	N	30	30
Socio-economic wellbeing of communities in the Albertine Graben	Pearson Correlation	.503**	1
	Sig. (2-tailed)	.000	
	N	30	30

** Correlation is significant at the 0.01 level (2-tailed).

A strong positive relationship ($r=.503^{**}$, $p<0.01$) was established because .503 is close to 1, with a p-value of 0.000 which is less than 0.01 implying that a positive relationship that was significant at 0.01 level existed between social safeguards and socio-economic wellbeing of communities in the Albertine Graben.

To further establish the significance of social safeguards and socio-economic wellbeing of communities in the Albertine Graben the coefficient of determination (r^2) was computed. Since $r=0.503$, $r^2=0.594$. This implies that social safeguards contributed 59% on the socio-economic wellbeing of communities in the Albertine Graben while 41% was contributed by other factors. The implication of the above relationship was that if the people's properties are not respected while carrying oil exploration activities then the socio-economic wellbeing of communities in the Albertine Graben will not be achieved.

Therefore an alternative hypothesis (H_1) is retained and it was concluded that there was a significant relationship between social safeguards and socio-economic wellbeing of communities in the Albertine Graben.

H_1 : There was a significant positive relationship between social safeguards and socio-economic wellbeing of communities in the Albertine Graben.

8.3. Objective Two: To establish the contribution of policies on exploration, production and revenue sharing affect socioeconomic wellbeing of communities in the Albertine Graben

The second objective of the study was to establish the contribution of policies on exploration, production and revenue sharing affect socioeconomic wellbeing of communities in the Albertine Graben. 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 to the socioeconomic wellbeing of communities in the Albertine Graben. The items were rated on the 5-point likert scale ranging between strongly disagree, disagree, not sure, agree and strongly agree.

Table: 12: Frequencies on the contribution of policies on exploration, production and revenue sharing affect socioeconomic wellbeing of communities in the Albertine Graben

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
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	4 (2)	8 (5)	5 (3)	75 (47)	66 (41)	4.15	1.21
Total mean						26.96	

Source: Primary data (2022)

Results reported in table 9 indicate that; 45% of respondents strongly agreed that; Oil companies effectively follow government procedures and regulations, 38% agreed. Cumulatively this gives about 80% agreement in the matter. This indicates that the companies respect and conform the general principles of governance to the and conform to the agreement stipulations upon which they received their operational licenses

Similarly, respondents strongly agreed (50%) and 38% agreed that Oil companies follow international environmental laws; whereas in contrast 46% strongly disagreed and 40% disagreed that Oil companies are commitment to health and safety protection. This means that they don't meet expectations in that regard. However, Oil companies are believed to effectively Protect the environment from pollution. Respondents agreed to that with 28% strongly agreeing and 52% agreeing.

As to whether there was open political discussion on oil matters (34% of respondents strongly agreed while 43% agreed), cumulatively the agreement exceeded 60% of the respondents. Regarding whether there was enhancement of agricultural productivity, most respondents agreed that there was enhancement (58% strongly agreed and 31% agreed).

On whether improved animal husbandry was made, 36% of the respondents strongly agreed and 41% agreed). In contrary views on whether there was improvement in education system, many respondents (39% strongly disagreed and 34% agreed). Regarding whether community members were given casual jobs during vegetation clearing 47% respondents strongly agreed and 41% agreed to the statement.

Out of interview on the same, there was a revelation that “*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.

The respondents 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. This 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.

Findings from interview established from one of the respondents that;

“Exploratory well drilling requires 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.

8.4. Objective Three: To analyse the contribution of transparency and accountability in the oil sector legislative framework on the socio-economic wellbeing of communities in the Albertine Graben, Uganda.

The third objective of the study was to analyse the contribution of transparency and accountability in the oil sector legislative framework on the socio-economic wellbeing of communities in the Albertine Graben, Uganda. The response to this research objective were on two aspects; Transparency and accountability in the oil sector legislative framework and how they contribute to the socio-economic well-being of communities in the Albertine Graben, Uganda. The items were rated on the 5-point likert scale ranging between strongly disagree, disagree, not sure, agree and strongly agree.

Table 13: Frequencies on the contribution of transparency and accountability in the oil sector legislative framework on the socio-economic wellbeing of communities in the Albertine Graben, Uganda

No	Item	Strongly disagree	Disagree	Neither agree nor disagree	Strongly agree	Agree	Mean	Std. Dev
		N (%)	N (%)	N (%)	N (%)	N (%)		
1.	Commitment of political will to actualize oil policies	8 (5)	20 (12)	0 (0)	80 (50)	50 (31)	1.78	1.39
2.	Ineffective oil policy management, monitoring and implementation	8 (5)	13 (8)	0 (0)	92 (58)	50 (31)	3.92	0.91
3.	Ineffectively implementation of Environmental Management Systems	7 (4)	10 (6)	5 (3)	65 (41)	71 (44)	2.23	1.11
4.	Limited monitoring of oil reconnaissance activities	10 (7)	12 (8)	0 (0)	95 (60)	42 (26)	2.00	1.00
5.	Limited monitoring of decommissioning activities	8 (5)	20 (12)	0 (0)	100 (63)	30 (18)	1.95	1.05
6.	Lack of safety inspection and audit reports	8 (5)	18 (11)	20 (12)	50 (31)	62 (39)	4.14	0.67
7.	Limited monitoring of exploration activities	8 (5)	9 (6)	0 (0)	60 (37)	81 (52)	4.00	0.76
Total mean							20.02	

Source; Primary data (2022)

According to the findings reported in table 10; half of the respondents (i.e. 50%) strongly agreed that there was commitment of political will to actualize oil policies, this was supported by 31% of the respondents who agreed that the political will exist. However, there was a revelation of ineffective oil policy with 58% strongly attesting to that and another 31% agreeing with a similar view. This suggests an existence of a will that is yet to be accompanied by actions. Again 41% of the respondents indicated strongly that, there is ineffective implementation of environmental management system. On the same aspect 44% agreed. Interview response on the same revealed that; *“due to corruption and lack of transparency in the system, environmental management system has been neglected”*.

Regarding monitoring of oil reconnaissance, 60% of respondents strongly agreed and 26% agreed that there was limited monitoring of oil reconnaissance activities. Similar agreement was established with 63% (strongly agree) and 18% agree. Finding through interview established that *“clashes occurred between Banyoro and Bakiga who were regarded as squatters who just came to do farming but later claimed to be the land owners. Also, Banyoro and Bararo who came and settled in Buseruka sub-county and started grazing their cattle by claiming the land where they lived was their ancestral land and all these were not catered for when commissioning the oil exploration activities”*

Table 10 reflects that 31% of respondent strongly agreed and 39% agreed that there was lack of safety inspection and audit reports. Respondents agreed that there was limited monitoring of exploration activities 37% strongly agreed and 52% agreed.

Table 13 further establish that the impact of transparency and accountability in the oil sector legislative framework on the socio-economic well-being of communities in the Albertine Graben, Uganda received a weighted mean of 2.86.

The third aspect that arises was building of roads in the Albertine Graben region where there were representatives, local council officials, counselors and sub-county chiefs who represented an entire community during negotiations for compensation, on receiving the agreed financial compensation, mismanages arose. In many instances, the most affected peoples whose farmland was destroyed reported through interview that;

“They negotiate with the oil companies, government and agree on the amount to be paid. This monetary payment is controlled by government team and executives at the sub-county. And immediately the money is paid, conflicts arise. As the compensation may be less according to the valued figure, ghost compensation and no clear criteria in compensating the affected all accelerate land conflicts.

In fact, grievances over the nature and manner of distribution of compensation received from oil companies present most conditions for violent struggles and circumstances for a full blown intra-communal violent conflict. This therefore could arise from situations where money paid by an oil company ends up in pockets of few members of the community. Again, this could be part of the reason for the fierce struggle for leadership in oil village communities.

8.5. Objective Four: To assess the extent to which oil policies addresses environmental degradation in the oil producing communities in the Albertine Graben region of Uganda.

The third objective of the study was to assess the extent to which oil policies addresses environmental degradation in the oil producing communities in the Albertine Graben region of Uganda. The items showed the average response from the respondents on each item in relation to the extent to which oil policies addresses environmental degradation in the oil producing communities in the Albertine Graben region. 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 below:

Table 14: Frequencies on the extent to which oil policies addresses environmental degradation concerns in the oil producing areas of Albertine Graben region of Uganda

No	Item	Strongly disagree	Disagree	Neither agree nor disagree	Strongly agree	Agree	Mean	Std. Dev
		N (%)	N (%)	N (%)	N (%)	N (%)		
1.	Oil exploitation has destabilized the Ecological system	60 (37)	64 (40)	10 (6)	11 (6)	13 (8)	1.78	1.39
2.	NEMA has effectively managed land pollution	55 (34)	65 (41)	15 (10)	9 (5)	14 (7)	3.92	0.91
3.	NEMA has watched over deforestation in Albertine Graben	50 (32)	40 (25)	10 (6)	30 (18)	28 (17)	2.23	1.11
4.	Reduction of fishing and farming activities due to water pollution	10 (6)	13 (8)	5 (3)	58 (36)	72 (45)	3.00	1.00
5.	Oil policies have combated deforestation	10 (7)	14 (8)	8 (5)	45 (28)	81(52)	3.95	1.05
6.	There is effective management and disposal of oil waste	8 (5)	10 (7)	3 (2)	92 (58)	50 (31)	2.40	1.02
7.	There is sustainable agriculture in Albertine Graben	3 (1)	5 (3)	0 (0)	90 (60)	60 (37)	3.50	0.89
8.	Ecological destabilization	7 (4)	10 (6)	5 (3)	65 (41)	71 (44)	3.76	0.21
9.	Low agricultural productivity due to land pollution	9 (5)	18 (12)	15 (9)	56 (35)	60 (37)	4.20	0.57
	Total mean						28.74	

Source; Primary data (2022)

The study findings in table 11 indicate that on average 37% and 40% respectively did not believe that, oil exploitation has destabilized the Ecological system; similarly, respondents strongly disagreed (34%) that NEMA has effectively managed land pollution with (41%) disagreed to the on the same matter. Furthermore, responses on whether NEMA has watched over deforestation in Albertine Graben were such that 32% strongly disagreed while 25% disagreed.

Regarding whether there was reduction of fishing and farming activities due to water pollution 36% strongly agreed and 45% agreed. While on the analysis on whether oil policies have combated deforestation were 28% strongly agreed and 52% agreed.

Responses on the views whether there was effective management and disposal of oil waste 58% strongly agreed and 31% agreed. On the same objective regarding sustainable agriculture, 60% of respondents strongly agreed that, there is sustainable agriculture in Albertine Graben, 37% of respondents agreed to the same statement.

In assessing if there was ecological destabilization and displacement as a result of building of roads 41% of the respondents strongly agreed and 44% agreed. Regarding the level of agriculture, 35% of respondents strongly agreed that there was low agricultural productivity due to land pollution 37% agreed.

From interviews, with ministry of land and zonal offices, the themes that arose on the matters established on the objectives were

On common weaknesses with available oil policies.
“Corruption, Lack of enough funds to implement the policies”

Officials on as regards to ways how government and local leaders can enforce compliance to oil policies
“Through sensitization and compensation”

On how can oil companies address the issue of oil spilling on land?

“Companies have used heated pipes which allow faster movement of oil, they have acquired land from local communities and gazette it specifically for oil plants and oil transportation, land was acquired through compensation”

On how can exploration companies comply with policies and regulations and protect the environment

“by keenly adhering to the available policies and regulations put in place by government agencies like NEMA etc’

Officials on what can government do to improve oil policies and enhance infrastructure development

“through proper planning and this can be done by gazetting oil towns within which they can build oil estates and roads hence enhancing infrastructural development in the Albertine Graben”.

They further added that

“The government should come up with a condition on certain percentage of local employees a company should undertake (employ) as this will ensure local population be absorbed in the company”. “Better infrastructure for accessing markets has been provided for example as oil is being refined, materials for making tarmac roads become cheaper hence better roads”. “petro chemicals for agriculture shall be provided. These are organic products that are not burned as fuel for example is an area as one of the petro-chemicals can be used as fertilizers”

“Also through increased food production- an increased population employed in oil companies will call for more food production which may improve on agriculture production”.

As regards on ways oil companies can contribute to environmental development in the Albertine Graben.

Key officials had this to say;

“oil and gas drilling has a serious impact on our environment. Drilling projects operate around the clock generating pollution fueling climate change and disrupting wildlife and damaging forest lands that were set aside to benefit the eco-system”.

On the ways oil companies can do to enhance agriculture, animal rearing and fishing in the Albertine Graben

“Oil companies can turn their wastes into usage and not disposing off it in water which may endanger fish and other water inhabitants”. “oil companies can also do proper treatment of their wastes before they discharge them into rivers”. “gas emissions into the environment can be controlled by carbon absorption among other techniques”.

Also, as regards to how oil companies can rehabilitate already polluted land and water bodies

“to already polluted water bodies, water may be treated by neutralization, evaporation, Aeration Flocculation, oil and grease separation, carbon absorption, reverse osmosis, bio-treating etc depending on the contaminant to be removed”. “oil companies can also rehabilitate polluted soils by use of selective ornamental plants”.

As regards to ways how government can solve the issue of desertification in Albertine Graben

“land restoration- the rural communities can be put to a heat of restoration and upscaling interaction to meet the massive needs”. “need for capacity development- strengthening capacities in sustainable land management and restoration”. “information sharing- knowledge exchange can be done to raise

awareness on issues of land degradation and desertification”.

On the ways how government and local leaders can enforce compliance to environmental laws and regulation

“through legal sanction- the government can improve legal sanctions to those who do not comply with environmental laws by either panelizing or arresting them”.

8.6. Objective Five: To assess the extent to which oil policies addresses environmental degradation in the oil producing communities in the Albertine Graben region of Uganda.

The third objective of the study was to assess the extent to which oil policies addresses environmental degradation in the oil producing communities in the Albertine Graben region of Uganda. The items showed the average response from the respondents on each item in relation to the extent to which oil policies addresses environmental degradation in the oil producing communities in the Albertine Graben region.

As it has been established that host communities are amongst the highly influential and most impacted stakeholders in the value chain of oil and gas oriented operations, it would be right to emphasise that the effectiveness of an oil company in engaging with host communities will determine the success of the company's operations in Albertine Graben region. The community engagement strategies of some notable Multinational Oil Companies are reviewed in the next paragraph.

Tullow approach to community engagement involves identifying concerns of Albertine Graben r communities, which inform their planned activities in the region; as well as implementing corporate social responsibility programmes, which include providing scholarship to indigenous students; supporting sports programmes organised by indigenous communities; providing health facilities and employment (Tullow, 2018). Several oil and gas companies including Chevron, ExxonMobil, Perenco, Addax and Soco International Plc also share a similar approach in implementing corporate social responsibility programmes in regions where they operate (Chevron 2018, ExxonMobil 2018, Perenco 2018, Addax 2018, Soco International Plc 2018).

Kabir and Thai (2021) and Singh and Misra (2021) agree on the notion that the Stakeholder Theory inculcates corporate social responsibility initiatives as an organisation's commitment to its respective stakeholders, and also, obtains legitimacy from the

concerned stakeholders. Kabir and Thai (2021) further expatiated on this view by stating that conflict of interest between an organisation and a stakeholder should determine the corporate social responsibility undertaking of the organisation with the stakeholder in concern.

This is also in line with the conventional stakeholder management procedure which necessitates the identification of stakeholders as well as their concerns, and work towards establishment of mutual grounds, which will enable the organisation gain their support in achieving set objectives. But the recent conflict between Shell's subsidiary in Nigeria (Shell Petroleum Development Company) and the Bodo community in the Niger Delta region of Nigeria has presented evidence regarding the inefficiency of Shell's approach in engaging with host communities. According to the Business and Human Rights Resource Centre (2017), Shell's conflict with the Bodo community in the Niger Delta region of Nigeria started as a result of two oil spills which occurred in the region in year 2008 and 2009.

Another concern regarding Shell's community engagement policy and their relationship management with communities is the extent to which they learn from previous events, as the Bodo case is just a recent development. Long before the issue between Shell and the Bodo community, Shell had a serious conflict with the Ogoni community in the same Niger Delta region of Nigeria during the 1990s (BBC 2017; Olawoyin 2017; Aljazeera 2016; Pilkington 2009). The Ogoni community suffered a high degree of environmental degradation caused by Shell's operations in the region (BBC 2017; Aljazeera 2016). As a result of the numerous oil spills the region has experienced due to Shell's operations, a group known as MOSOP (Movement for the Survival of the Ogoni People) led by the late Ken Saro Wiwa was established to act as a human rights group for the Ogoni indigenes against Shell and the Nigerian government (Olawoyin 2017; BBC 2017; Aljazeera 2016; Pilkington 2009). It is believed Shell provided support to the Nigerian Military which led to the arrest and execution of the group's leader and eight of his accomplices (Olawoyin 2017; BBC 2017; Pilkington 2009). The execution of the MOSOP leaders sparked an international outcry, which eventually resulted to Shell being ordered to cease its operations in the Ogoni region, with several environmental and human right lawsuits filed against Shell by the indigenes of Ogoni ever since the 1990s till date (Olawoyin 2017; Amnesty International 2017; Waronwant 2015; BBC 2017).

The case between Chevron and the indigenes of the Cabinda region of Angola has similarities with that of Shell and the communities in the Niger Delta region of Nigeria. According to Redvers (2012), Chevron via its subsidiary in Angola (Cabinda Gulf Oil Company) has been operating in the Cabinda region of Angola since the 1970s. There are concerns regarding how Chevron have engaged with and managed their relationship with the communities in the Cabinda region where a majority of the indigenes make their livelihood from fishing (Redvers 2012; European Parliament 2011). The indigenes have expressed concerns that their fishing profession has been heavily impacted due to oil spillage from Chevron's installations in the region and they are not appropriately compensated for this (Redvers 2012; European Parliament 2011). They have also further expressed that inasmuch as the resource extracted from their region contributes significantly to Angola's commodity exports, they have not fairly benefited from this and the region is regarded as one of the poorest provinces in Angola (Redvers 2012; European Parliament 2011). The European Parliament (2011) in their report, stated that indigenes of oil producing regions in Angola are discontented and feel neglected by the oil companies operating in their region and the Government. As a result of these, there have been series of agitations by the indigenes of the Cabinda region which resulted in some kidnapping incidents of Chevron's employees (Redvers 2012).

There is a similar situation in ExxonMobil's activities in the Doba region of Chad as highlighted by the European Parliament (2011), where indigenes of the region have voiced their plight resulting from the socioeconomic, environmental and health impacts of ExxonMobil's operation in the region.

A similar situation is also noted in the Dinka and Nuer region in Southern Sudan, where thousands of indigenes from these tribes were forcefully displaced from their area by the government in order to allow for oil and gas operations by the Greater Nile Operating Company (GNOPC) (Human Rights Watch 2003).

In Algeria, the case between the Ain Saleh community and the consortium comprising of Sonatrach, Total and Halliburton is also identified. The Ain Salah community reside in the southern part of Algeria, they depend on agriculture as their means of livelihood (Cooke 2017; Simon and Weber 2017). Their conflict with the Angola's state oil company Sonatrach and its partners which erupted in 2015 was as a result of concerns regarding water pollution by the shale oil and gas exploratory projects carried out

in their region (Cooke 2017; Watanabe 2017; Simon and Weber 2017; Daragahi 2015).

The community source almost all their water from aquifer systems and there are fears that the underground water deposits they depend on would be contaminated by the exploratory projects being carried out in the area (Cooke 2017; Watanabe 2017; Simon and Weber 2017). According to Cooke (2017), another factor that led to the agitation by the Ain Salah community is the concern that the indigenes feel neglected in terms of social and economic development of their region.

Another case worthy of note is that of the Muanda and Virunga Communities in the Democratic Republic of Congo. The Muanda community predominantly depend on agriculture for their means of livelihood, and on several occasions have voiced their concerns regarding the environmental degradation caused by the activities of Perenco since operations began in 2002 (Petitjean 2014; Environmental Justice Atlas 2015). Another conflict still within the DRC is that between the communities bordering Virunga versus the Government and Soco International Plc (WWF Global 2014; BBC 2018). The Virunga community of the Democratic Republic of Congo in 2014 were agitated by the government's approval for oil exploration activities to be carried out by Soco International Plc in their region, which also happens to be a World Heritage Site due to its habitation of endangered mountain gorillas, bush elephants and apes (WWF Global 2014). They made protests due to concerns that their agricultural activities, which serve as their major source of livelihood, will be affected by oil and gas projects in their region (WWF Global 2014; BBC 2018). They also expressed concerns that Soco did not provide them with enough information regarding the risks associated with the exploration activities (WWF Global 2014; BBC 2018).

Similarly, in Ghana where there were protests by the Keta community against the Government and Swiss African Oil company (FCWC 2018; Gadugah 2018). According to Gadugah (2018), indigenes of the region bordering the Keta basin had protested the prospective exploration activities in the area approved by the Government to be carried out by Swiss African Oil Company, a joint venture owned by Swiss African Petroleum Ag and PET Volta Investments. The residents in the region had concerns about the environmental impact of such exploration and its effect on the agricultural activities on which they depend for their livelihood (FCWC 2018; Gadugah 2018).

The conflict situation in Gabon between the communities around the Obangue River and Addax petroleum is also noted (Environmental Justice Atlas 2015). The Obangue River, which the communities depend on for their domestic and commercial purposes, was polluted due to Addax poor waste management practice, and resulted in series of protests by the communities (Environmental Justice Atlas 2015).

Establishing cordial relationships between oil companies and African host communities.

From the cases discussed above, it is evident that the industry has not fared well in managing their relationship with host communities in Africa where their operations are based and have not experienced to a fair degree the benefits of effective stakeholder management. Also, from the cases presented, one can deduce that the impact of poor stakeholder management on oil and gas companies would include: loss of reputation; violence and sabotage due to community protests; financial loss due to prohibitions of operations in the region backed by court orders. For instance in the Shell- Ogoni case, in addition to the \$55 million agreed to be paid by Shell as compensation to the Bodo community for the oil spill, several agencies like the United Nations Environmental Programme, Business and Human Rights Resource Center and Amnesty International estimate that it will cost Shell \$1bn to clean up the oil spill in the Albertine Graben community (UNEP 2017; Business and Human Rights Resource Centre 2015; Amnesty International 2015). Though each oil and gas company have policies and strategies in place regarding engaging with host communities, it is evident that these are not sufficient.

This research builds on the concept that a stakeholder will support you only if: 1. They feel they have been respected, 2. They feel their concerns were taken into consideration before decision-making, 3. They feel they will benefit from the decision in a fair way. If all these conditions are not met, then there will be issues with the stakeholder concerned.

According to Wall (2012) and Orsini (2016), communities where oil and gas operations are based do have expectations that they will benefit socioeconomically from oil and gas projects in their region. Failure to effectively read, understand and fulfill these expectations will result in issues with the communities (Wall 2012; Orsini 2016). A key requirement regarding managing the relationships with host communities is to effectively consult and engage with the indigenes to understand their expectations, fears and concerns regarding planned operations and confirm that expectations will be met.

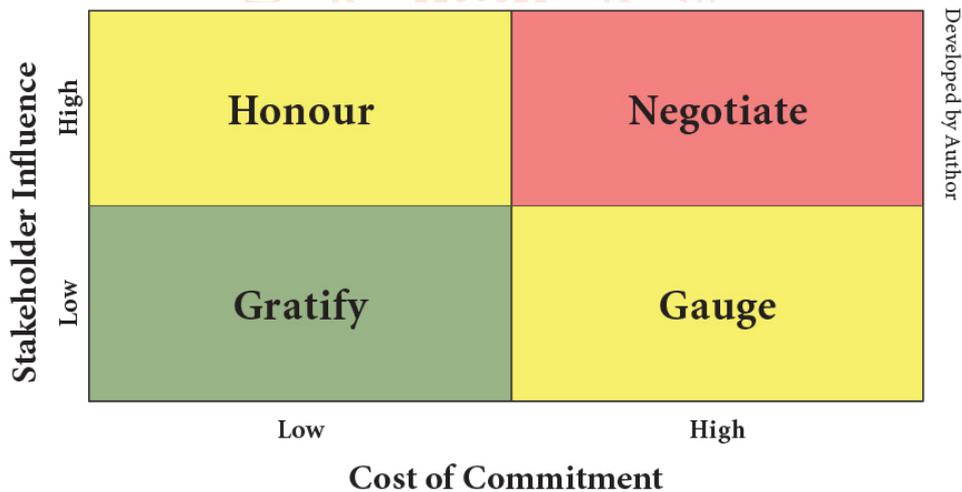
Concerns must be resolved or managed, with appropriate reassurances to allay their fears before the decision to commence operations in the region is made. The essence of this, is to establish ‘trust’ between the oil companies and host communities. Opportunities must be provided for both parties to better understand the interdependencies that exists between them. A framework that could guide and inform the decisions of oil companies on how to effectively engage with host communities is the ‘Stakeholder Influence Vs Cost of Commitment Matrix’ developed by the author of this article. The framework seeks to support managers in determining suitable approaches for engaging with stakeholders based on stakeholder influence and cost of commitment.

The framework is similar to the Power Vs Interest Matrix developed by Mendelow (1991) in the sense that they both agree power (influence) is a key factor that should be considered when categorising and prioritising stakeholders. But the ‘Stakeholder

Influence Vs Cost of Commitment Matrix introduces an economic factor in place of ‘interest’ due to the fact several decisions made in the industry are mainly influenced by economic viewpoints.

The cost of commitment refers to the overall monetary cost of meeting the expectations of, and sustaining the relationship with the stakeholder throughout the duration of the operation. Several researchers (Mistrot 1974; Duong 1984; Heydinger and Bovaird 1972) reveal that economic perspective is a major factor that informs decisions in the oil and gas industry. Hence, the Stakeholder Influence Vs Cost of Commitment Matrix is a modification of Mendelow’s Power Vs Interest Matrix and provides a framework specifically tailored to the needs of the oil and gas industry. This will achieve effective categorisation of stakeholders and inform the engagement strategies to adopt factoring in economic requirements. The Stakeholder Influence Vs Cost of Commitment Matrix is provided below:

Stakeholder Influence Vs Cost of Commitment Matrix



The framework above provides managers with different approaches on how they could engage with stakeholders depending on their levels of influence and the costs for fulfilling the expectations of the parties concerned.

Based on the framework, the ‘Gratify’ approach should be used in situations where a stakeholder with low influence on the project/ operation is involved and the cost of fulfilling expectations of the stakeholder is low. The ‘Gratify’ approach requires that you swiftly proceed to resolving expressed concerns of the stakeholder and meet their expectations when and where required – bearing in mind that your project or operations might still be affected by the stakeholder though they may have low influence on the venture. The ‘Honour’ approach should be used when a stakeholder of high influence is involved and the cost of meeting the expectations of that stakeholder is low. The ‘Honour’ approach requires that you treat such stakeholders with utmost respect, bearing in mind the huge impact their actions could have on the venture. It will be beneficial if the expectations of the stakeholder are met – and prudently exceeded – in order to gain their trust, support and devotion to the success of the venture. The ‘Gauge’ approach should be adopted in cases when a stakeholder of low influence is involved and the cost of meeting expectation of the stakeholder is high.

The ‘Gauge’ approach requires the identification and ranking of the concerns expressed by the stakeholder and determining the extent to which the organisation has the resources and capabilities to resolve the major concerns. The objective is to manage the expectations of the stakeholder while resolving the major concerns expressed. This will make them feel respected and have the impression that their concerns are being considered. The ‘Negotiate’ approach should be used when the stakeholder involved has high influence on the project/operation

and the cost of fulfilling their expectations is high. Here, one must carefully liaise with the stakeholder, establish and enhance common grounds between the parties involved. This will allow for the understanding of interdependencies between the parties, establish trust and enable the successful execution of the project or operation.

In the case of the oil and gas industry, the host communities are seen as stakeholders with high influence (Reeman 2012; Mascarenhas 2011). This means that the ‘Honour’ and ‘Negotiate’ approach is more applicable when dealing with host communities, the appropriate approach between the two will depend on the cost of commitment. In the African host community context, cost of commitment would range from cost of alleviating the impact of industry operations within the region to the cost of providing community welfare benefits. It is also imperative to take into consideration the fact that new expectations and concerns from communities could emerge after operations have already commenced, but these should be monitored and managed in order to maintain favourable relationships with host communities – eliminating or mitigating risks of conflict. It will be beneficial for oil and gas companies to develop a vision on the positive nature they would want the relationship with host communities to take, and work towards its actualisation from both short and long-term perspectives.

The CAS Matrix (Stakeholder Influence Vs Duration of Relationship), also developed by the author, provides guidance on the nature of the relationship that should exist between organisations and stakeholders – always considering the influence of the stakeholder and the duration of the project/operation. The CAS Matrix is presented in the following diagram.

CAS Matrix: Stakeholder Influence Vs Duration of Relationship

Stakeholder Influence	High	Alliance	Alliance (strong)	Strategic
	Medium	Concordance	Alliance	Alliance (strong)
	Low	Concordance	Concordance	Alliance
		Short Term	Medium Term	Long Term

Duration of Relationship

Developed by Author

- Concordance – Lead in establishing harmony
- Alliance – Collaborate/Liaise
- Strategic – Offer part ownership

The ‘Concordance’ relationship should be established in situations where the stakeholder involved has medium to low influence on the venture and the duration of the project ranges from short to mid-term. This relationship requires the organisation to lead in establishing peace and harmony between the parties, to resolve any concerns expressed, and ensure an amicable affiliation between the parties throughout the duration of the project.

The ‘Alliance’ relationship should be established in situations where the stakeholder has high level of influence on the project. This requires continuous collaboration between the parties involved in resolving concerns that would emanate before and during the project execution. The parties involved should see themselves as partners who will benefit from the venture, and work collaboratively towards its success and maximisation of benefits. The ‘Strategic’ relationship should be established in cases where the stakeholder has high influence on the project and the project has a long-term duration.

This requires that the stakeholder involved be given part ownership of the project in order to lock in and sustain the interest and commitment of the stakeholder towards the success of the project.

In the case of the oil and gas industry, the ‘Alliance’ and ‘Strategic’ relationships are more applicable between oil companies and host communities in Africa due to the nature of the projects and operations carried out by the industry and the high influence these host communities have on such ventures.

As it has been acknowledged that most of the conflicts between oil and gas companies and host communities result from the impact of oil and gas operations on the communities (Reeman 2012; Mascarenhas 2011; Orsini 2016), it is important for oil and gas companies to ensure that part of their community engagement activities include periodic socioenvironmental impact assessments on their operations and provide host communities with adequate information regarding the impact of their activities. There must be agreement with communities on strategies to alleviate the impact of their operations. Where adequate information on the impact of operations is not provided, and where there is a failure to alleviate the impact of operations in the region, the result will be loss of trust in the oil company and increased conflict between both parties (Wall 2012).

Although the development and implementation of corporate social responsibility programmes (of which some oil and gas companies are known to be doing well in) are encouraged in order for the communities to gain some benefits from the presence of industry operations in their region and to some extent cushion the effects of the impact of these operations, a sustainable and more effective means of establishing good relationship with host communities is by involving them in the ownership of operations and allocating them a share of the returns. This would encourage host communities to build trust in oil companies and naturally instill a sense of responsibility in them.

This will further encourage host communities to cooperate and provide support towards the success of industry operations within their region. Though this concept would generally result in a cut in profits accruing to oil and gas companies, past experience (as in cases discussed earlier) has shown that costs resulting from conflicts between host communities and oil companies by far outweigh costs associated with establishing and improving relationships with host communities.

Further, we must not forget the devastating effects this could cause on business continuity and the reputation of oil and gas companies both regionally and globally. Relationships between oil and gas companies and host communities could be further strengthened by both parties working collaboratively towards determining ways through which the benefits of the operations in host communities can be maximised and sustained. The underlying objective of all these, is to establish trust between host communities and oil companies, which will in turn make the host communities feel respected and assured that their concerns are, or will be taken into consideration in the decision-making process regarding operations in their region. They will also see that they will benefit fairly from the operations.

8.7. Pearson Correlations

Pearson Correlations were derived by assessing the degree of variations in the independent variable (oil governance) and the dependent variable (socio-economic wellbeing of communities in Albertine Graben) vary.

Table 15: Correlation Analysis between oil governance and socio-economic wellbeing of communities in Albertine Graben

		1	2
Oil governance	Pearson Correlation	1	.794**
	Sig. (2-tailed)	.	.000
	N	20	20
Socio-economic wellbeing of communities in Albertine Graben	Pearson Correlation	.794**	0.02
	Sig. (2-tailed)	.000	.
	N	20	20
**.Correlation is significant at the 0.01 level (2-tailed).			

Results in table 12 indicate that there was a significant positive relationship between oil governance and socio-economic wellbeing of communities in the Albertine Graben ($r = .794 > 0.02$). This means that the more effective oil governance is, the better the socio-economic wellbeing of communities in the Albertine Graben region. By comparing the significance of the correlation ($p = .000$) to the recommended significance at 0.02. Given that the p value was less than 0.01, the null was rejected and the research hypothesis was accepted and it was concluded that there was a strong relationship between oil governance and socio-economic wellbeing of communities in the Albertine Graben.

The result implies that the socio-economic well-being of communities in the Albertine Graben region solely depend on the good oil governance system. In other words oil governance and exploration activities are meant at improving the economic and social well-being of these communities, and not turned out to be a source of oil curse.

8.8. Regression Analysis Results.**Table 16: Regression Analysis Model**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Dependent Variable: socio-economic well-being of communities in the Albertine Graben	
	B	Std. Error	Beta			R Square	0.463
(Constant)	1.630	.239	1.582	8.016	.000	Adjusted R Square	0.346
new laws and policies related to extraction rights and social safeguards, production and revenue sharing	-.152	.044	-.144	-3.445	.003	Sig.	0.000
Transparency & accountability in the oil sector legislative framework	.345	.044	.279	5.627	.000		
corporate governance model	.421	.052	.295	6.211	.000		

Source: primary data, (2022)

Table 8.10 shows that the predictor variables explained at least 34.6% of the variance in socio-economic wellbeing of communities (Adjusted R Square = .346). The results further indicated that corporate governance model (Beta = .295, Sig. = .000), was a better predictor followed by Transparency and accountability in the oil sector legislative framework (Beta = .279, Sig. = .000), and new laws and policies related to extraction rights and social safeguards, production and revenue sharing (Beta = -.144, Sig. = .003). This implied that for a better socio-economic well-being of communities in the Albertine Graben region there was a strong need for good oil governance system through corporate governance model.

9. CONCLUSION**9.1. Conclusion**

Based on the study findings, discussions and guided by the objectives, the following conclusions were drawn.

In spite of what is often reported about the adverse effects of oil governance in the Albertine Graben region, especially in the selected districts of Bulisa, Kakumiro, Hoima and Kikube, this study attempted to measure the effects of oil governance on the socio-economic well-being of communities. Uganda has substantial oil reserves. This reality is now humbled by the changing political economy of the hydrocarbon industry globally. The current changes in the world oil markets which include; development of US self-sufficiency, the efforts of China to widen its sources of energy and the entry of new actors beyond the big five international oil companies -that had been hitherto dominating the oil industry – companies from Brazil, Russia, Malaysia, and India, provide new room to maneuver for new entrants in the markets like Uganda. These factors were not there before when Uganda signed its first PSA with Tullow Oil Company and the Australian Company. Since the 2008 International financial crisis, there is now room for operation by states such as Uganda and this has resulted in shifting negotiations both for production, refining, and transporting.

Uganda needs trained skilled labor if it is to benefit from the oil industry. Therefore, there is a need for Engineers, geologists and an infrastructure that is conducive to the successful absorption of the oil industry investments. Additionally, fostering the economic investments where the people and the state can invest money obtained from oil industry-interlink ages.

Uganda has not seriously begun the training of skilled personnel and technical cadres needed to run modern oil refinery. It is this lack of skilled labor that makes it more difficult for Ugandans to get technical jobs in the oil industry. There is thus, need to train Ugandans in more technical skills required in the oil industry as putting in place policy requirements to compel the IOCs to gradually replace foreign workers with local employees.

The Ugandan capitalist class is weak and dependent on the state. The struggle for state power is a struggle for who will control the oil. This has led to a scenario whereby the state organs are used by the capitalist class to serve their interests and therefore do not account to the citizens.

Currently, the biggest challenge in Uganda which eventually affects the oil industry and in turn the people is lack of democratic institutions. Uganda has

had a history of conflict and wars since independence, to the extent that there has never been a peaceful transfer of power. Uganda has undemocratic institutions which are easily coerced by the President and other top politicians for their own selfish interests at the expense of the people's interests. There are largely no checks and balances mechanism in the government, neither is there an oversight mechanism to monitor the activities and revenue flows in the Oil Industry, and economy at large on behalf of Ugandans. The people of Uganda should thus aim at creating a government where the citizens and their interests are the priority, unlike what is happening today where by the interest of the ruling class and foreign investors (oil company owners) are most important.

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.

There is also need for workers in Uganda to organize and demand their social- economic rights and accountability from the government. Experience elsewhere in Trinidad and Malaysia shows that there is a higher degree of accountability when the workers in the oil industry are organized such as the Oilfield Workers Trade Union of Trinidad (OWTU). The National Local Content law/policy has to be put in place to enable the people to understand how what they should expect from the oil companies, in order for them to demand fair treatment from the government and the oil companies. This policy and law will define measures to be undertaken by the state on companies that do not conform to the laws which will empower Ugandans to seek redress in case a company does not comply. The existence of the law also helps the monitoring process of the oil industry by all stakeholders; local communities, local leaders, civil society and the government officers.

The National content law will also be a guideline for local community development planners as it will show how much they expect from the oil revenue and projects in the oil industry. It also makes it easier for them to predict their income in flow or the local supplies they can provide in the Oil industry whether it is agricultural produce or jobs cut, which will enable them do long term planning for their community. 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. Therefore, there is a need for more research and training in this sector and young Ugandans should be encouraged to undergo further training to acquire the technical skills required. Those who already have skills should be employed and government can ensure this by putting up quotas of how many Ugandans each company should employ at the licensing stage, as a conditional requirement to be fulfilled by all the companies.

In regard to Land Laws, Uganda 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.

In relation to this, women need to be empowered to own land, which is the common means of production and source of livelihood for Ugandans. Uganda like most of African countries have cultural and patriarchal beliefs which bar women from owning land. These should be discouraged through teaching the local people the rights of women and the need for equity and gender aggregated planning at all levels of the Ugandan government, local community leadership and cultural institutions. Cultural beliefs can also be changed in Ugandan societies by integrating gender relations at all levels of education. Closely related to this, Ugandans should be encouraged to take their girl children to school as they do the boy child. Educated women fight for their rights better than the uneducated ones.

During resettlement programs, the government should engage all stake holders in the local communities as part of the process in order to ensure that the local people are consulted and all their needs are met before resettlement. The process should also be as transparent as possible and in a language understandable to all parties involved so that they are aware of the terms and conditions stipulated in the

whole process. The local communities also need to be organized and empowered with means which will enable them monitor and supervise the whole resettlement process. The key issues to look out for would be to ensure that the needs of the vulnerable groups in the communities are taken care of.

Uganda also needs to put up stringent laws to protect the environment. The hydro-carbon industry is a highly destructive to the environment, and the Albertine Graben area where the oil is found is one of the richest in terms of fauna and flora; it is located on the shores of Lake Albert, a fresh water lake used for fishing that is a staple among the community of both Uganda on one boarder and Democratic republic of Congo (DRC) on another. In addition, the area boasts a National park famous for bird watching activities, an animal and plant preservations are in the same area. These attract tourism which is currently one of Uganda's foreign exchange earner. These need to be preserved even though Uganda earns income in oil, it needs economic diversification and tourism is the next best option at the moment (Goffe, Valeriya, 2013).

The discovery of oil in Uganda presents a huge impetus for community development through socioeconomic transformation. Asset Based Community Development considers natural resources (for instance oil) to be part of the critical resources needed to be mobilized to address conditions of vulnerability among citizens. Literature reviewed for this study pointed out the existence of both positive expectations and positive effects from oil discovery and exploitation. These among others include physical infrastructure development in the Albertine region including the construction of new roads networks, airport, health centers, schools, banks, and cleaner and affordable energy alternatives. People have also found job opportunities whether through setting up SMEs or being directly employed in the oil and natural gas sector. These and many other livelihood supporting activities lead to the realization of agency, participation, self-help and to some extent respond to the felt needs principle of community development.

Majority literature written on the sector was preoccupied with suggesting ways about how to allay people's fears from the unlikely negative effects of the two economic challenges of Dutch disease and the natural resource curse phenomena. These phenomena have menaced majority Oil Producing Countries on the African continent like Chad hence a valid reason to worry Ugandans. Natural resource curse and Dutch disease are negatively corelated to economic development and by implication to community

development as well. Since community development is a precursor for economic development. Though there are instances where the reverse is true.

Community development is about advancing frontiers of personal freedom and liberties and enhancing social networks. Therefore, major actors in the oil industry mainly government and oil companies should work towards building channels to enhance accountability in oil management for instance through proper dissemination of information regarding oil production agreements, compensating resettled people fairly, addressing issues of women rights abuse and restoring peoples livelihood which has been affected by the oil project. In a nutshell, there should be concerted effort to address the negative expectations and negative effects of oil development in Uganda as expressed by the citizens.

10. SUGGESTIONS AND RECOMMENDATIONS

In view of the findings from this study, the recommendations below can help to improve the socio-economic wellbeing of communities in the Albertine Graben region. It's from the findings and conclusion above that the study recommends the 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.

Given their high literacy level, the household heads can contribute meaningfully to community development. Therefore, development agencies willing to improve the wellbeing of Albertine Graben region people should consider engaging the household heads during the formation of development programmes for the community to ascertain community priorities. Involving these household heads from the conception of these development programmes through the implementation stage would improve the chances of such programmes effecting significantly on the members of the community.

Similarly, oil companies should engage these household heads for direct dialogue based on principle of respect, inclusion and informed consent in resolving complaints or conflicts between the companies and the community.

Although only 3.8% of the household heads were unemployed, the result indicates that the household income is relatively low. Therefore, there is need to improve the level of household income in the community to reduce poverty incidence. This can be

achieved through skill acquisition programmes and expansion of market opportunities for goods produced in the community. In addition, reducing oil spillage and recovering degraded farmland as well as reducing air pollution can improve agricultural productivity; hence increase household income since over 70% of them were involved in agriculture.

Both the government and oil companies should demonstrate sincere commitment in oil pollution clean-up exercises and apply international standards.

Granting that school completion rate in Albertine Graben region community is relatively high; having 10% of the household with, at least, a member who did not complete junior secondary school would have long run adverse effect on the community. Government should increase effort towards ensuring that every member of the community is given basic education. Many of the affected households blamed the development on lack of fund. Making basic education free is a good policy; but if the households would need their children to be involved in raising income for the household, the policy would fail. Thus, empowering the household heads and other working-class adult members of the household to raise enough income for the household would reduce the problem of child labour and make the children available to benefit from free education or even household-funded education.

Oil companies in the community should establish affirmative action plans such as giving a certain percentage of job opportunities directly to members of the community, devoting a certain percentage of the companies' income to infrastructural, institutional and human capital development in the community. This study has shown that most of the households would not worry so much about environmental degradation if they were paid money for.

Government of Uganda should embark on community-wide potable water projects. This could reduce the level of environmental related diseases in the community thereby improving public health which in turn could improve productivity among members of the community.

Government of Uganda should establish effective approach for ascertaining households who lost their agricultural produce to oil spillage and ensure that proper compensation is given.

Government of Uganda should improve the credibility of electoral process and reduce the high risk associated with political activities in the community to avoid indirectly denying over 70% of the household their civic right.

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.

Environmental monitoring agencies should be restructured and properly equipped with necessary machines and skills to effectively handle complaints of environmental degradation and exploitative or intimidating acts from the oil companies.

Agricultural research institutes should seek to develop crops or seeds that are tolerant to oil polluted soil. This could improve agricultural productivity in communities hosting oil exploration activities thereby enhancing the achievement of food security in such communities. Government and oil firms should invest in such research.

In addition seismic survey activities causing displacement of people, destruction of property, should be done in way that the community should first be trained about the purposes of doing the survey. Meanwhile people's properties and culture should be respected while the seismic programs are being carried out, and all if put under consideration cases of land conflict can be avoided.

Moratorium on state-based land grabbing across studied districts in the Albertine Graben region; Government of Uganda must immediately suspend further large-scale land acquisition until a formal inquiry is made, a critical legal analysis of current land law and related corruption is carried out, and until low levels of public knowledge regarding land tenure and rights are addressed.

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.

Campaign to address low levels of knowledge related to land tenure and rights; despite legal protections offered by the 1995 Constitution of Uganda and the 1998 Land Act, people continue to be disenfranchised because of lack of knowledge of basic land and resource right protected by law.

The study recommends that communities especially Albertine Graben region require information regarding customary tenure and statutory law, legal registration processes, land markets and land acquisition procedures aimed at minimizing the problem of land grabbing.

The government should exercise transparency in property/land valuation and clear criteria should be used when it comes to compensating the affected people, in such a way issues of ghost compensation will reduce.

Formal inquiry into large-scale land grabbing by state authorities; the government must establish a judiciary inquiry into property and land valuation, accusations of land grabbing and fraudulent behaviour by state officials in respect of land acquisitions; with a view to readdressing the victims. Land will be returned to its rightful owners, and where this is not possible, appropriate compensation will be made. The result of this inquiry will be made publically available within a specified time.

10.1. Further suggestions

This study examined the oil governance and socio-economic wellbeing of communities in the Albertine Graben. However, to generate more achievable policy strategies and development targets with regards to sustainable development in these communities in the face of oil exploration, there is need for more case studies in Albertine Graben and other oil producing communities. Therefore, in addition to the recommended comprehensive baseline study in Albertine Graben community, the following areas for further research are also suggested:

1. A qualitative study on the socio-economic effect of oil exploration in Albertine Graben community: this could reveal other dimensions to the debate which are often crowded-out during quantitative studies.
2. Cultural effect of oil exploration in Albertine Graben is another area of research which needs researchers' attention. A multi-disciplinary research approach is recommended.
3. A study to ascertain the minimum conditions at which Albertine Graben people would be willing to allow further oil exploration in closed oil wells: harmony between the host community and the oil production operators in the community

will ensure sustainable production as well as sustainable socio-economic development in the community.

4. Oil exploration in the Albertine Graben and the vulnerable groups: these groups of people are often neglected in studies around this region. So, such study could be revealing.
5. A study of the socio-economic effect of oil exploration activities and interventions (from government and oil firms) in terms of pre and post such activities or interventions.

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