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FACULTY OF NATURAL RESOURCES AND ENVIRONMENTAL SCIENCES

DEPARTMENT OF NATURAL RESOURCE ECONOMICS

**THE SOCIAL ECONOMIC AND ENVIRONMENTAL IMPACTS OF OIL
EXPLORATION ACTIVITIES ON COMMUNITIES: KIGWEERA SUBCOUNTY,
BULIISA DISTRICT**

BY

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DECLARATION

I ASINGUZA ELIZABETH, declare that this research report submitted to Busitema University Faculty of Natural Resources and Environmental Sciences is my original work and has not been submitted by any other person to any Higher Institution of learning for academic qualification.

Signature..........

Date.....10/07/2018.....

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APPROVAL

This is to certify that **ASINGUZA ELIZABETH** did research and this report is a true representation of the findings. I therefore recommend that this report be submitted to the Faculty of Natural Resources and Environmental Sciences of Busitema University.

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DEDICATION

I dedicate this work to my beloved parents Mr. Sam Katiikiri Baregire and Mrs. Miriam Tusingwire Katiikiri, my siblings, friends & relatives. Thank you so much for the love, care and all kind of support you rendered to me during my course of study.

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ABBREVIATIONS

AFIEGO	Africa Institute for Energy Governance
ANEEJ	African Network for Environmental and Economic Justice
BIRUDO	Buliisa Initiative Rural Development Organisation
CPF	Central Processing Facility
EIA	Environment Impact Assessment
EIS	Environment Impact Statement
EP	Exploration and Production
HOCADEO	Hoima Caritas Development Organisation
HRC	Human Rights Commission
MEMD	Ministry of Energy and Mineral Development
NEMA	National Environment Management Authority
NGO	Non-Governmental Organisation
OWC	Operation Wealth Creation
PAP	Project Affected Persons
PEPD	Petroleum Exploration Production Department
RAP	Resettlement Action Plans
RPF	Resettlement Policy Framework
SPSS	Statistical Package for Social Scientists
UNEP	United Nations Environment Programme
UBOS	Uganda Bureau of Statistics
ULA	Uganda Land Alliance
UWA	Uganda wildlife authority

ABSTRACT

The study was carried out in Kigweera sub county of Buliisa district. It examined the social – economic and environmental impacts of oil exploration activities on communities in Kigweera Sub County.

The study employed a descriptive research design and both qualitative and quantitative research approaches. Primary data was collected using questionnaires in self-administered interviews, interviews of key resource persons and observations. Secondary data was collected by reviewing Buliisa district development plans, district statistical abstracts, district environmental reports, journals, among others. In total there were 92 respondents, of which 36 were female and 56 male. These were majorly youth and old people. The collected data was analyzed using Statistical Package for Social Scientists (SPSS) version 20. Both descriptive and inferential statistics were conducted on the data. Inferential statistics included a chi-square test.

The study findings showed that oil exploration activities had negative effects such crop destruction, smoke from machines, dust from road construction, displacement from their farmlands, delayed compensation for land lost, loss of thatching materials for their huts, land conflicts between the local communities and the oil exploration companies. Other findings included ignorance on their land rights, oil exploration policies, environmental policies, loss of livelihoods.

It is concluded that oil exploration activities in Kigweera sub county had more negative effects than positive. It is therefore recommended that the local communities be sensitized on their land rights, oil exploration policies, environmental policies and alternative sources of livelihoods. Also, the local communities should be compensated proportionate to the actual market value of the land lost. Furthermore, the government should assist the local communities to acquire land titling on their lands.

CHAPTER ONE: INTRODUCTION

1.1 BACKGROUND TO THE STUDY

In Uganda, petroleum exploration dates back to the early 1920s, when oil seepages were first reported from national surveys. In 1938, the first oil well was drilled by the Anglo European Investment Company of South Africa (R.J. Kashambuzi, 2010). Due to the Second World War and the British African colonies demanding independence, the colonial policy for developing natural resources in Uganda changed. According to (R.J. Kashambuzi, 2010), commencement on the development of the oil industry in Uganda started in the 1980s and in 1983 aeromagnetic data confirmed the existence of sedimentary basins rich in oil in the Albertine Graben. To allow further studies on these oil basins, the country enacted the Petroleum Exploration and Production Act in 1985. This law was used by the Ministry of Energy and Mineral Development (MEMD) to license international companies to undertake seismic surveys and drilling (Kashambuzi, 2010).

Commercially viable oil deposits in the Albertine Graben were found by Australia's Hardman Resources and UK's Tullow Oil (International Alert, 2013). These deposits confirmed Uganda to be a potential oil producing country. By 2013, the country had subdivided the Albertine Graben into 10 exploration areas. According to MEMD (2017), the government of Uganda has licensed three companies to undertake onshore and offshore oil exploration in areas in and around Lake Albert. So far 66 exploration and appraisal wells have been sunk, and 59 found successful. It is estimated that 6.5 billion barrels of oil have been discovered, of which 1.4 billion barrels are recoverable (Kuteesa, 2014). Uganda's oil reserves are expected to yield \$2 billion a year for 30 years, according to the country's petroleum exploration and production department. Estimates made by Bank of Uganda put the saving from oil importation at \$633 million per annum when the country starts oil production (International Alert, 2013). Already production sharing agreements have been granted to three oil companies namely Tullow Uganda Operations Ltd, Total E & P Uganda and China National Offshore Oil Corporation (CNOOC).

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