

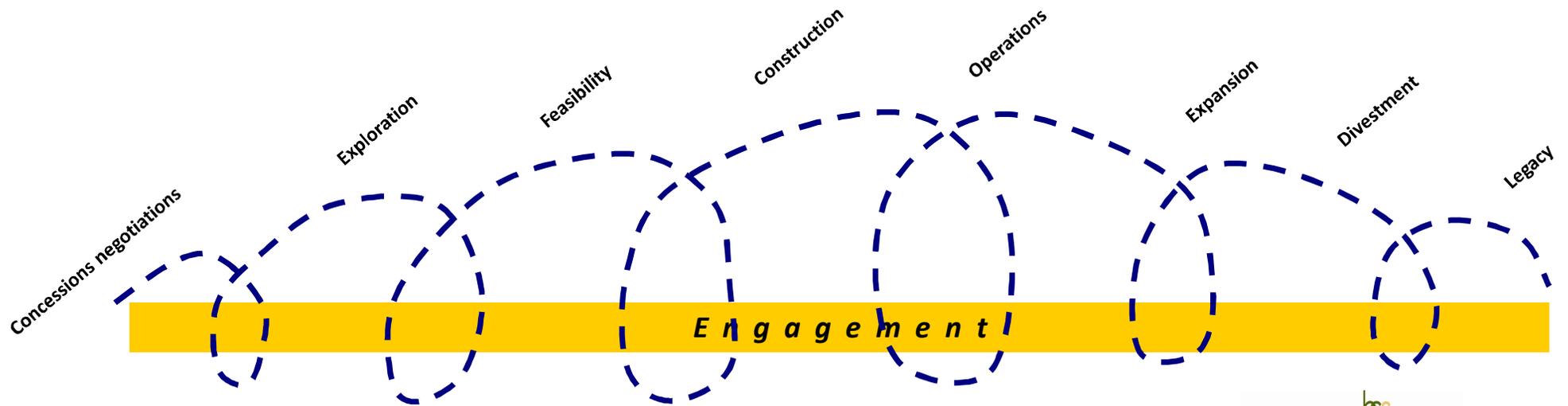
AN IMPACT ASSESSMENT OF STAKEHOLDER ENGAGEMENT INTERVENTIONS IN UGANDAN OIL EXTRACTIVES

Silver Springs Hotel, Kampala

15th June 2016

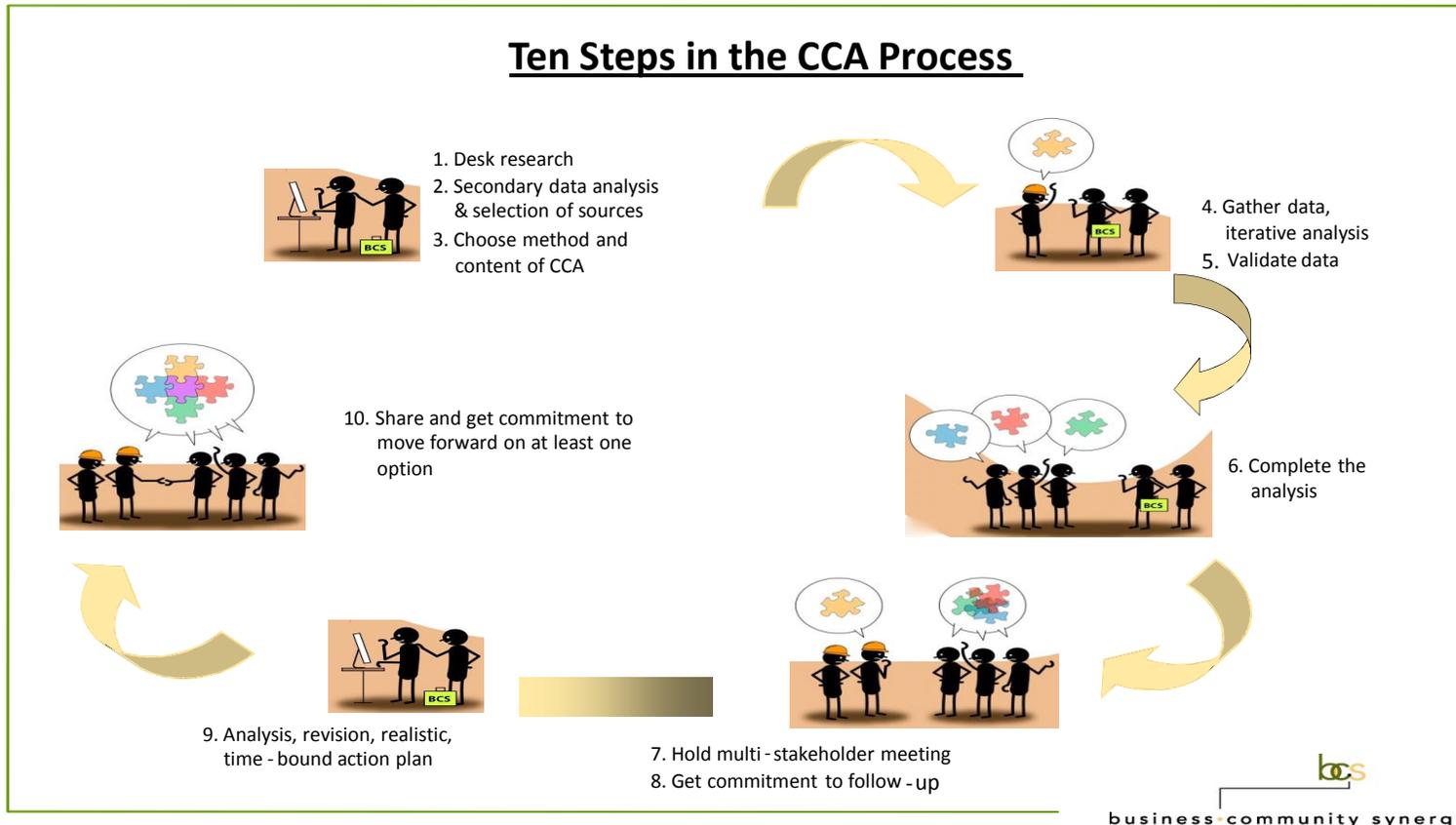


EXTRACTIVE INDUSTRIES PROJECT CYCLE



METHODS & PROCESSES

Community-Company Assessment (CCA) is a process by which the relationships between various stakeholders in the extractive industries are assessed, measured, and developed over time



DATA SOURCES

“ 30 VILLAGES/COMMUNITIES

- . **Arua:** Ndara, Ndiova, Oyu, Wanyange
- . **Nebbi:** Abok, Kiyaya West, Nyabang, Nyamutagana-A, Nyapolo, Pakwach T/C
- . **Nwoya:** Lagazi, Pajengo, Pawatomero Central
- . **Buliisa:** Bikongoro, Kakindo, Kasinyi, Kijumbya, Kirama
- . **Hoima:** Kab II, Kaiso, Kiryamboga, Kyapuloni, Kyehoro, Nsonga, Tonya-A
- . **Rukungiri:** Rwenshama, Rwesigiro
- . **Kanungu:** Kameme, Kazinga/Bukorwe

“ 3 SUB-COUNTY LOCAL GOVERNMENTS

- . **Bwambara Sub-County,** Rukungiri District
- . **Kihiihi Sub-County,** Kanungu District
- . **Purongo Sub-County,** Nwoya District

“ 7 DISTRICT LOCAL GOVERNMENTS

- . Arua
- . Buliisa
- . Hoima
- . Kanungu
- . Nebbi
- . Nwoya
- . Rukungiri

“ 2 COMPANIES

- . Tullow Oil
- . Total E&P Uganda

CATEGORISED BARRIERS TO BENEFITS¹

- “ **Community Support** - Barriers related to community and local government limitations and their unmet desires and expectations
- “ **Corporate Social Responsibility** - Limitations related to the design and impact of CSR
- “ **Corruption** - Barriers concerning favouritism, nepotism, exploitation, bribery, and fraud
- “ **Displacement & Compensation** - Actual and potential loss of property, rights, income, and/or access that have a direct impact on livelihoods
- “ **Education & Training** - Barriers related to literacy, limited education, training, and teacher welfare

¹Categories and their definitions were not prescribed or pre-defined for the assessment, but were derived following analysis of data collected during the assessment.

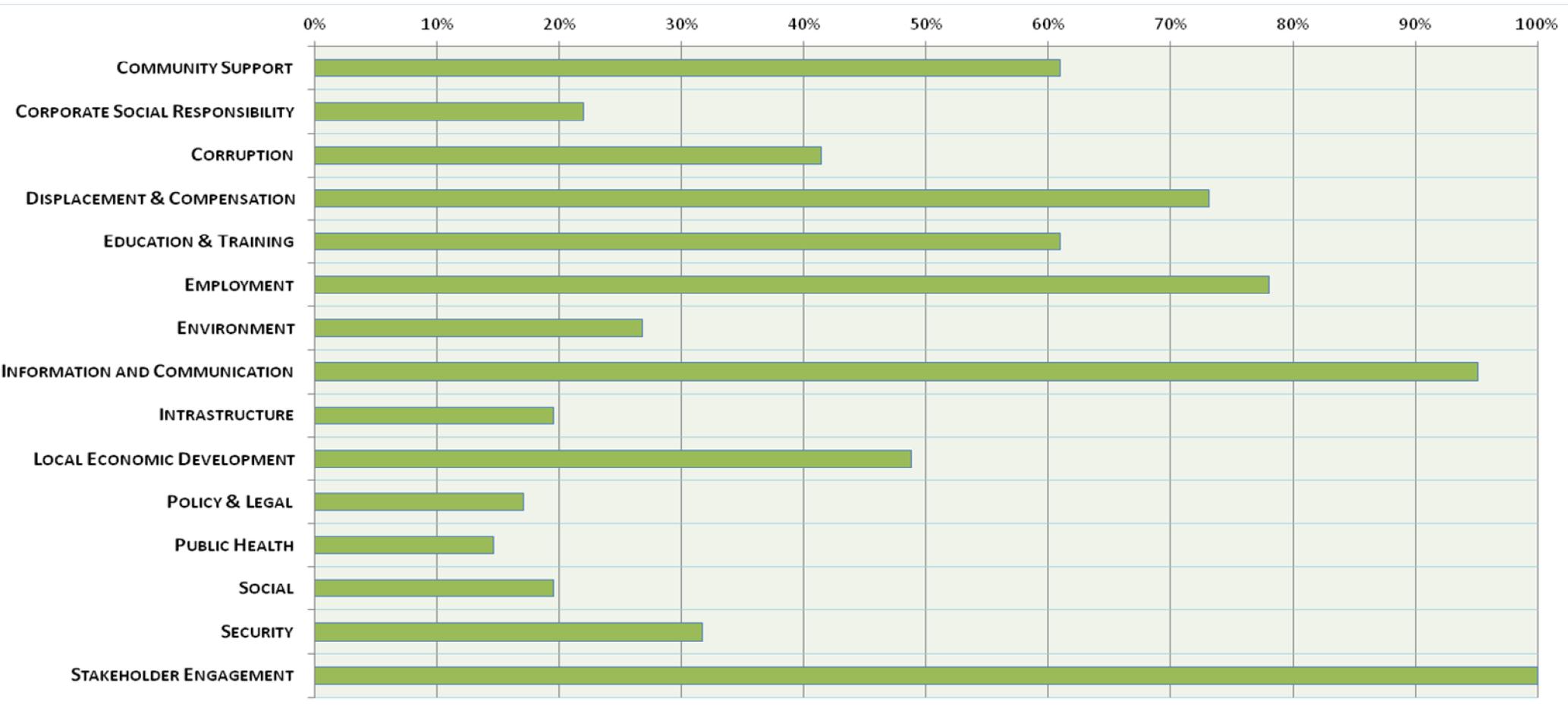
CATEGORISED BARRIERS TO BENEFITS

- “ **Employment** - Barriers related to job opportunities and employment practices (recruitment, terms, rights, affirmative action)
- “ **Environment** - Barriers related to the management of waste, environmental degradation, noise and air pollution, perceived ecological instability, and environmental compliance monitoring
- “ **Information & Communication** - Barriers related to information sharing in terms of access (supply and demand), regularity, transparency, reliability, timeliness, frequency, relevance, truthfulness, accuracy, and clarity among all stakeholders
- “ **Infrastructure** - Barriers related to inadequate roads, their maintenance, and access to electricity
- “ **Local Economic Development** - Barriers related to real and potential loss of economic opportunities, increased cost of living, reduced production, delayed income, exclusive tendering practices, and limited community preparedness to take advantage of economic opportunities

CATEGORISED BARRIERS TO BENEFITS

- “ **Policy & Legal** - Barriers related to an inadequate and unfair policy and legal framework and its unsatisfactory implementation
- “ **Public Health** - Barriers related to access to adequate healthcare, clean water, medical staff, and disease control
- “ **Social** - Barriers related to local behavioural, cultural and moral standards
- “ **Security** - Barriers related to human-wildlife conflict, inter/intra-community conflict, community safety, and theft of property
- “ **Stakeholder Engagement** - Barriers related to deficient inter/intra stakeholder interaction, flow of information, participation, benefit, trust, and a sense of helplessness by communities and local government; unfriendly, disrespectful, fearful and hostile relations, and unfulfilled commitments by companies

ANALYSIS OF CATEGORISED BARRIERS

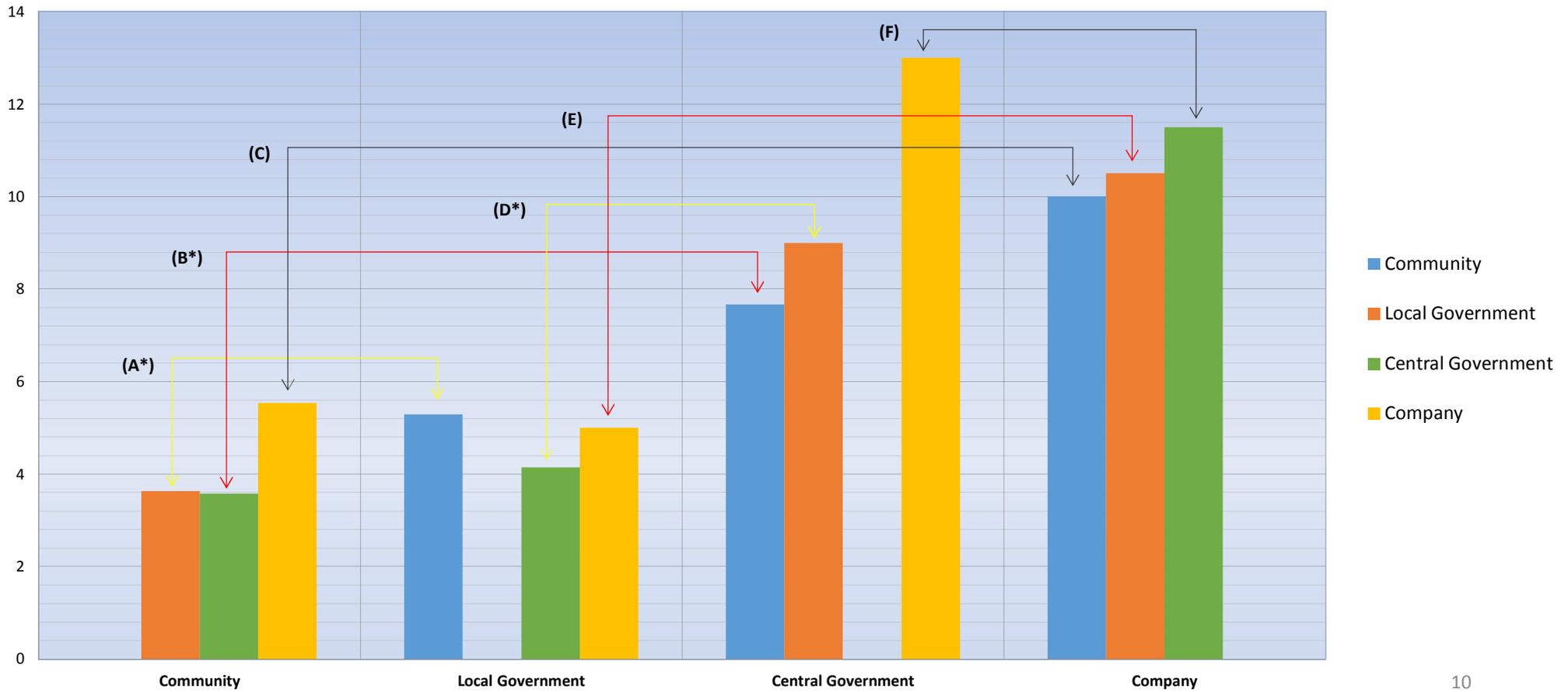


STAKEHOLDER ENGAGEMENT SPECTRUM

01	02	03	04	05	06	07	08	09	10	11	12	13	14
Stereotypes		Disengage		Inform		Consult		Involve		Collaborate		Empower	
Each party is communicating with the other, but in an ineffective manner				Attempts by one party to communicate with another, mostly one-way communication, partially effective				Beginnings of constructive joint action				Co-planning, co-monitoring, and multi-directional accountability	



BASELINE ANALYSIS OF STAKEHOLDER PERCEPTIONS



GENERAL COMPARISON OF BASELINE PERCEPTIONS

A. Community vs. Local Government

- Community perceives its engagement with local government at the level of *disengage*.
- Local government perceives its engagement with communities at the level of *inform*.

B. Community vs. Central Government

- Community perceives its engagement with central government at the level of *disengage*.
- Central government perceives its engagement with community at the level of *consult*.

GENERAL COMPARISON OF BASELINE PERCEPTIONS

C. Community vs. Company

- Community perceives its engagement with company at the level of *inform*.
- Company perceives its engagement with community at the level of *involve*.

D. Local Government vs. Central Government

- Local government perceives its engagement with central government at the level of *disengage*.
- Central government perceives its engagement with local government at the level of *involve*.

GENERAL COMPARISON OF BASELINE PERCEPTIONS

E. Local Government vs. Company

- Local government perceives its engagement with company at the level of *inform*.
- Company perceives its engagement with local government at the level of *collaborate*.

F. Central Government vs. Company

- Central government perceives its engagement with company at the level of *empower*.
- Company perceives its engagement with central government at the level of *collaborate*.

Relationship	Point difference in respective perceptions of each other ¹
(A) Community – Local Government	1
(B) Community – Central Government	4
(C) Community – Company	4
(D) Local Government – Central Government	5
(E) Local Government – Company	6
(F) Central Government – Company	1

¹While there is a notable difference between community and local government stakeholder group perceptions (A) with regard to each other, that disparity is not as considerable as that between the perceptions of community and central government (B) and that between community and company (C). Likewise, the difference in perception between central government and company (F) is minimal in comparison to their respective perceptions with both community and local government stakeholder groups. It is also worth noting that there is a relatively significant disparity between local government and central government (D) and local government and company (E) perceptions towards each other.

MULTI-STAKEHOLDER FORUMS (MSFs)

“ In 7 oil-bearing districts

“ Communities, local governments, central government and companies have begun the process of:

1. identifying their priority barriers in the oil and gas sector,
2. describing the cause of the barriers,
3. developing actions to address them, and
4. jointly monitoring their implementation

“ Priorities and actions constantly revised

MAJOR IMPACTS OF MSFs

“ **Community-driven accountability**

- “ Communities and local governments leading advocacy actions they previously expected others (e.g. CSOs) to lead
- “ Communities seeking national-level action when local-level efforts are not working
- “ Communities recognizing the importance of documentation of their grievances and maintaining records

“ **Multi-directional accountability**

- “ Central government and companies interacting directly and responding regularly to the concerns of communities and local governments
- “ Priorities and actions are influencing or being incorporated into District Development Plans
- “ Communities and local governments are making financial commitments towards jointly developing actions to address common barriers and implement them
- “ Local governments proposing legal and administrative measures to address barriers identified with the oil and gas industry

COMMON SUB-NATIONAL ISSUES

- “ Overwhelming desire for **regular multi-stakeholder engagement** to address current and potential concerns and share experiences
- “ Need for developing **new channels for sharing information** to the full range of stakeholders
- “ Urgent need for **land demarcation and registration** using livelihood-based approaches
- “ Need for **experiential learning** on what has worked elsewhere and how it may be successfully applied in the local context
- “ Better forecasting of and preparation for issues related to **displacement & compensation** during the entire extractive industries project cycle
- “ Planning and action on the potential negative impact of petroleum exploration and production on the **environment, biodiversity and tourism**
- “ Shift in interest in local economic development that focused solely on employment opportunities to one that now includes **markets for local products and services**

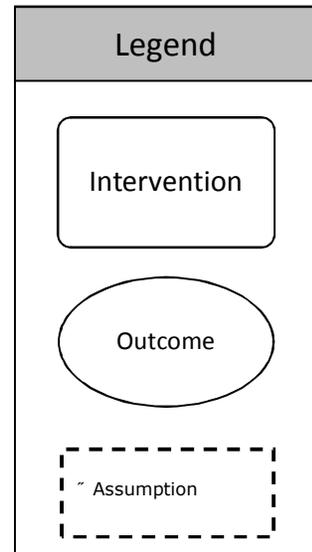
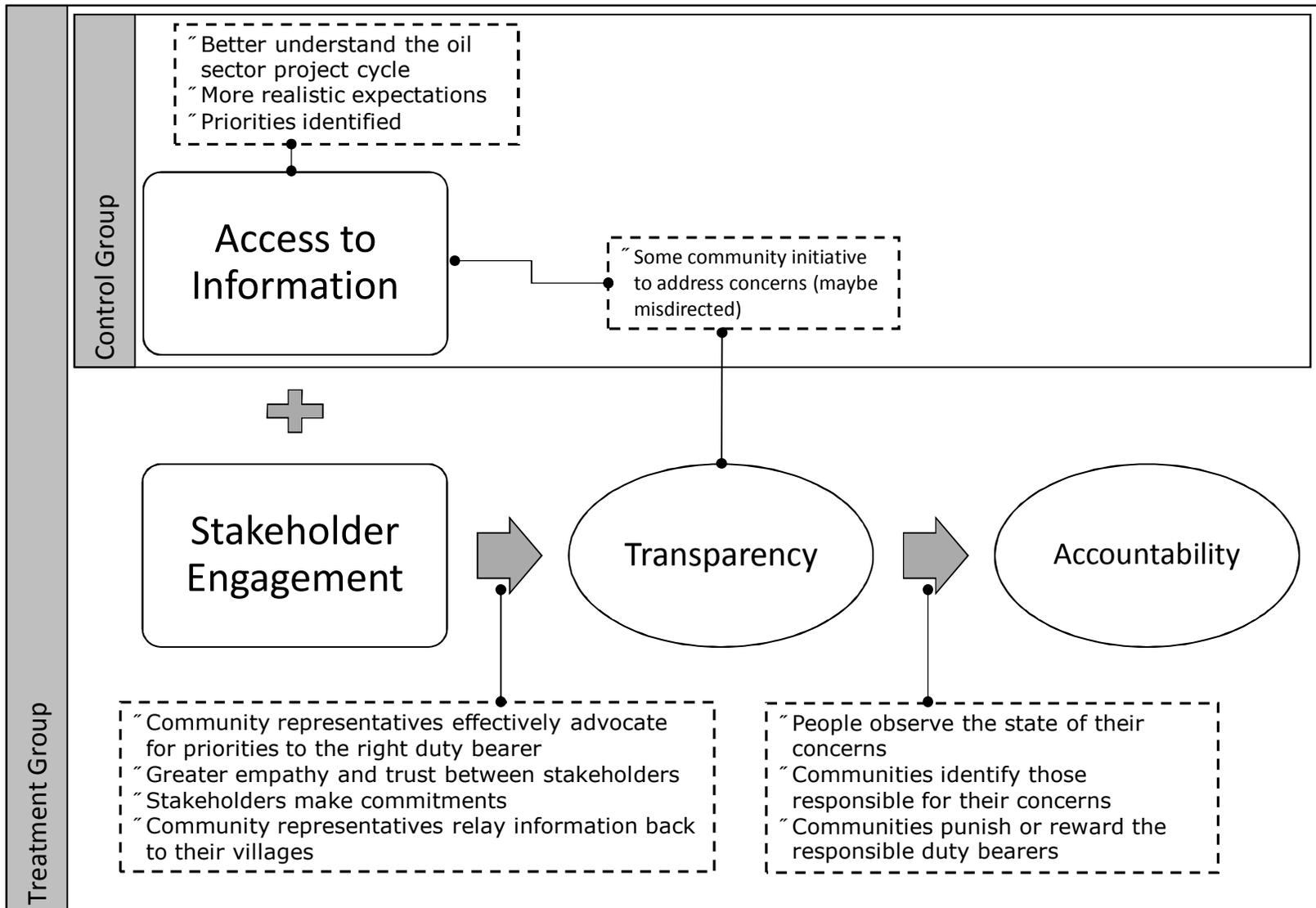
IMPACT ASSESSMENT OF MSFs

Baseline and Endline Surveys

- ” Mixed methods – quantitative & qualitative
- ” Data Collection
 - Household survey
 - 110 villages
 - 30 households per village
 - 3,300 household surveys total
 - “random route”
 - CAPI software (Dooblo)
 - Data Analysis
 - Quantitative – FSU
 - Qualitative – MYJ & BCS

Intervention

- ” Random Assignment
 - Control group – information only
 - Treatment group – information + stakeholder engagement
- ” Spillover Effects
 - From 2 districts to 8 districts
 - 3 km radius



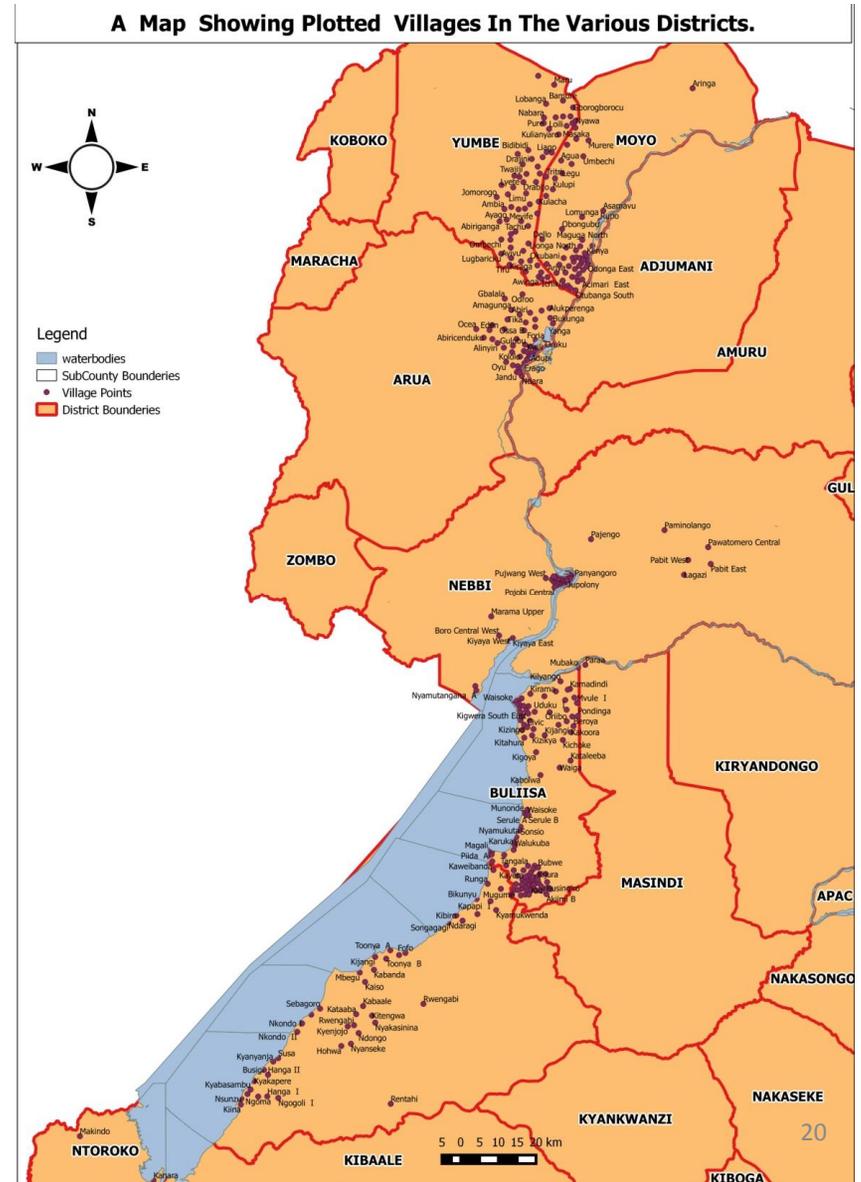
PROJECT AREA

“ 8 districts

- ✓ Yumbe
- ✓ Moyo
- ✓ Arua
- ✓ Nebbi
- ✓ Nwoya
- ✓ Buliisa
- ✓ Hoima
- ✓ Ntoroko

“ 110 villages

- ✓ Close to existing operations
- ✓ Along estimated pipeline routes



CHALLENGES

- “ Challenges associated with a multinational and multi-sector team (business, university and non-profit) working together
- “ Designing the survey at a time when there was major volatility in the global and local petroleum industry.
- “ Limited information on oil-related activities
- “ Obtaining the necessary approvals for the project to commence at a time when the survey design was being constantly reviewed
- “ Uganda Presidential, Parliamentary and Local Government Elections
- “ Multi-lingual villages
- “ Expanding the project area from 2 districts to 8 districts on the same budget
- “ Mixed methods approach

PROJECT STAKEHOLDERS

