

An Impact Assessment of Stakeholder Engagement in Ugandan Oil Development: Do Communities Benefit from Stakeholder Engagement?

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Executive Summary

Many international organizations urge companies in the extractives sector to engage with local stakeholders, and issue “best practices” guidelines for doing so. Corporations in the business of natural resource extraction also believe that such engagement reduces their operational risks. These corporations have created standards for community engagement that they believe will help them obtain and maintain a social license to operate. However, reliable information about the impact of stakeholder engagement on participant communities is limited. In fact, we know of no rigorous experimental investigation—public or private—of the utility of such engagement for communities. Are governments and corporations more accountable when there is proper engagement with community-based stakeholders? And are communities likely to seek more accountability as a result of useful engagement with governments and corporations?

Business-Community Synergies (BCS), has worked collaboratively with Maendeleo ya Jamii (MYJ) for nearly ten years. The two organizations have used a methodology, the Community-Company Assessment, that emphasizes inductive data gathering to build relationships of trust. MYJ further developed this methodology into a structured engagement process called Multi-Stakeholder Forums (MSFs). The MSFs respond to MYJ’s analysis of barriers faced by communities during oil development – lack of engagement and lack of information. (Manyindo et al., 2014). MSFs are therefore designed to provide information, facilitate discussion, and address concerns among communities,¹ governments and corporate representatives in oil development areas of the Albertine Graben.



Location of study villages, marked with circles and x's

The MSFs provided a means by which village residents could interact directly with different levels of their government as well as corporate officials on a face-to-face basis and discuss their issues.

Within the first year MYJ began to observe instances where the MSFs appeared to generate meaningful positive impacts. BCS approached MYJ about subjecting the MSFs to a formal evaluation, as both organizations are interested in learning whether a rigorous empirical test will support the effectiveness of MYJ’s approach. BCS brought on an additional partner with quantitative expertise to structure a randomized controlled trial (RCT), Florida State University (FSU).

In 2015 BCS received a grant from the International Initiative for Impact Evaluation (3ie) to carry out this study using a mixed

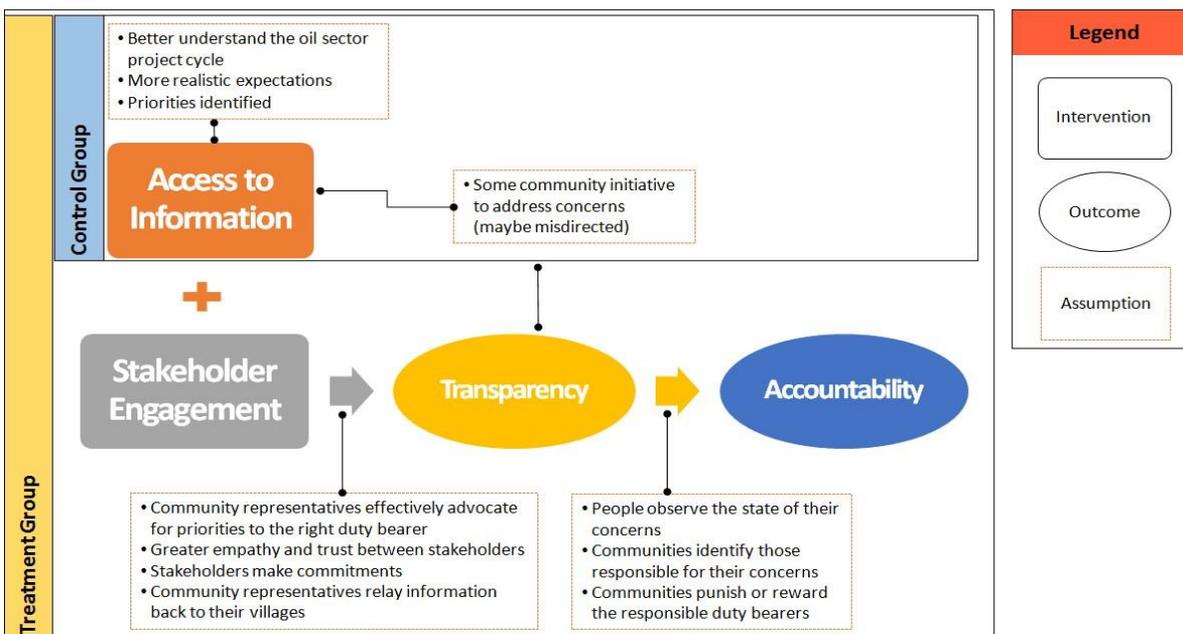
¹ “Community” in this study refers to villages, the lowest level administrative unit in the country as identified in censuses carried out by the Uganda Bureau of Statistics.

methods approach. The study was guided by a team of three Principal Investigators representing each of the three organizations.

Our study evaluates the effectiveness of a transparency intervention (MSFs with community, different levels of government and private sector representatives) to improve accountability to communities in Western Uganda. Our purpose was to provide rigorous experimental evidence on the effectiveness of stakeholder engagement from the perspective of local communities impacted by extractives. The study design is a RCT supplemented with a qualitative component and a gender analysis, covering 3200 households across 107 villages in the Albertine Graben. Our survey was translated into ten languages and the enumerators interviewed roughly equal samples of men and women.

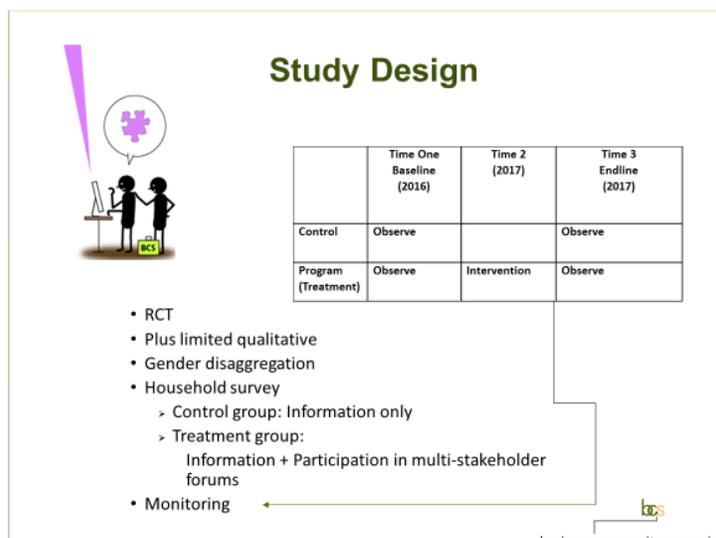
Our *Theory of Change* is that a program (treatment) group of 52 villages, which participate in the MSFs, will seek and receive greater accountability from decision-makers in government (and corporations where applicable) than the control group of 55 villages who do not participate in the MSFs. Our survey focused on issues related to land management, social services and local economic development, respondent satisfaction with how the issue was being handled, their attribution of blame and credit in relation to those issues, measured transparency, (defined not just as information, but a culture of openness with information about the oil sector), and tracked their political actions before and after participation in the MSFs.

Theory of Change



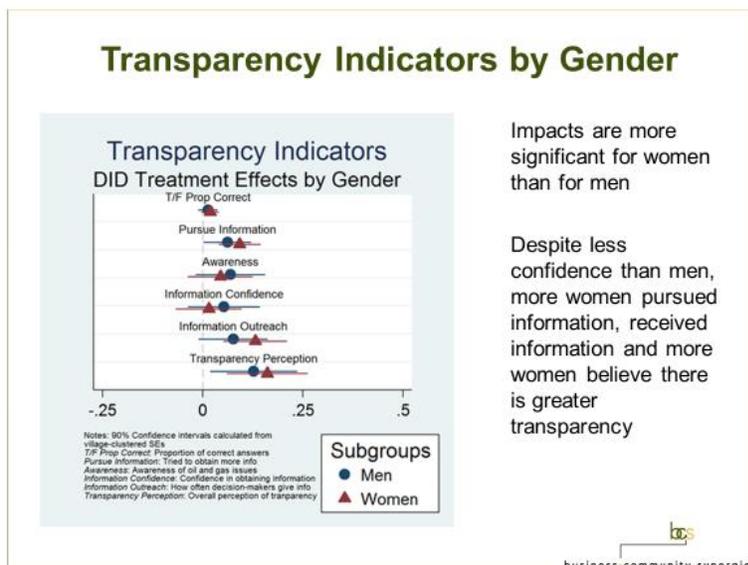
We sought objective quantitative data as well as qualitative information in some cases to gain a deeper understanding of how people think about the topics we raised in the survey. These questions aimed to help us understand the reasons why respondents chose particular answers, and

also provided rich descriptive detail on the quantitative responses. We used the qualitative questions to explore rankings of issue importance and satisfaction,² and the reasons for blame and credit attribution to different decision makers.³ As a practical matter we limited our qualitative questions to balance our desire for explanation of the quantitative data with the task of systematically coding and analyzing 3200 textual responses for each question. The study was conducted over a three-year period, according to the Study Design provided here.



Our expectation and plan had been that the end line would be conducted one year after the program intervention (MSFs) and that the treatment villages would be exposed to at least two MSFs. Due to donor restrictions and time pressures, we were forced to conduct the end line just three months after the intervention. It is likely that our measurement of impact would have been better if we had more than one treatment and at least six months between the first treatment and the end line.

Results



Our results are based on the careful design and implementation required of a RCT. This allows us to state with 90% confidence that we observe a number of treatment effects directly caused by the MSFs:

- 1. Transparency**
 For those exposed to the MSFs, there is an overall increase in several measures of transparency, such as reported pursuit of independent information about oil development. While transparency increased for almost all measures,

² The issues in question were: (1) social service access; (2) land management; and (3) local economic development.

³ These include: communities themselves; different levels of local government; the central government; civil society organizations; and oil companies.

impacts are more significant for women than for men. MSFs did not increase actual knowledge of the oil and gas sector relative to the control group. It is possible that for our stakeholders (women and men from villages) this may be because information about oil development was conveyed through formal presentations—that the benefit of these was more the presence of national authorities at a village forum promoting face-to-face interaction rather than the content of what was presented.³

2. Civic Activity⁴

While only a minority, less than 10% of respondents undertook any activity, those that took action did so significantly at the household and community levels as a result of MSFs. This includes greater participation in village meetings and oil sector meetings. Qualitatively, we found strategic changes such as increases in lobbying and protests, although these actions were not frequent enough to be amenable to statistical analysis. For example, household participation in protests increased from 1 to 10 for women who were in the treatment group and 5 to 7 for men. Instances of lobbying increased from 0 to 8 for women, and from 3 to 9 for men in the treatment group. Since the close of field activity in November, 2017, monitoring reports have nearly doubled, and many reports are informally coming in about changes that have occurred following the MSFs.

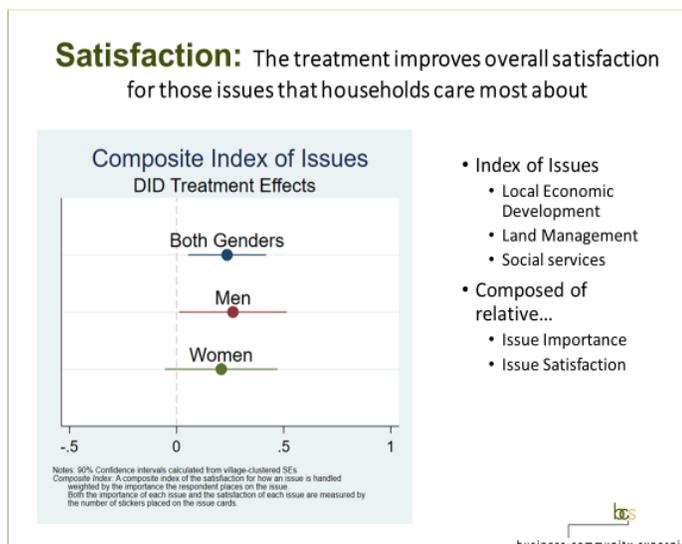
3. Index of Satisfaction

Our Index of Satisfaction shows that satisfaction increases in response to the treatment for issue areas that respondents care the most about. (See Section 5.1.3 for more information) However, notably, satisfaction is significant for men, but not for women at 90% confidence.

4. Land Tenure

The MSFs had a negative impact on land registration, an unexpected result. In part, this result may be a timing issue as there was significant impact in land registration processes underway, but this was the case only for men. Since women do not typically deal with formal land ownership in this area in practice, the data inconsistency will likely be resolved in a later end-line survey. More men are in the process of registration than women.

We also found that only 30% of the treatment villages continued to consider land as a priority after the MSF. Qualitative data indicated that respondents' land conflicts were resolved locally



³ This explanation is not shared by the team, and not included in the official report.

⁴ These include: attended oil sector meetings; participated with CSOs; protested; voted; met with leaders at different levels of local government; called police; wrote a letter of petition; used the courts or mediation; lobbied for issues to be included in government plans.

and amicably. Notably many areas in the survey have not experienced oil development and the associated threats to land use and ownership.

It is also possible, based on the high importance of land cited in the qualitative data, that our conception of land for the study as one of three “issue areas” along with social services and local economic development, was misplaced. Land is more than an issue to the people here. It is largely used communally and rarely discussed as a thing one owns. Rather it is a part of one’s identity, different from access a school or health center or job. Clarity about this will require deeper exploration of the qualitative and quantitative data in this study, and possibly additional research.

5. **Social Services and Local Economic Development**

For the two other issues studied, social services and local economic development, our statistical analyses indicate no significant impact associated with the MSFs. Qualitative data indicated that respondents placed high importance on health centers, schools and jobs. We believe more time is required to determine whether MSFs have made a difference in these areas.

6. **Attribution of Blame and Credit**

Our study found that blame and credit were widely dispersed among village, sub-county, district leaders, as well as CSOs, oil companies and central government, and this was the case whether the respondent was male or female. Our qualitative data indicate that blame was primarily due to neglect and credit was primarily given for good leadership. We also noted that blame tended to be associated with the leader who was closest to the respondent and that changed to a few levels higher for men as they encountered officials at national levels through the MSFs and understood the extent to which decision-making about oil production occurred at the central level.

Conclusions

1. Ugandans in our study areas are deeply committed to their land. This commitment extends beyond any practical considerations, and is a core part of their identity. Thus, any arrangements about land must take into consideration the fact that land means a great deal more than its market value to residents in the Albertine Graben.
2. Face to face contact with government officials both enables communities and applies social pressure on those officials to act in a manner that enables change.
3. The presence of even one woman per village (30% women in a group) can have a significant impact on women’s influence in community decision-making and village level action.
4. Opinions on issue importance generally do not change in response to the treatment. Satisfaction does appear to increase for issues that respondents consider to be important.
5. The presence of refugee activities may increase economic development opportunities, and access to social services (at least temporarily). This should be explored in future research.

Discussion of data, the results and our interpretation of the results was conducted jointly with all three PIs and MYJ’s core implementing team in Kampala.

Research discussed in this presentation is funded by UK aid through the Department for International Development (DFID) and the International Initiative for impact Evaluation (3ie). 3ie quality assured the evaluation proposal, pre-analysis plan and the final impact evaluation report. The views expressed in the report are not necessarily those of DFID or 3ie.