



A RESEARCH REPORT

ON THE SOCIO-ECONOMIC IMPACT OF EACOP RESETTLEMENT ACTIVITIES ON THE PROJECT-AFFECTED PERSONS



AFRICA INSTITUTE FOR ENERGY GOVERNANCE (AFIEGO)

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Acronyms

Acronym	Meaning
AFIEGO	Africa Institute for Energy Governance
EACOP	East African Crude Oil Pipeline
FGDs	Focus Group Discussions
HDLB	Hoima District Land Board
H/Hs	Households
IDIs	In-depth interviews
KIIs	Key Informant Interviews
LRP	Livelihood Restoration Programme
NDP III	National Development Plan III
PAHs	Project-affected households
PAPs	Project-affected persons
PAU	Petroleum Authority of Uganda
RAP	Resettlement Action Plan
RoW	Right of Way
SDGs	Sustainable Development Goals
SPSS	Statistical Package for Social Scientists
UGX	Uganda Shillings
USD	United States Dollars

Executive summary

Africa Institute for Energy Governance (AFIEGO) contracted an independent consultant, Mr. Robert Byarunhanga (BA. Envnt, Msc: Oil and Gas Mgt, Certified HSE), to conduct research on its behalf. The research assessed the socio-economic impact of the East African Crude Oil Pipeline (EACOP) resettlement and compensation activities on the project-affected persons (PAPs). The research was conducted between April and October 2023.

The study was undertaken because under the country's Vision 2040 and National Development Plan (NDP) III, the Ugandan government has identified the oil and gas sector as one of several sectors that offers key growth opportunities for the country. As such, the Ugandan government and private sector are mobilising USD 15 billion (Musoke, 2022) to invest in the sector. While this is being done, EACOP-affected households argue that the project has negatively impacted their livelihoods among others (Ogwang and Vanclay, 2022). In effect, the affected households assert that the EACOP has worsened their socio-economic conditions, yet the Ugandan government hopes that the sector will transform Ugandans to prosperity.

While qualitative research documenting the EACOP PAPs' experiences with the project in Uganda and Tanzania has been published, empirical quantitative evidence that demonstrates the scale of the socio-economic impact of the EACOP project on the affected people does not exist.

This undermines evidence-based decision-making by government and the private sector which should be investing in sectors or projects that have a positive impact on people. It also impacts civil society groups' efforts to conduct advocacy to defend PAPs' human rights.

The main objective of this brief research was therefore to assess the socio-economic impact of the EACOP project on the affected people. The specific objectives of the study included: a) To establish the social and economic conditions of the EACOP-affected people before their displacement; b) To assess whether the compensation that was or is being paid to the affected people was or is prompt, adequate and fair; c) To examine the socio-economic changes that have occurred amongst the EACOP-affected people since they were displaced or informed of their displacement; and d) To make recommendations to improve compulsory land acquisitions in Uganda.

The study employed a cross-sectional research design and mixed methods research approach. The respondents for the research were drawn from 31 villages, 16 sub-counties and six of the ten EACOP-affected districts in Uganda. The districts covered by the study include Hoima, Kikuube, Kakumiro, Mubende, Lwengo and Kyotera. The districts are found in western, central and southern Uganda.

The research respondents, numbering 237, included the EACOP project-affected persons (PAPs), local leaders including Local Council (L.C.) 1, 2 and 3 chairpersons as well as cultural and opinion leaders.

Data was collected from the above respondents through structured questionnaires, In-depth Interviews (IDIs), Focus Group Discussions (FGDs) and Key Informant Interviews (KIIs).

The quantitative data was cleaned, edited, and analysed using Statistical Package for Social Scientists (SPSS). The qualitative data was coded into themes and analysed using NVIVO.

About the EACOP project's land acquisition

The EACOP involves the construction and operation of a buried, cross-border pipeline to transport crude oil from the Lake Albert area in Uganda to the port of Tanga in Tanzania for export to international markets (EACOP Company, 2023). The pipeline will run from Kabaale in Hoima district, Uganda, to Chongoleani, Tanga region, in Tanzania. The length of the pipeline is 1,443 kilometers (km), of which 296 km will be in Uganda (EACOP Company, 2023). The pipeline section in Uganda will traverse ten districts comprising Hoima, Kikuube, Kakumiro, Kyankwanzi, Mubende, Gomba, Sembabule, Lwengo, Rakai and Kyotera (Directorate of Petroleum, 2023).

The EACOP requires 2,740 acres of land in Uganda (Petroleum Authority of Uganda, 2021) and this land is being taken from 3,648 project-affected households (PAHs) in Uganda (EACOP Company, 2023). One hundred ninety-one (191) PAHs are primary residents who have opted for resettlement houses (EACOP 2023). The majority of the PAHs opted for cash compensation. As at September 2023, 3,189 PAHs in Uganda had received their compensation while 3,433 had signed their compensation agreements (EACOP Company, 2023). TotalEnergies is leading on the compulsory land acquisition processes on behalf of the other EACOP project developers, who include China National Offshore Oil Corporation (CNOOC) as well as the Ugandan and Tanzanian governments (EACOP Company, 2023). It should be noted that the cut-off date restricting the EACOP PAPs from using their land to grow perennial crops and set up any new developments was placed in May and June 2019. This cut-off date applied to the PAHs whose land is being acquired for a 30-metre-wide corridor, called the EACOP Right of Way (RoW), in Uganda. That for the priority areas where camps and other infrastructure will be located in Uganda and Tanzania was set in 2018 (Namara, 2022).

This study was therefore conducted at a time when thousands of EACOP PAHs in Uganda had received their compensation. The study assessed whether the EACOP compulsory land acquisition and compensation processes in Uganda had improved, or not, the PAHs socio-economic conditions.

KEY FINDINGS

The following are this study's key findings.

Land ownership status: This study assessed whether the PAHs whose land was partly or wholly taken for the EACOP project were able to replace their land after being displaced. The study also assessed whether the PAHs were able to replace land equivalent to that that they lost to the EACOP. The study found that the PAHs who were resettled by TotalEnergies received equivalent replacement land. However, this study found that 96.6% of those who received cash compensation and bought replacement land between 2022 and 2023 did not get land equivalent to that taken for the EACOP project.

Land value: Asked to explain why they were unable to replace land equivalent to what they lost to the EACOP, the PAPs that participated in this study noted that the value of land in their local areas appreciated in value. For instance, 26.2% of the respondents indicated that the value of an acre of land in their local area prior to displacement was between UGX 3 to 5 million. However, only 1.7% noted that an acre of land was the same price after their displacement. Further, 19.4% indicated that an acre of land in their locality cost between UGX 11 to 20 million before their displacement. At the time of the study, 26.4% indicated that

an acre of land costs UGX 11 to 20 million. This means that 7% more people indicated that an acre of land cost between UGX 11 to 20 million. In addition, while 2.9% of this study's respondents noted that an acre of land cost above UGX 21 million before their displacement, 16% noted that it cost the same price after their displacement. This means that 13.1% more people indicated that an acre of land cost more than UGX 21 million.

Land productivity: This study assessed the productivity of the replacement land that the EACOP PAPs acquired after their displacement. The PAPs that participated in this study indicated that they had spent only one planting season in the areas where they had bought replacement land. Of those that participated in the study, 41.4% indicated that their land was of low productivity while 33.3% indicated that it was of medium productivity. Further, 11.4% noted that it was productive while 3.3% indicated that their land is very productive. Overall, the majority of the PAPs indicated that their replacement land was less productive than the land they owned before the EACOP. The PAPs further observed that they had experienced dry conditions during the planting season; drier-than-normal conditions have been attributed to climate change, which the EACOP, which will result in the production of over 379 million metric tonnes of carbon over its 20-year life cycle, stands to worsen (Heede, R., 2022).

Changes in crop harvests: This study assessed whether there were any changes in crop harvests experienced by the EACOP PAPs before and after their displacement for the pipeline. The study found that there was a decline in the number of crops harvested by some PAPs per season. For instance, after their displacement for the EACOP, 77.2% of the PAPs harvest over 51kg, 16% harvest 21 to 50kgs while 5.1% harvest 1 to 20 kgs per season. Prior to their displacement for the EACOP, 92% of the PAPs harvested over 51kgs per season, 1.7% harvested 21 to 50kgs and 3% harvested 1 to 20kgs. This means that the PAPs harvesting over 51kg of crops per season declined by 14.8%.

Changes in economic conditions: This study assessed the economic conditions of the PAPs before and after their displacement. Of the PAPs that participated in this study, 92.8% indicated that they are engaged in subsistence agriculture. The EACOP RAP for Uganda shows that 74% of the PAPs use their land for subsistence farming (EACOP, NewPlan and ICS 2022) This study therefore finds that 18.8% more EACOP PAPs are engaged in subsistence agriculture than those that were at the time that the RAP study was undertaken.

Changes in income: The study further found that there was a reduction in the PAPs' income after their displacement. Prior to being displaced by the EACOP, 90% of the EACOP PAPs noted that they used to earn an average annual income of over UGX 300,000. After their displacement however, only 69.2 % of the respondents indicated that they earn an average annual income of over UGX 300,000. This means that the PAPs who earn an average annual income of over UGX 300,000 declined by 20.8%.

Loans: The study sought to establish whether the PAPs obtained loans before resettlement or compensation and how this impacted their households' economic conditions. The study results show that 49% of the PAPs that participated in this study obtained loans. When asked what the loans were acquired for, 65.8% of the respondents indicated that they wanted to feed their families, 28.7% indicated that they wanted to enhance their businesses and 5.4% indicated that they wanted to buy replacement land or complete their resettlement houses.

Of the PAPs that obtained loans, 69.2% indicated that it was not easy to repay the loans they acquired because they borrowed in expectation of compensation for the EACOP project, which was delayed, was unfair and inadequate. Worth noting is that 78.1% of the respondents that participated in this study noted that the compensation they received was delayed, unfair and inadequate.

Access to education: This study revealed that 68.3% of children in the PAHs were of school-going age. Of these, 39.2% and 29.1% were of primary and secondary school going age. However, the study found that there were low school enrollment levels with 37% children of school-going age being out of school. Of these, 21% were girls while 16% were boys. More girls than boys were out of school.

The PAHs that participated in this study indicated a number of challenges led to low school enrollment levels including: lack of scholastic materials, lack of school fees, long distances to the schools, hunger while at school and failure to address the needs of Persons with Disabilities (PWDs). Some of above-mentioned challenges were majorly attributed to the EACOP project's land use restrictions after the cut-off date and failure to pay prompt, fair and adequate compensation.

Access to other social services: This study found that the PAPs' access to social services such as health centres, safe water, markets, roads and employment is limited. The study found that 21% have access to or use public health services, 15% have access to clean water and markets and that none was employed in the oil sector.



A community meeting with EACOP PAPs in Kyotera district before an FGD was conducted in June 2023

CHAPTER ONE

1.1. Introduction

This chapter discusses the background, problem statement, objectives, and the methodology of the study.

1.2. Background to the study

The EACOP project involves the construction and operation of a buried, cross-border pipeline to transport crude oil from the Lake Albert area in Uganda to the port of Tanga in Tanzania (PAU, 2023). The pipeline will run from Kabaale in Hoima district, Uganda, to Chongoleani in Tanga-Tanzania. The length of the pipeline is 1,443 kilometres (km), of which 296 km is in Uganda. The pipeline section in Uganda will traverse ten (10) districts comprising Hoima, Kikuube, Kakumiro, Kyankwanzi, Mubende, Gomba, Sembabule, Lwengo, Rakai and Kyotera (EACOP Company, 2023).

The pipeline requires land for a 30-metre-wide corridor, called the Right of Way (RoW) stretching for 296 km. The EACOP project also requires land for four camps and two pump stations. All above infrastructure requires a land take of 2,740 acres in Uganda (PAU, 2023). In Uganda, 3,648 households are losing some or all of their land to the EACOP (EACOP Company, 2023).

1.3. Problem statement

Under Uganda's Vision 2040, National Development (NDP) III and the Sustainable Development Goals (SDGs), Uganda has pledged to transform the country's citizens from poverty to prosperity. Sectors such as agriculture, industry, knowledge and ICT, minerals as well as oil and gas were identified under the NDP III as providing key growth opportunities for Uganda (National Planning Authority, 2020).

As such, the Ugandan government and private sector in the country have been investing in the above sectors with a view of promoting socio-economic transformation for Ugandans. One of the sectors that has been prioritised for government and private sector investment is that of oil and gas (National Planning Authority, 2020). Over USD 15 billion is set to be invested in the sector (Musoke 2022) with arguments being made that these investments will promote economic development among others (Aheebwa, 2022).

To construct oil sector facilities such as the EACOP, land is being compulsorily acquired by TotalEnergies in Uganda on behalf of the other EACOP project shareholders. The EACOP land acquisition processes have been dogged by accusations of delayed, inadequate, and unfair compensation (Sekanjako, 2023; Malooba, 2023).

Further, EACOP-affected households in Uganda have indicated that the delayed compensation and use of cut-off dates placed in 2018 and 2019 by TotalEnergies affected their households' livelihoods (Ogwang and Vanclay, 2021). This in turn affected the households' capacity to pay school fees and meet other household needs.

The affected households also argue that the inadequate compensation they are receiving or received could not or cannot allow them to replace their land. In effect, the affected

households assert that the EACOP has worsened their socio-economic conditions, yet the Ugandan government hopes that the sector will transform Ugandans to prosperity.

To assess the socio-economic impact of the EACOP project and create empirical evidence of the magnitude, or lack thereof, of the socio-economic impact of the EACOP project on the affected people, this research was conducted.

It is hoped that this research's findings will inform ongoing and future government as well as private sector investments to promote economic sectors that have a positive impact on communities.

1.4. Research objectives

The overall objective of the study was to assess the socio-economic impact of the EACOP project on the affected people.

1.4.1. Specific objectives

The specific objectives of this study were:

- (i) To establish the social and economic conditions of the EACOP-affected people before their displacement;
- (ii) To determine whether the compensation that was or is being paid to the EACOP-affected people was or is prompt, adequate and fair;
- (iii) To examine the socio-economic changes that have occurred amongst the EACOP-affected people since they were displaced or informed of their displacement respectively; and
- (iv) To make recommendations to improve compulsory land acquisitions in Uganda.

1.4.2. Research questions

This study answered the following research questions.

- (i) What were the socio-economic conditions of the EACOP-affected people before their displacement for the EACOP project?
- (ii) Was the compensation that was paid to the affected people prompt, fair and adequate?
- (iii) What economic conditions were the affected people living in as of June 2023?
- (iv) What social changes have the EACOP-affected people experienced since their displacement?
- (v) What recommendations can be made to improve compulsory land acquisitions in Uganda?

1.4.3. Purpose of the research

This research was undertaken to document the socio-economic and other relevant impacts of the EACOP project on the affected people. The results of the study will be used to engage

government entities, communities, civil society organizations (CSOs), the private sector, development partners, financial institutions, and others to address the impacts of the EACOP project on the affected people. It will also promote evidence-based advocacy to improve compulsory land acquisition processes in Uganda while promoting investments that have a positive impact on communities.

1.5. Research Methodology

1.5.1. Research design and approach

This research employed a cross-sectional research design and a mixed methods research approach. Structured questionnaires, Focus Group Discussions (FGDs), Key Informant Interviews (KIIs) and secondary data review were used to collect both primary and secondary data.

1.5.2. Study area

The study was conducted in six of the ten EACOP-affected districts in Uganda. These include: Hoima, Kikuube, Kakumiro, Mubende, Lwengo and Kyotera. The six districts were sampled because the study sought to document the impacts of the EACOP project across the three regions -western, central and southern Uganda- that the pipeline will traverse in the country. The respondents for this study were drawn from 31 villages and 16 sub-counties.

1.5.3. Time scope

This study was conducted between April and October 2023. The research planning and designing processes took place between April and May 2023 while data collection took place in June 2023. Writing of this research report as well as validation of the study's findings took place between July and October 2023. The research report was published in November 2023.

1.5.4. Study population and sample size

The number of EACOP-affected households along the EACOP pipeline route is 3,648 (EACOP, 2023). This figure was extrapolated to 3,652 in the EACOP Resettlement Action Plan (RAP) covering Uganda. The RAP notes that the total number of people in the above households is 24,744. The aforementioned consist of this study's population. Of this population, 237 EACOP-affected people were sampled and participated in this study.

1.5.5. Sampling procedure

The participants for this study were purposively sampled based on their knowledge of the impact of the EACOP project. Patton (2002) argues that study participants must be sampled based on their knowledge about the subject under study. This study relied on this argument while selecting participants.

1.5.6. Data collection methods

The data for this research was collected through use of the following tools: a structured questionnaire that was administered to PAHs and focus group discussions (FDGs) that were participated in by vulnerable groups of people including women- and child-headed family members as well as the elderly. KIIs were also conducted with local council leaders.

The data collected was both primary and secondary in nature. Primary data focused on the practices, experiences, views, perspectives, and feelings, of the respondents.

1.5.7. Data analysis

The quantitative data that was collected for this study was cleaned, edited, and entered in an Excel sheet which was later collapsed in (SPSS) for analysis. The qualitative data was coded into themes and was analysed using Nvivo.

1.5.8. Ethical considerations

This study was planned and conducted in accordance with ethical requirements and standards. Informed consent was acquired from the participants. The study also minimised harm by maintaining confidentiality when it came to the research participants.



A community meeting with some EACOP PAPs in Kikuube district

CHAPTER TWO

Literature review

2.1. Introduction

This chapter presents the literature which was reviewed based on the objectives and the themes of the study. The EACOP RAP for Uganda was also reviewed to provide information on the socio-economic status of the PAPs and commitments made by TotalEnergies to the PAHs through the RAP.

2.2. Background to the EACOP Project

At 1,443 kilometers (900 miles) and at an estimated cost of \$5 billion (Barigaba, 2022), the EACOP would be one of the largest infrastructure projects in East Africa and the longest heated crude oil pipeline in the world. The pipeline would transport oil from a pumping station near Hoima, Uganda, to a storage terminal near the city of Tanga. If constructed, the pipeline will run beside Lake Victoria, Africa's largest freshwater lake, and pass through diverse ecosystems (WWF, 2017) and human settlements.

In Uganda, 3,648 PAPs are affected by the pipeline land acquisition. These include 3,096 PAPs with land interests and 696 licensees with structures, crops or trees growing on land owned by other PAPs. Seventy-two (72) of these PAPs are institutional and the rest are treated as PAHs. The pipeline affects approximately 2,740 acres of land, with most of the land (92%) being in rural areas while the remaining land is in urban areas. Much of the project-affected land is used for agricultural activities, such as crop farming and livestock rearing and grazing (EACOP, NewPlan and ICS, 2022).

2.3. Legal framework for the EACOP land acquisition

Through the RAP, the EACOP project developers undertook a review of the key international, regional, and national laws and treaties protecting the rights of the EACOP PAPs. These include the international system of human rights, the African Charter on Human and Peoples' Rights, and the Ugandan and Tanzanian constitutions, as well as relevant national legislations and jurisprudences. It also includes international standards such as the United Nations Guiding Principles on Business and Human Rights, International Financial Corporation (IFC) Performance Standards (PS), the United Nations Voluntary Principles on Security and Human Rights, and other instruments that governments can adopt, and companies can adhere to.

2.3.1. Constitution of the Republic of Uganda, 1995 (As Amended)

The RAP recognises the 1995 Constitution of the Republic of Uganda as the supreme law of the land that has binding force on all authorities and persons throughout Uganda. Article 26 of the Constitution spells out Ugandans' right to own property either individually or in association with others. The same article provides that no person shall be compulsorily deprived of property or any interest in or right over property of any description except where the taking of possession or acquisition by government is necessary for public use, in the interest of defense, public safety, public order, public morality or public health. Further, Article 26 provides that prior to the compulsory taking of possession or acquisition of property, prompt payment of fair and adequate compensation shall be made. The article confers a right of access to a court of law by any person who has an interest or right over the property.

2.3.2 The Land Acquisition Act, 1965

The Land Acquisition Act only specifies the procedure for the acquisition of land and thus relies on the Land Act and general valuation principles of land and developments to determine compensation awards. The act provides for the appointment of an Assessment Officer to carry out the valuation assessment. Further, Section 6(1) provides that the assessing officer shall make an award of compensation in which his or her opinion should be allowed.

2.3.3. The Petroleum (Exploration, Development and Production) Act, 2013

The Petroleum (Exploration, Development and Production) Act, 2013 gives effect to Article 244 of the Constitution. This Act, together with the Land Act and the Land Acquisition Act, provide for procedures and processes to be undertaken in the process of acquiring land.

2.3.4. IFC Performance Standards

While implementing the compulsory land acquisition project for the EACOP, TotalEnergies, CNOOC and the Ugandan government committed to respect the IFC Performance Standards for the EACOP. Performance Standard one (PS1) focuses on the assessment of social and environmental impacts, emphasizing the importance of transparency of all project information to ensure effective participation of affected communities. Performance Standards two (PS2) through eight (PS8) address common risks and impacts that are features of large-scale private infrastructure projects and that require special safeguards, including: Labor and working conditions (PS2), Resource efficiency and pollution prevention (PS3), Community health, safety, and security (PS4), Land acquisition and involuntary resettlement (PS5), Biodiversity conservation and sustainable management of living natural resources (PS6), Indigenous peoples (PS7) and Cultural heritage (PS8).

Worth noting are some provisions under Performance Standard 5 which requires that adequate compensation be paid, that it is paid in a timely manner, and that livelihoods must be restored or enhanced from pre-disturbance levels. The same standard also requires economically displaced people whose livelihoods are land-based to be offered alternative land of equal size and quality, alongside the option of replacement cost cash compensation. Compensation (in-kind or cash) should be provided prior to any acquisition or land use restrictions.

In 2023, Human Rights Watch (HRW) published a research report, “Our trust is broken: Loss of land and livelihoods for oil development in Uganda”. The report, which was based on interviews with EACOP- and other oil-affected households, found that there is a significant gap between TotalEnergies’ commitments to pay adequate compensation and restore or enhance livelihoods and the reality on the ground. The report noted that EACOP and other oil PAPs reported receiving inadequate compensation that could not help them to purchase replacement land. The PAPs noted that they were worse off than they were previously. The delays in payment of compensation also caused significant hardship and impacts on livelihoods (HRW, 2023).

2.3.5. The Equator Principles (EPs)

The Equator Principles (EP) are a set of principles adopted by financial institutions to form a common baseline to identify, assess, and manage environmental and social risks when

financing projects. The developers commit to prepare an action plan to implement mitigation measures, corrective actions, and monitoring measures. The EPs also require establishing an environmental and social management system and conducting a stakeholder engagement with the project affected communities. For category A projects, companies must establish a grievance mechanism, disclose the environmental and social impact assessment report online and disclose the greenhouse gas (GHG) emissions quantification. The EPs also require an independent expert to review the above items and to provide periodic reports to demonstrate their compliance with principles and host country's laws and regulations. It is hoped that this study will contribute to assessments undertaken by independent entities to evaluate compliance of the EACOP project to the EPs.

2.4. Review of EACOP PAHs' economic conditions in the RAP

2.4.1. Livelihood Activities

The EACOP RAP notes that the majority of the pipeline route (92%) runs through rural areas and that the livelihoods of most PAPs are land-based. The RAP notes that households grow crops and economic trees for their own subsistence consumption and some income generation. The economic activities engaged in by the PAPs are broken down as follows: Agriculture (both crop farming and livestock) is a source of livelihood for 86% of household members. Subsistence crop farming is undertaken by 74% of household members, with only 7% undertaking commercial crop farming. Subsistence livestock farming is a source of livelihood for 2% of household members and commercial livestock farming is a source of livelihood for 3% of the affected household members. Only a small proportion of household members participate in off-farm/non-agricultural activities, in the form of self-employment (10%) and wage-based activities (3%).

The RAP also showed that each EACOP PAH has a member participating in economic/income-earning activities. Most households, 84%, had one to two persons participating in economic activities and 26% had three or more persons. Reasons for why some members of a household were not participating in economic activities at the time of the RAP study included age, illness, schooling, and lack of employable skills.

2.5. PAP vulnerability as defined in the RAP

The EACOP RAP for Uganda identified the elderly, sick including those with chronic illnesses, female-headed households, child-headed households and others as vulnerable. The number of vulnerable households was put at 663 in the EACOP RAP for Uganda. The vulnerable groups were further categorised as follows.

Category 1; Vulnerable PAPs/PAHs: The RAP provided criteria for identifying category 1 PAHs and noted that these will immediately be placed on the Vulnerable Households Register (VHR). They RAP noted that these would qualify for in-kind assistance with eligibility depending on impacts/loss. The assistance due to this category of vulnerable PAPs includes additional livelihoods restoration support, relocation/resettlement assistance and any other necessary support, including transitional food support.

Category 2; Potentially Vulnerable: The RAP provided a criterion for identifying category 2 PAHs and noted that these PAPs/PAPHS qualify for in-kind assistance with eligibility depending

on impacts/loss. The assistance due to this category of vulnerable PAPs includes additional livelihoods restoration support, relocation/resettlement assistance and any other necessary support, including transitional food support. The RAP noted that the category 2 vulnerable PAPs will need to be subjected to further verification before being placed permanently on the VHR.

Category 3; At-Risk PAPs: The RAP noted that this group of household members would be identified during the disclosure and further engagement process related to the land acquisition programme. These PAPs were placed on a “watch list” and are supposed to be subjected to further monitoring during and after relocation. They are meant to be given access to specific livelihood restoration programmes.

Research Gap

This study assessed whether the commitments made by TotalEnergies to the EACOP PAHs as discussed above were complied with. However, further research should be conducted to assess whether the livelihood restoration commitments made in the EACOP RAP by TotalEnergies were adhered to as this study was conducted before the livelihood restoration programme for the EACOP project commenced.



A community meeting before an FGD in Lwengo district in June 2023

CHAPTER THREE

3.0. FINDINGS AND ANALYSIS

3.1. Introduction

This chapter discusses the findings of this study. The chapter highlights the demographic characteristics of the research respondents. The impact of the EACOP project on the affected people's access to land is also shared in this chapter. Further, the chapter presents findings on the economic impact of the EACOP on the affected people. The social impacts of the EACOP project are also discussed.

3.2. Characteristics of respondents

3.2.1. Respondents per district

A total of 237 respondents participated in this study. Kyotera district had the highest number of respondents at 19.8%, followed by Kikuube district at 19.4%. Lwengo came third with 18.6% respondents while 16.5% of the respondents were from Kakumiro. The percentage of participants from Mubende was 13.1% and that of Hoima was 12.7%. More can be seen in the table below.

Percentage of research respondents per district

		Frequency	Percent
Valid	Hoima	30	12.7
	Kikuube	46	19.3
	Kakumiro	39	16.5
	Lwengo	44	18.6
	Kyotera	47	19.8
	Mubende	31	13.1
	Total	237	100

3.2.2. Gender of respondents

A total of 173 males (73%) and 64 females (27%) participated in the study. More males than females participated in the study because as land owners, males had more information on the impact of the EACOP land acquisition on the affected people.

3.2.3. Age groups of respondents

The respondents of this study were of varying age groups. Four percent (4%) were aged between 18 to 24 years, 16.9% were between 25 to 35 years and 38.8% between 36 and 45 years. Further, 20.3% of this study's respondents were aged between 46 to 55 years and 13.1% between 56 to 59 years. Others were 60 and above years of age.

3.2.4. Education of the respondents

Of the respondents that participated in this study, 66.3% had attained a primary school level certificate, 21.1% had not attended any school while 9.7% had completed secondary school level. In addition, 2.1% were diploma holders while 0.8% were degree holders.

3.2.5. Marital status of respondents

Of the respondents that participated in this study, 74.7% were married, 13.1% were divorced/separated or widowed while 8.9% were single. Others did not disclose their marital status.

3.3. Land Ownership by the PAPS

This study assessed the changes in land ownership, size and productivity of the land owned by the EACOP PAPS before and after their displacement. The changes in the documents that show proof of ownership of land were also assessed. The following were the key findings.

3.3.1. Land ownership

All the respondents that participated in the study (237) indicated that prior to their displacement for the EACOP, they were either land users or landowners. Of these, 65.4% were land owners or *bibanja* holders or customary land owners. The aforementioned respondents indicated that they had land ownership documents prior to their displacement to prove ownership. On the other hand, 30.4% of the respondents indicated that they owned land prior to their displacement but did not have land ownership documents. 4.2% of the respondents indicated that they were squatters before their displacement for the EACOP project. This study established that after their displacement for the EACOP, 2.2% of the EACOP PAPS do not own land, 8.4% own land and have land titles, 27% own land without any land ownership documents (they identify as customary land owners) and 62.4% of the PAPS own land and have land sale agreements.

Below is a table highlighting the above findings.

Table 1: *Table showing PAPS' land ownership status and types of land ownership documents owned by PAPS after resettlement*

		Frequency	Percent
Valid	No land	5	2.2
	Own land with land title	20	8.4
	Customary ownership (without any ownership documents)	64	27
	Own land with land sales agreement	148	62.4
Total		237	100.0

3.3.2. Land size

This study found that 96.6% of those who received cash compensation and bought replacement land between 2022 and 2023 did not get land equivalent to that taken by TotalEnergies for the EACOP. While 69.6% of the PAPS that participated in this study noted that they owned land measuring 1-10 acres before being displaced for the EACOP, only 31.4% said that they owned the same size of land at the time of the study. This means that the households that own land measuring 1-10 acres after their displacement declined by 38.2%. Those who owned more than ten acres also reported that they own less land after their displacement for the EACOP project.



EACOP PAPs and others during an FGD in Hoima district

3.3.3. Changes in economic value of land

The study sought to establish the changes in the economic value of land prior to and after the PAPs' displacement for the EACOP project. The PAPs that participated in this study noted that the value of land in their local areas appreciated in value. For instance, 26.2% of the respondents indicated that the value of an acre of land in their local area prior to displacement was between UGX 3 to 5 million. However, only 1.7% noted that an acre of land was the same price after their displacement. Further, 19.4% of the PAPs that participated in this study indicated that an acre of land in their locality cost between UGX 11 to 20 million before their displacement. At the time of the study, 26.4% indicated that an acre of land costs UGX 11 to 20 million. This means that 7% more people indicated that an acre of land cost between UGX 11 to 20 million. In addition, while 2.9% of this study's respondents noted that an acre of land cost above UGX 21 million before their displacement, 16% noted that it cost the same price after their displacement. This means that 13.1% more people indicated that an acre of land cost more than UGX 21 million.

One PAP from Kyotera district said during a June 2023 FGD, "I was promised prompt compensation but I have not been paid to date. Because of this, I cannot easily replace my land because the prices of land have increased. There are also many speculators and land which we used to buy at UGX 3 million is now over UGX 10 million."

Below is a table showing respondents' responses to the value of land before and after compensation.

Table 2: Value of land before EACOP displacement, price in shillings per acre

		Frequency	Percent
Valid	3-5 million	62	26.2
	6-10 million	121	50.5
	11-20 million	46	19.4
	21 million and above	7	2.9
Total		237	100.0

Table 3: Value of land after compensation, price in shillings per acre

		Frequency	Percent
Valid	3-5 million	4	1.7
	6-10 million	138	58.2
	11-20 million	50	21.1
	21-30 million	38	16.0
	40 million and above	7	3.0
Total		237	100.0

3.3.4. Productivity of land

This study assessed the productivity of the land that the EACOP PAPs owned before and after their displacement for the pipeline. Of the respondents that participated in the study, 41.4% noted that the land they got after their displacement was less productive, 33.3% observed that the land is of medium productivity, 11.4% noted that the land is productive while 3.8% indicated that land is very productive. Other respondents did not indicate the productivity level of their replacement land as they had not planted crops in their new areas of abode. Overall, the majority of the PAPs considered the replacement land to be less productive.

One respondent from Kyotera district said during an FGD in June 2023, "Many people resettled in wetlands and when it rains, the heavy downpour floods the PAPs' gardens, limiting productivity."

3.4. Economic conditions of the PAPs

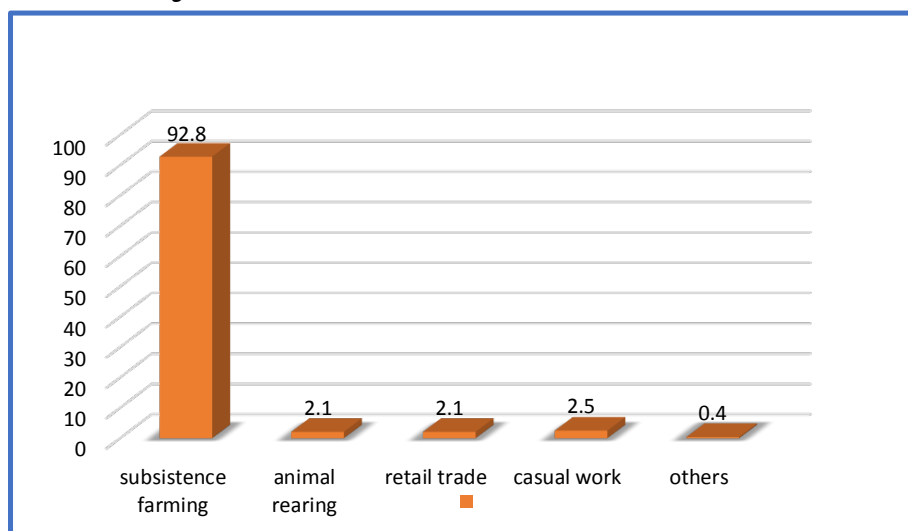
This study assessed the economic conditions of the PAPs before and after their displacement. The following were assessed.

3.4.1. Main economic activities of the PAPs

This study found that 92.8% of the EACOP PAPs make a living through subsistence agriculture. Further, 2.5% engage in casual work while 2.1% engage in animal rearing and retail trade. The

EACOP RAP indicated that 74% of the EACOP PAPs in Uganda were engaged in subsistence agriculture at the time of the RAP study. More PAPs seemed to have slipped into subsistence agriculture following the RAP study. The figure below highlights the main economic activities of the EACOP PAPs as established by this study.

Fig 1: Main economic activities of the EACOP PAPs



3.4.2. Changes in crop harvests

This study assessed whether there were any changes in crop harvests experienced by the EACOP PAPs before and after their displacement for the pipeline. The study found that there was a decline in the number of crops harvested by some PAPs per season. For instance, after their displacement for the EACOP, 77.2% of the PAPs harvest over 51kg, 16% harvest 21 to 50kgs while 5.1% harvest 1 to 20 kgs. Prior to their displacement for the EACOP, 92% of the PAPs harvested over 51kgs per season, 1.7% harvested 21 to 50kgs and 3% harvested 1 to 20kgs. This means that the PAPs harvesting over 51kg of crops per season declined by 14.8%.

One respondent from Lwengo District explained why there was a decline in crop harvests during an FGD in June 2023, “We bought small parcels of land because we were paid meagre compensation. Poor weather conditions, arising from changing seasons, also affected us.”

Below are tables highlighting changes in crop harvests as experienced by the PAPs.

Table 4: Kilogrammes of crops harvested by EACOP PAPs as at June 2023, after the PAPs' displacement

		Frequency	Percent
Valid	None	4	1.7
	1-20kgs	12	5.1
	21-50kgs	38	16
	Above 51kgs	183	77.2
Total		237	100.0

Table 5: Kilogrammes of crops harvested before the pipeline project

		Frequency	Percent
Valid	None	8	3.3
	1-20kgs	7	3.0
	21-50kgs	4	1.7
	Above 51kgs	218	92
Total		237	100.0

3.4.3. Changes in PAPs' average annual incomes

This study assessed the changes in average annual incomes that were earned by the EACOP PAPs prior to and after their displacement. The study found that there was a reduction in the PAPs' income after their displacement. Prior to being displaced by the EACOP, 90% of the EACOP PAPs used to earn an average annual income of over UGX 300,000. After their displacement however, only 69.2 % of the respondenets indicated that they earn an avearge annual income of over UGX 300,000. In addition, prior to their displacement, 6.8% of the PAHs earned an average annual income of between UGX 210,000 to 300,000, 3% earned between UGX 110,000 to 200,000 and 0.8% earned between UGX 50,000 to 100,000. After their displacement, 14.2% earn between UGX 210,000 to 300,000, 9.7% UGX 110,000 to 200,000 and 5.9% are earning between 50,000-100,000 Ugx. In effect, the number of EACOP PAPs that earn an annual average income of over UGX 300,000 is less by 20.8% after the PAPs' displacement.

One respondent from Hoima district explained why there was a change in the annual average income of her household, "We did not receive timely, fair and adequate compensation. This retarded businesses and we resorted to obtaining loans with high interest rates. This further constrained the income of the PAPs."

3.4.4. Loan acquisitions

The study sought to establish whether the PAPs obtained loans before resettlement and compensation and how this impacted their households' economic conditions. The study

results show that 49% of the PAPs that participated in this study obtained loans. When asked what the loans were acquired for, 65.8% of the respondents indicated that they wanted to feed their families, 28.7% indicated that they wanted to enhance their businesses and 5.4% indicated that they wanted to buy replacement land or complete their replacement houses. The loans were obtained from various sources with 72.2% of the PAPs that acquired loans indicating that they obtained them from money lenders and 27.9% indicating that they obtained the loans from other financial institutions including microfinances and commercial banks.

Of the PAPs that obtained loans, 69.2% indicated that it was not easy to repay the loans they acquired because they borrowed in expectation of compensation for the EACOP project, which was delayed, was unfair and inadequate. 78.1% of the respondents confirmed that the compensation they received was delayed, unfair and inadequate.

One respondent observed the following during an FGD in June 2023 in Hoima district, “Some people who got delayed compensation obtained loans from money lenders at a 100% interest rate. The money was difficult to pay and the money lenders are chasing them demanding for repayment. They cannot get any more loans from the bank because they are hard up; they even have no security to present to the bank.”



Some community members in Kyotera district that participated in IDIs

3.5. ACCESS TO SOCIAL SERVICES

This study assessed how the EACOP project impacted access to social services such as health, water and jobs. The findings are shared below.

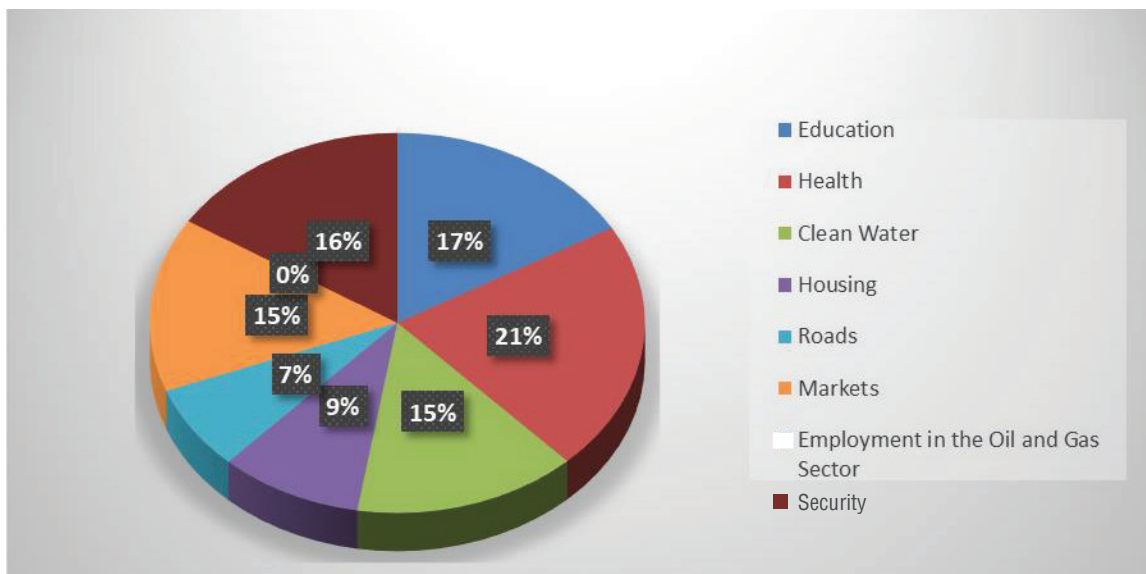
3.5.1. Access to health services

The PAPs' access to government or public health services as found by this study was 21%. The PAPs held hope that the project would improve their access to health services.

3.5.2. Water accessibility

Access to water was examined by this study and the results showed that only 15% of the PAPs have access to safe and clean water. The PAPs indicated that they use different water sources in the wet and dry seasons. During the wet season, households depend on rainwater harvesting, followed by unprotected springs and public boreholes. During the dry season, households search for water from sources such as public boreholes, unprotected springs/wells, and some draw water from the wetlands. Below is a figure showing the social services received by PAPs from the Ugandan government.

Fig 2: Social services received from government by the PAPs



The figure above, shows the services that the PAPs receive from government. Notably, none was employed in the oil sector at the time of the study.

During a FGD in June 2023, one elderly participant noted that, our youth are not employed in the oil sector because the sub-contractors who are hired to implement work do not care about the local labourforce. Even the sub-contractors who were hired to relocate graves came with their own workers and disregard the locally available manpower.

CHAPTER 4

CONCLUSION AND RECOMMENDATIONS

4.1. Conclusion

Based on the findings of the study, the following conclusions can be drawn. The EACOP project compulsory land acquisition and resettlement activities have largely negatively affected the socio-economic conditions of the PAPs due to Totalenergies' failure to implement commitments made in the RAP including commitments to promptly, fairly, and adequately compensate the affected people and commitments to restore the PAPs to their original or better position. This failure contravenes key provisions under IFC Performance Standard 5.

The study found that 78.1% of the PAPs who participated in this research considered the compensation that they received to be delayed, inadequate, and unfair. Further, 96.6% of those who received cash compensation and bought replacement land between 2022 and 2023 did not get replacement land that was equivalent to that taken by TotalEnergies for the EACOP project. In addition, the PAPs experienced negative changes in crop productivity and the amount of income they earn due to the EACOP project impacts. This resulted in PAPs scrambling for loans with 49% that participated in this study indicating that they sought loans due to the EACOP project compensation failures. Due to the EACOP project impacts among other factors, households were also constrained from providing education for their children. This study found that 37% of EACOP-affected children of school-going age were out of school at the time of this study. Moreover, none of this research participants, over 90% of whom were of employment age, were employed in the oil and gas sector.

4.2. Recommendations

The following recommendations are made to restore the EACOP PAPs to their original or better position and to improve compulsory land acquisition processes in Uganda.

Recommendations to the Ugandan government

- ❑ The Ugandan government should conduct an assessment across the ten EACOP-affected districts to determine the number of EACOP PAHs that failed to replace their property after being displaced for the EACOP. Government should work with district local governments and the Chief Government Valuer (CGV) to consult the affected people to determine the top-up compensation needed to restore the EACOP PAHs to their original position. The top-up compensation should be paid promptly.
- ❑ Further, the Ugandan government should protect the compensation rights of citizens as provided for under Article 26 of the 1995 Uganda Constitution. Government should closely supervise and ensure that TotalEnergies complies with the law while implementing the recommendation under bullet 1 in this sub-section. The same should apply to other compulsory land acquisition processes.
- ❑ In addition, the international standards set out in the IFC Performance Standard 5 and the World Bank's Operation Manual 4.12 on Involuntary Resettlement should be domesticated through the 1965 Land Acquisition Act, which is being repealed, as

they have provisions that are crucial for the protection of PAPs' rights including the conduct and implementation of RAPs, restoring the livelihoods of PAPs, undertaking independent audits of the RAP implementation and others.

- ❑ Further, the government, through the Ministry of Lands, should put in place regulations for the assessment and payment of fair, adequate and prompt compensation as provided for under Article 26 of the Constitution and Section 20 of the Land Acquisition Act of 1965. This will protect communities' compensation rights.
- ❑ In addition, the government should establish a children and women's special fund to support vulnerable groups affected by oil activities.
- ❑ The government, through the judiciary, should also hear and complete the over five court cases regarding rights abuses caused by the EACOP and other associated oil projects. Some of the cases were filed over nine years ago.
- ❑ Government should also stop the harassment, intimidation, arrests and detentions of civil society groups who fight against abuse of community rights.
- ❑ Further, to attain the Vision 2040 and NDP III goals as well as the SDGs, the Ugandan government should rethink the ongoing investment in the oil and gas sector as the sector has negative socio-economic impacts on communities. Green and inclusive sectors such as agriculture, clean energy and tourism that employ the majority of Ugandans should be prioritised.

Recommendations to TotalEnergies

- ❑ TotalEnergies has a duty to restore the PAHs to the position that the company found the households in before displacement. The company should restore these households. The Ugandan government should place a moratorium on TotalEnergies' activities until this recommendation is implemented.
- ❑ TotalEnergies should respect judicial systems and halt the EACOP project to wait for the conclusion of the court case filed by AFIEGO and others challenging the legality of the EACOP project at the East African Court of Justice. This will ensure that affected communities get justice.

Recommendations to financial institutions

- ❑ Where the Ugandan government is unwilling to ensure that TotalEnergies implements recommendation number 1 on topping up PAPs' compensation to restore them to their original position, financial institutions that fund the EACOP project developers including Total, CNOOC as well as the governments of Uganda and Tanzania should withhold funding to the above entities until they implement the above recommendations.
- ❑ The financial institutions intending to finance the EACOP project should also sponsor an independent assessment of land acquisition and compensation processes of the EACOP to avoid funding projects that have negative impacts on communities.

Recommendations regarding future land acquisition processes

- ❑ The Ugandan government should ensure that the displacement of communities for oil and gas projects is avoided as this sector is being relegated in the green energy transition.
- ❑ Where displacements for other projects occur, the Ugandan government should play a keen oversight role to ensure that PAPs' rights are respected.
- ❑ In addition, RAPs should be translated to PAPs' local languages and sensitisation activities conducted. This can be done by civil society organizations (CSOs) and the Ugandan government to promote the observance of PAPs' rights.
- ❑ Further, the Ugandan government and project developers should pay special attention to children and women to ensure that their needs including education are not disrupted in the name of development.
- ❑ Finally, CSOs should enhance their oversight role during compulsory land acquisition processes to promote the protection of communities' rights.

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