

**SOCIO-ECONOMIC IMPACTS OF OIL AND GAS EXPLORATION TO THE
COMMUNITIES IN THE ALBERTINE REGION
A CASE STUDY OF BUSERUKA SUB COUNTY HOIMA DISTRICT**

BY

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DECLARATION

I **NYANGOMA IMMELDAH**, declare that this research report submitted to the Faculty of Natural Resource and Environmental Science is my original work and to the best of my knowledge, it has not been submitted by any other person to any institution for any academic qualification.

SIGNATURE.......... DATE 21st / 06 / 2015.....

NYANGOMA IMMELDAH

APPROVAL

This is to certify that this research report Titled “ Socio-Economic implications of oil and gas exploration activities to the communities in the Albertine graben in Hoima district Buseruka sub county” is the original work for NYANGOMA IMMELDAH. It has been done under my supervision.

Signature.....

DATE.....08 / 07 / 2015.

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SUPERVISOR

DEDICATION

I dedicate this work to my beloved mother Miss. Yasinta Nyamahunge, my twin sister Nyakato olive, my brothers and sisters, uncles, lissa, alpha, betty and the whole family of Late Musinguzi John for having been there for me in all situations of my academic struggle and enabling me to accomplish this mile of my academics.

I also dedicate this piece of work to my friend Muhumuza Kenneth for the great contribution towards the accomplishment of my research.

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MAY THE ALMIGHTY GOD BLESS YOU ALL

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LIST OF ACRONYMS/ABBREVIATIONS

DEO	District Environmental Officer
DNRO	District Natural Resource officer
EIA	Environmental Impact Assessment
EIS	Environmental Impact Statement
HOCADDO	Hoima Caritas Development Organization
MDG	Millennium Development Goals
NEMA	National Environmental Management Organization
NGO	Non Governmental Organization
OCD	Oil Drilling Companies
OGEA	Oil and Gas Exploration Activities
SPSS	Statistical Package for Social Sciences

ABSTRACT

The study examined the socio-economic impacts of oil and gas exploration in the Albertine region focusing on Buseruka Sub County as the case study. The Albertine Graben is an area considered as a biodiversity hot spot and Buseruka Sub County is located in Hoima district approximately 37km (23mi) by road west of Hoima where the kabalega power station / kabalega hydroelectric power station is located. The overall objective of the study was to assess the socio-economic impacts of oil and gas exploration to the communities in the Albertine region. The study used both qualitative and quantitative approaches to collect data, analyze and present it. The methods of data collection used were interviews, questionnaires and field observations. The data was collected from a sample of sixty respondents include males and females, the young ones, the youth and the old ones, the data was analyzed using excel and SPSS, which facilitated the formation of pie charts, bar charts and a Pearson chi square was used to analyze the relationships between different variables.

From the study, it was seen that oil and gas exploration had both positive and negative impacts on people's economic activities and the society. It was also seen that the people in the sub county have affected the progress of oil and gas exploration activities in the different way, therefore there is need to address all these issues as soon as possible if oil is to be taken as a blessing and managed sustainably. The study also revealed that there is being a big challenge of people's ignorance about the laws and policies governing oil and gas exploration in the country and therefore some of the oil companies had monopolized on people's ignorance to exploit their rights. Hence this calls for immediate action in terms of public awareness of all environmental laws so as to ensure local monitoring and sustainability of development projects.

Therefore, there is need for government, NGOs, oil companies, Ugandan citizens and any other interest group to seat on around table and discuss different emerging issues arising from oil discovery and exploitation in Uganda and device means to address them.

CONCEPTUAL ISSUES

Extraction and Dispossession

Oil extraction involves the finding and removal of hydrocarbons by drilling deep into the earth. It is a key part of the transformation (production) of a natural resource: oil and gas into energy fuels. This involves complex processes linking the upstream and downstream operations. While the upstream operations involve the search for, discovery and production of oil and gas, the downstream operations include: the refining, processing, distribution and sale of petroleum products largely, fuels, lubricants, gas and petrochemicals. Thus, oil production is fundamentally about the commodification of an energy resource sold at the market, for profit. Given its nature as the most commercially viable form of energy presently, oil is considered a lynchpin of capitalism on a global scale. Beyond this, it is the fuel of strategic and military power involving high stakes in guaranteeing uninterrupted supplies or what has become the securitization (and militarization) of the sources of supply across the world.

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

The Albertine Graben is an area considered as a biodiversity hot spot. Oil and gas exploration has been taking place in this region since 1998. A number of productive wells have been drilled and others continue to be investigated. The oil exploration activities are expected to follow some stipulated procedures, including Environmental and Social Impacts studies (ESIAs) that must identify short and long term impacts as well as identify mitigation measures to address the potential negative impacts.

Buseruka Sub County is located in Hoima district approximately 37km (23mi) by road west of Hoima where the kabalega power station / kabalega hydroelectric power station is located. The coordinates of the power station are 01 32 42N, 31 06 41E (Latitude 1.5450, Longitude 31.115) (Wikipedia the free encyclopedia). According to Wikipedia, a considerable amount of oil deposits estimated between 2.5 billion and 3.5 billion barrels were discovered in Lake Albert on the shores of the lake in Hoima district and the neighboring Buliisa district between 2000 and 2009. Kuteesa (2014), says that Uganda discovered commercially viable oil deposits in the Albertine graben in 2006 and has embarked on establishing effective management procedures to promote growth and development for the country.

By the end of 2016, Uganda's proven oil reserves were estimated by Uganda 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. (Kuteesa 2014). In light to these discoveries, the welfare of the local communities in the Albertine graben region is a priority concern however the activity has led to social, economic, cultural and environmental changes in the region.

It is believed that one of the most important social consequences of the resource is that oil exporting countries have unusually high poverty rates, poor health care, high rates of child mortality, and poor educational performance given their revenues outcomes that contradict the beliefs about what should happen within oil exporting countries. (Karl, 2004)

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