

Impact of business Investments: An assessment of illegalities as a result of multinational investments (oil and gas, sugarcane and tea) compliance with national laws and international best practices



Policy brief, 2023

The intentions of the oil and gas, sugar cane and tea projects are noble. However, it is important to note that in the implementation of projects like these, due consideration ought to be given to FPIC, social, and economic rights of the people likely to be affected by the project. Failure to adhere to set standards and regulations could have far reaching consequences on the project, the communities involved and Uganda at large. It could lead to social conflicts and therefore precaution must be taken.

Recommendations

1. In respect of the issue of land under district Land Board, Bunyoro Kingdom and other stakeholders, Government should take the initiative to have it surveyed and necessary boundaries drawn.
2. Government needs to put up clear policies on compensation and resettlement of individuals and ensure that they are followed with regard to the social economic rights of the persons involved. Such commitment is required for the oil and gas projects as well as sugarcane and tea projects.
3. There is need to carry out effective continuous sensitizations of the communities involved and these should be conducted in languages preferable to the community members.
4. The model of using Out growers in sugar cane project seems to have caused a buy in and commitment to the project and is therefore highly recommended for the tea project as well.

Main findings

1. Compliance with national and international best practices (e.g. FPIC), Uganda's oil and gas sector remains clouded in secrecy amidst a shrinking civil space.
2. The impacts or implications of not implementing FPIC have been grave. Many communities have been affected across the three districts of Hoima, Kikuube and Buliisa.
3. Compliance with national and international best practices such as FPIC has been low.
4. Land ownership in the landscape remains largely customary and freehold land tenures.
5. Land deals made as part of the Oil and Gas project have been clouded with secrecy and lack of transparency.

Relevance of the Study and Pertinent Issues Involved

The Economic Growth and Development Policy for Uganda is Vision 2040 and it aims at “Creating a Transformed Ugandan Society from a peasant to a modern and prosperous country within 30 years’

Several sectors including Oil and Gas, Tourism, Minerals, ICT Business, abundant labour force, water resources, industrialization and agriculture have been earmarked as key priority and strategic areas of focus.

Investments in oil and gas, sugar cane and tea projects require a large portion of land for their effective implementation in the districts of Hoima, Kikuube and Buliisa among others.

To be able to acquire this kind of land, negotiations had to be done and contracts entered into with the relevant stakeholders especially with community members likely to be affected by the project.

Method

This study dealt with an assessment of illegalities as a result of multinational investments (oil and gas, sugarcane and tea), compliance with national laws and international best practices e.g. Free Prior Informed Consent (FPIC), and the impacts and implications of implementing or not implementing FPIC in the land ownership, land deals in the Bugoma forest landscape in Hoima, Kikuube and Buliisa districts. A desk review of literature was done on application of Free Prior and Informed Consent [FPIC] in decision making and proper application of policies, principles and laws relating to such projects.

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