

Company gives back to customers. As part of their plan to give back to customers, StarTimes has launched a Christmas promotion dubbed Wangula Obukadde that will see customers win cash and prizes worth Shs200m. The country wide promotion will have regional draws to select 30 winners every week. [Godfrey Luganju]



Pain as Uganda waits for first oil

Participation. Experts say Ugandans should be allowed to take part in the activities involved.

BY JONATHAN ADIEMO
jadem@ug.nationmedia.com

KAMPALA. "They have not yet completed the compensation. I requested for cash compensation not the resettlement and I have never received anything," says Ms Esther Abigaba, a mother of seven.

She is one of the 7,118 people who were displaced by the refinery project to be developed in Kabaale in Busebuka sub-county, Hoima District.

Out of the 7,118, Ms Abigaba is part of the 2,681 who were earmarked for compensation five years ago.

However, she says she has never received her compensation from government and is now worried since it is rumoured that they are likely to be sent away from the land end of this year.

Ms Abigaba, whose children are still going to school says the two older ones have dropped out of tertiary institutions because she failed to pay all the school dues since the money became too much.

The mother is not only worried about compensation but also her children's education.

She says the chief administrative officer of Hoima wrote a letter to



Investigation. Total site rig in Jobi oil field, which is one of the three Total E&P fields in Exploration Area 1 (EA1) at the northern end of Lake Albert in the Murchison Falls National Park. FILE PHOTO

IMPORTANT TITBITS

Investments. Uganda's oil and gas sector is expected to attract investments of about \$15 billion (Shs54 trillion) with majority of the capital directed towards infrastructure development.

Benefits. Stanbic Bank Uganda chief executive officer Patrick Mwehweire said Uganda stands at a critical point in its economic future. The question he says we all need to ask is whether local companies are ready to retain at least 50 per cent of this money in the Ugandan economy.

Pipeline. President Yoweri Museveni and his Tanzanian counterpart John Magufuli last week commissioned the construction of the \$3.5 billion crude oil pipeline in Hoima, and Tanga. The 1,445 km pipeline is expected to attract opportunities for local companies to benefit from the project.

Kabaale Primary School where her children study threatening to close it because of the dire sanitation needs.

"The school has no toilets, the pit latrines are full and are not able to accommodate the more than 1,000 pupils who study there," she adds.

Much as she has engaged government about her compensation, government has been silent. "They are telling us they have built houses for people who opted to be relocated and they would think about us later."

A mother of seven, Ms Abigaba says she hopes government can fulfil their commitment to clear their compensation and have the project affected people in mind when executing these projects.

Mr Christopher Opio was also affected by the refinery project but unlike Abigaba, he opted for the resettlement.

However, he and 92 others who chose to be resettled are not happy with the 46 houses government has built for some of them because they are smaller and in camp as opposed to what the resettlement action plan detailed.

The other people received their cash compensation and have since moved to other areas where they have bought land and settled.

According to Energy minister Irene Muloni, government has compensated 98 per cent of the Project Affected Persons (PAPs).

"The 2 per cent who are left out are those who have challenged their packages and filed cases in court," she says.

The two are being compensated and moved because 10 years ago, Uganda discovered 6.4 billion barrels of commercial quantities of oil in the Albertine Graben mostly in the districts of Hoima, Bulisa and Nwoya in the Western part of the country.

In 2010, ministry of Energy identified 29 square kilometres of land in Kabaale for construction of an oil refinery with a capacity of 60,000 barrels of oil per day.

On the same land, an international airport, petrochemical industries together with crude oil storage facilities, logistics, warehousing and other associated facilities are planned.

The refinery is expected to refine

crude oil to extract petrol, diesel and other high end products that can be used locally to generate energy and export it to other countries.

In 2012, a Resettlement Action Plan was developed by the private company Strategic Friends international.

According to the Resettlement Action Plan, the government was to spend Shs70 billion compensating and resettling the 7,118 project affected persons.

"Compensation should not only be about land value but also economic and social values of people,"

WINFRED NGABIIRWE, THE EXECUTIVE DIRECTOR OF GLOBAL RIGHTS ALERT

According to the statistics from the ministry of Energy, 7,118 people were affected by the refinery project.

Of those 2,754 were property owners, 2,681 PAPs opted for cash compensation. 2,641 PAPs were compensated (98.5 per cent) while 24 PAPs

objected to the approved compensation awards and 16 PAPs have not shown up for verification and disclosure. 73 PAPs opted for relocation.

Ms Winfred Ngabiirwe, the executive director of Global Rights Alert (GRA), a non-government organisation (NGO) supporting rights of refinery affected communities, says it is not enough to take away people's land and give them the surface value of the land because people's lives have been destroyed.

Ms Abigaba says if she had received her rightful compensation in time, she would have bought land elsewhere and even paid her children's fees.

However, she is still living in Kabaale which she says is degenerating as schools and social services have been moved away.

She also hopes that her children can be skilled and employed in the oil sector.

Ms Ngabiirwe (GRA) Says she is hopeful that the country will benefit because it has the regulatory framework. "If our laws and policies are being followed, we are optimistic that

7,118

Affected. The Number of people who were affected by the oil refinery project.

Ugandans will benefit if they are given a chance to participate in the processes, monitor the activities and the revenues," she says.

However, when the government was making predictions, the cost of a barrel stood at \$100 (Shs360,000). Today it is at \$60 (Shs216,000).

While government says that even at \$50 (Shs180,000) it will break even, the country won't get as much as government anticipated 10 years ago.

Ms Ngabirwe says government should be looking for alternatives in other sectors to finance the country's development agenda.

"The discussion of oil revenue has been hyped and is more of a speculation. We have not calculated how much we should invest and the returns down to an average Ugandan. If you look at the global market, the price of the barrel of oil continues falling. We cannot say we shall be fine when we start production. There are global processes that are followed. For me, it is speculative and the global oil prices are telling another story," Ms Ngabirwe says.

Progress on Oil development licences

Government has in total awarded nine production licences; one for Cnooc, three for Total E&P for the Ngiri, Jobi-Riii and Gunya fields in Exploration Area 1 (EA1) at the northern end of Lake Albert (in the Murchison Falls National Park), and five for Tullow for the Kasamene-Wahrindi, Kigogole-Ngara, Nsoga, Ngege and Mputa-Nzizi-Waranga fields in Exploration Area 2 (EA2), east of Lake Albert - also known as the Tilenga project.

Energy minister Muloni told key industry players gathered in Kampala last month for the third International Oil and Gas Conference, the Front-End Engineering Designs (FEED) for Total's fields also known as the Tilenga project is "... expected to be concluded in June 2018 after which, Final Investment Decision (FID) will be made."

A consortium of firms including France's Flour and Technip, China Pe-

2,681

Form. The Project Affected Persons who opted for compensation in form of cash.

troleum Engineering and Construction Corporation (CPECC) from China and Chicago Bridge & Iron Company from US, were announced in February to be in lead for the Tilenga feed.

Daily Monitor last month reported that Total Africa corporate affairs director Ahlem Friga-Noy in an email recently, said the FEED competitive contractual strategy is in two phases to invite the two best performing companies to compete for Engineering, Procurement and Construction (EPC) contract after completion of the FEED phase 1.

Ms Friga added that each Joint Venture Partner would be investing in the upstream project in proportion of its participating interests through its equity.



Energy minister Irene Muloni says government has compensated 98 per cent of the Project Affected Persons

The government says during the development phase which will take four to seven years, jobs for welders, drivers and rig operators among opportunities, will be created for local suppliers.

Mr Ernest Rubondo, the executive director of the Petroleum Authority of Uganda, says: "We have aspirations of growing in to a middle income country by the year 2020. The Oil and gas sector is one area of the sectors going to make this dream a reality."

He says the regulatory framework for the oil and gas sector in the country has

2,641

Paid. The number of Project Affected Persons who were actually compensated.

been well established and that the government has already put in place policies and procedures that will ensure Ugandan companies actively participate in the sector's development.

Ms Diana Nabiruma, the communications officer for Africa Institute for Energy Governance (AFIEGO), a NGO working with project affected persons (PAPs) in the oil region, in an interview with Daily Monitor said government should do much more in ensuring that Ugandans are ready and employable in the sector.

She says although the policies and legal frame work are in place, she wonders what government is doing on the ground.

She says the oil and gas sector is highly standardised and in order for the Ugandans to benefit from the 16,000 jobs that will be created, there is need to help them get the necessary certification to enable them participate.

In order to ensure inclusive benefit for all Ugandans, Ms Ngabirwe (GRA) says there is need for transparency in the sector. She says the secrecy is continuously worrying Ugandans who already know of the history of corruption in Uganda.

"No disclosure of signature bonuses, government is shying away from conforming to Extractive Industries Transparency Initiative (EITI) standards which affects Ugandans transparency and accountability. Therefore Uganda's oil is continuously becoming a resource for a few who have political power. Ugandans are not able to follow our money and hence not in position to hold government into account," Ms Ngabirwe says.

Ms Nabiruma (AFIEGO) advises government to pay the compensations in time and skill the youth in the resource areas so that they can participate in the activities and be employed.

Ms Ngabirwe (GRA) says: "We cannot say that compensation for land is an oil benefit. This is a commercial transaction because people owned this land and it is just being taken away. Oil is not a curse. It is governance issues that make it a curse."

EAST AFRICA SECURITIES ALSO

	USE	NSE	DSE	RSE
ALSI	1,718	160.34	3,844	133.31
	-1.22%	+2.02%	-0.23%	-1.02%

UGANDA SECURITIES EXCHANGE

Daily share report, November 14

Security	Shares traded	Share Price		Mkt Cap'n Br.(Gn)
		Current	Previously	
1 BATU	-	30,000	30,000	1,472.40
2 Bank of Baroda	-	110	110	275.00
3 Cent	-	1,483	1,492	987.40
4 Dfca Group	6,915	680	680	508.74
5 EA Breweries	-	8,428	8,501	6,665.28
6 Equity Bank	-	1,397	1,404	5,136.64
7 Jubilee Ins	-	17,349	16,536	1,039.14
8 IQ	-	194	203	291.69
9 KCB	-	1,366	1,439	4,165.91
10 NIC	-	11	11	16.71
11 NMG	-	4,038	4,072	761.48
12 New Vision	-	524	524	40.09
13 Stanbic Bank	186,620	27	27	1,394.89
14 Uganda Clays	55,821	31	31	27.23
15 Uchumi	-	117	124	31.23
16 Umeme	4,176	413	413	670.83
17 Dfca/R	-	1.00	1.00	0.25

BOU EXCHANGE RATES

November 14		USD	PS	EURO	KSH
BOU FOREX	Buy	3,634	4,765	4,239	35.0
	Sell	3,644	4,779	4,251	35.1

FOREX BUREAU RATES

		USD	PS	EURO	KSH
1	BM Forex Buy	3,620	4,700	4,175	34.5
	0414-259359 Sell	3,645	4,840	4,280	35.5
2	Alpha Capital Buy	3,630	4,750	4,225	34.0
	0755662773 Sell	3,650	4,820	4,295	35.4
3	Bicco Forex Buy	3,637	4,780	4,400	35.2
	0772401955 Sell	3,670	4,900	4,350	35.0
4	City Forex Buy	3,630	4,720	4,200	34.6
	0773-501568 Sell	3,650	4,830	4,300	35.4
5	Crown Buy	3,627	4,735	4,170	34.1
	0414-252500 Sell	3,647	4,820	4,280	36.5
6	Klyn Forex Buy	3,630	4,730	4,170	34.8
	0414-345224 Sell	3,660	4,830	4,280	35.8
7	Lloyds Forex Buy	3,626	4,760	4,200	34.2
	0414-348561 Sell	3,646	4,820	4,290	35.8
8	Metropolitan Buy	3,597	4,595	4,090	34.0
	0414-232620 Sell	3,620	4,700	4,220	35.4
9	Prime Forex Buy	3,625	4,750	4,190	34.5
	0414-234378 Sell	3,650	4,850	4,250	35.5
10	Matrix Forex Buy	3,600	4,700	4,120	34.2
	0414-230324 Sell	3,640	4,800	4,270	35.5
		3,625	4,730	4,170	34.3

Project affected persons speak out



"I requested for cash compensation not the resettlement. They are telling



"We are not happy with the



"The oil and gas sector is highly standardised and in order for the Ugandans to benefit from