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**PROJECT REPORT TITTLE:**

**Financial Management and Resilience for Oil and Gas Project Affected Households (FiMaRe)**

**PROJECT LOCATION:**

**Ngwedo Sub County, Buliisa District.**

**PEACE FELLOW’S NAME:**

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## **ABSTRACT**

Financial management and Resilience for Oil and Gas Project Affected Persons (FiMaRe) was undertaken as part of the efforts to impart financial management skills among households affected by the oil and gas exploration activities in Ngwedo Sub County, Buliisa district, Uganda. Most project affected persons tend to misuse the compensation funds or monies and this is mostly championed by household heads who engage in reckless expenditure after receiving oil related compensations for loss of their property such as land to oil projects. The major aim of this project was to eliminate misuse of compensation cash or money among project affected households which will in turn create peace in families and prevent domestic violence resulting from failure to use the compensation cash properly. Specific objectives of this project were; (1) to infuse financial management skills among oil project affected persons and households in general, (2) to provide financial usage sustainability skills among the households and, (3) to cultivate peaceful living among households affected by oil projects in the event of receiving oil compensations. The project supported 100 households selected randomly from five villages in Ngwedo Sub County. The beneficiaries received training in financial literacy and business management skills that took place in areas designated for meetings with the help of village L. C. 1s. To ensure sustainability of the project, households were trained on fruit tree planting and creation of savings and credit cooperative organizations (Saccos). The total cost of the project was UGX 17,150,000 equivalent to 4,900 US Dollars.

## **LIST OF ACRONYMS**

Cap Chapter

DEECS District Environmental Emergency Committees

EACOP East African Crude Oil Pipeline

ESIA Environmental and Social Impact Assessment

# FiMaRe Financial Management and Resilience

HERC Household Emergency Response Committee

NGOS Non-Governmental Organizations

# PAPS Project Affected Persons

ROSCAS Rotating Savings and Credit Associations

SACCOs Savings and Credit Cooperative Societies

SDGS Sustainable Development Goals

UNDAF United Nations Development Assistance Framework

UNDG United Nations Development Group

VSLAS Village Savings and Loan Associations

# CHAPTER ONE

# 1.1 Introduction and Background

# Resilience is an important substitute philosophy and methodology for analyzing complex adaptive systems and systemic risks that can hitherto not be easily analyzed using conventional risk assessment approaches (Hynes, 2019). Resilience is a factor of every able system with the ability to continue in operation amidst challenges. Studies have shown that low income households become vulnerable to shocks yet they fail to adapt or are less prepared for these shocks (Moore, Niazi, Rouse, & Kramer, 2019). It becomes apparent that the uncertainties arising from the discovery and exploitation of oil and gas in the Albertine region in Uganda has caused unprecedented shock among the affected communities in terms of the struggle for the meagre compensations which has left many households dejected, requiring that they build resilience – be able to cope, mitigate and recover from financial stresses without necessarily compromising their future wellbeing.

# Five oil projects in Uganda namely; The Tilenga project, the Kingfisher Project, the East African Crude Oil Pipeline (EACOP), the Kabaale Industrial Park and the Hoima-Kampala Petroleum Products Pipeline have been estimated to consume approximately 115,000 hectares of land as well as displace 15,000 people with enormous social impacts on communities ranging from high poverty levels, conversion of agricultural land into manufacturing and other industries, increased cost of goods and services, community disarticulation and disruption of peoples’ lives and livelihoods (Ogwang & Vanclay, 2019). The authors point out that there are questions among communities on how to continue with agricultural production amidst oil, how proceeds from compensations and sale of land should be used, yet women, continue to be excluded from land proceeds and fair compensations.

# The Tilenga Project is an oil exploitation project being implemented by Total, a French multinational oil and gas company. It lies within Murchison Falls National Park and surrounding districts like Buliisa (Bunyoro) and Nwoya (Acholi) in the Northwest of Uganda. It was named after ‘*til’*, Acholi and ‘*engabi’* in Bunyoro. Total Management has highlighted the importance of the project to the government in terms of raising revenue and to the local communities in terms providing opportunities for business through supply of goods to the oil companies. The Tilenga project has a footprint of around 1170 hectares within a wider project area of approximately 110,000 hectares (AECOM, 2019). One single component of the Tilenga project in Buliisa district for the central processing facility has a land acquisition of 317 hectares. It is estimated that the Tilenga Project has displaced more than 265 people with others losing residential land, dwellings, and structures and more 345 people have been economically displaced (Ogwang & Vanclay, 2019). Although the government fixed land compensation rate at 3.5 million Uganda shillings per acre, locals termed this as disproportionate and demanded 21 million Uganda Shillings per acre which the government rejected meaning the project affected persons have to go to court if they are to receive fair compensation (Ogwang & Vanclay, 2019).

# The absurdity of unfair compensation only provides evidence of economic displacement of the project affected communities and negative outcomes on their livelihoods. Not even the efforts of local politicians in Buliisa district have helped to enhance land compensations with calls of comprehensive compensations laying bare before government and oil exploration companies. The people of Ngwedo Sub County in Buliisa district are part of the communities in Buliisa district that were affected by oil related projects whose call for proportionate compensation has not yielded positive results. In the same direction, and more so to worsen matters, little attention was put on providing extensive financial and business management literacy to ensure that the meagre cash compensation provided to project affected persons (PAPs) yields sustainable economic livelihoods for the households and communities in general. Moreover, although studies have stressed the negative effects of oil exploration projects on the affected communities in Bunyoro region and Buliisa district in particular, none of the studies stress financial sustainability of oil project affected communities.

# The circumstances surrounding land acquisitions and compensation of land and property owners or holders in Buliisa district has a strong bearing on the economic wellbeing of the affected communities and as such, requires stakeholder proactiveness in financial literacy of oil project affected persons (Ogwang & Vanclay, 2019). Financial management and resilience is a key subject of contemporary debate concerning the prevalence of peace and tranquility among the oil project affected persons not only in the entire oil-rich Albertine region but among households in Ngwedo Sub County, Buliisa district in the North Western Uganda. Existing studies have revealed disagreement between projects affected persons or households and oil companies working on behalf of government over compensation rates. This notwithstanding, there have been minimal attention to entrench financial management and business skills among the project affected persons for them to be able to sustainably and resiliently utilize the meagre cash compensations for meaningful livelihoods and subsequent creation of peace in their homesteads and community in general.

Studies have reported domestic violence and household instability arising from cash compensations where women are sidelined in the oil-rich Albertine region. Therefore, this project on financial management and resilience for oil and gas project affected households (FiMaRe) sought to provide financial literacy for financial management and resilience among oil project affected households in Ngwedo Sub County, Buliisa district.

## **1.2 Problem Statement**

It is estimated that over 10,000 households have been affected by the oil and gas projects in the Albertine Region (Ogwang & Vanclay, 2019). These were displaced to give way for a number of oil and gas project related infrastructures including the oil pipe lines from Hoima through Tanzania. In Buliisa, Hoima and Kikuube district alone, 6250 people have been displaced to give way to the development of oil and gas production infrastructures including central oil processing facility, well pads, feeder pipeline, flow lines, access roads among others. While 99% of the displaced households receive sufficient cash compensations for their land and lost asset, these misuse the compensation funds and end up vulnerable – with most unable to attain basic livelihoods, and others occupying communal land for which they have no control over. As a result, a number of communal conflicts over land and other resources are eminent. Other issues include, domestic violence, increased crimes in the community, and participation in environmentally destructive activities such as poaching, charcoal burning are reported (Ogwang & Vanclay, 2019)**.** Misuse of compensations has been widely attributed to lack of sufficient trainings for the displaced households on finance management strategies. The one day trainings delivered by the oil companies in the region are insufficient with limited content to create self-reliance and resilience among the displaced persons. This project sought to bridge this gap.

## **1.3 Goals and Objectives**

The project goals and objectives were as follows:

1. To train local household heads in financial literacy, financial management, business management and financial resilience techniques in Ngwedo Sub County, Hoima district.
2. To initiate the formation of savings and credit cooperative organizations especially among households that receive oil and gas compensation cash in Ngwedo Sub County, Buliisa district.
3. To train and initiate fruit tree planting among households affected by oil projects for sustainable livelihoods in Ngwedo Sub County, Buliisa district.
4. To infuse financial management skills among oil project affected persons and households in general in Ngwedo Sub County, Buliisa district.
5. To provide financial usage sustainability skills among the households in Ngwedo Sub County, Buliisa district.
6. To cultivate peaceful living among households affected by oil projects in the event of receiving oil compensations in Ngwedo Sub County, Buliisa district.
7. There was need to identify socio-economic interventions, with bias on financial management aimed at creating financial resilience and sustainability for oil and gas projects affected households in Ngwedo Sub County, Buliisa district.
8. To inspire other peace-loving stakeholders in oil and gas projects to be in consideration of the financial instabilities and violence among affected households and families due to fights over the management and benefit from meagre cash compensations.
9. The project hoped to provide lasting solutions to poverty by training financial literacy among the households affected by oil and gas projects in Ngwedo Sub County, Buliisa district.
10. To eliminate domestic violence and its effects such as divorce and children school-dropouts arising from conflict over oil compensation cash, by educating and training household members on how to use the compensation money in saving groups for investment and sustainable livelihoods.
11. To increase the levels of positive adaptability to relocation and resettlement for the oil and gas project affected households in the event of financial or cash compensations and ensure continuation of similar livelihoods at resettlement or relocation centers due to positive and good behavior in the use of oil and gas compensation cash.
12. To alert all government functionaries and local stakeholders in Buliisa district, in particular, Ngwedo Sub County, to proactively respond to peaceful living among households amidst oil and gas cash compensations so as to create collaboration between stakeholders and the affected communities on the development agenda and achievement of Vision 2040 and the Sustainable Development Goals (SDGs) proposed by the United Nations.

## **1.4 Challenges and mitigation strategies**

The challenges to implementing financial management and resilience for oil and gas project affected persons in Ngwedo Sub County, Buliisa district were both internal and external in context. Hereunder, the internal challenges were:

Budget constraints whereby although the project received anticipated funding, some sources of funds did not materialize as expected and did not come in real expected time. The project proponent had to find emergency sources of finance in order to complete the project as planned. One such strategy was to pick some funds from personal savings in order to finance activities that would otherwise have remained unaccomplished in the wake of limited response from anticipated funding sources. This made the project to be successfully accomplished.

Low levels of education among households who were primary participants in the project also became another challenge to the project. About 95 percent of the targeted households in Ngwedo Sub County had low education levels to be able to comprehend issues in English. Therefore, as a strategy, the researcher had to turn to local language as he translated English material into local dialects mainly Lugungu and Alur for the project beneficiaries to understand activities and training materials. This however, was time consuming compared to if the beneficiaries were conversant with English language.

Mobilization of savings and credit cooperative organization (Sacco) committees was initially challenging as members were competing for leadership positions in the executive committees. However, with the help of village local council leaders, the researcher managed to solve this issue hence 5 saccos were eventually created each with an executive committee consisting of five members. Each of the executive councils was given terms of reference for proper management of the saving group. There had been complaints on the moral abilities of some proposed names but the issue was eventually sorted out still with the help of local councils in the sub county.

Participants had complained about difficulty in obtaining fruit seeds for planting and changes in seasons as well as the issue of soil texture. We proposed that the seeds would be procured for the participants from neighboring districts like Hoima by the project leadership and would be transported to Ngwedo Sub County for distribution to the beneficiaries through their savings committees under the watchful eye of the local council leaderships in the areas. Concerning changes in climate, the participants were advised to plant on when they were sure that the rain pattern in Buliisa district would last for the greater part of the year. As far as the soil texture supporting fruit growing was concerned, the household heads were told to tell the fruits that grow in the area as supported by the local soils to which many replied oranges, mangoes, pawpaw and pineapple. Therefore, we decided that these would be the seeds to procure and distribute for them to plant during appropriate season.

# CHAPTER TWO

# 2.1 Literature review

# The idea of empowering communities for self-management especially in terms of livelihoods has existed for years. Since early 1960s researchers and other development organizations have proved that individual empowerment is of great importance because it improves the wellbeing of individuals and households (Kar, Pascual, & Chickering, 1999). However, the demand for land to implement the oil exploration projects has continued to displace the local communities and render them economically vulnerable coupled with financial uncertainties. It has emerged from various studies that extractive industries are in most cases associated with resource curse and economic underperformance compared to inclusive development (Ogwang & Vanclay, 2019). The oil resource curse also includes communities affected by the oil projects especially in areas surrounding compensations and how to use compensation cash since most of the oil project affected persons prefer cash compensations rather than resettlement due to mistrust over proportionality of compensation or resettlement with previous livelihoods. Each oil project should bring an opportunity to improve the wellbeing of the affected people (Ogwang & Vanclay, 2019). The argument to avoid the oil resource curse spilling from the centre to the local communities affected by various oil projects is for government to implement a fair and transparent process of acquiring land needed for the oil infrastructure especially by allowing consent of original land owners but most importantly, promoting a fair and prompt compensation for their land (Olanya, 2015).

# Pursuant to a number of regulatory and policy frameworks regarding land acquisition, ownership, environmental protection, oil and gas policy among others, this study sought to analyze financial management and resilience for oil and gas projects affected households. Reference is made to regulations; The Constitution of the Republic of Uganda, 1995 (as amended), The National Environment Act, Cap 153 which is responsible for managing the environment, the Petroleum (Exploration, Development and Production Act, 2013), Vision 2040 (in line with oil and gas), the Land Act, Cap 227 (1998), the Land (Amendment Act, 2010), the Land Acquisition Act, Cap 229, the Uganda Human Rights Commission Act (No. 4), 1997, Cap 24 and the Illiterates Protection Act, Cap 78 among other regulatory and policy frameworks pertaining to lands, compensations and financial prudence among the project affected persons in the oil and gas areas of Ngwedo Sub County, Buliisa district. According to the Tilenga Project Environmental and Social Impact Assessment (ESIA) Report (page 104), the established grievance mechanism does not cover the grievances for financial management of compensation cash. Uganda discovered large amounts of oil deposits in the Albertine region in 2006 (Lakuma, 2018). The oil and gas projects in the Albertine region has affected communities many of whom have had to be displaced. The Tilenga Project specifically has affected a number of households.

# Studies have shown that individuals who are exposed to stressors portray or show psychological resilience and despite temporary setbacks, they maintain their normal level of functioning (Mahdiani, Holtge, & Ungar, 2020). It is believed that economies, regions, local communities, national level and local communities can easily become vulnerable to economic conditions brought about by the oil and gas industry. Studies have shown interrelationship and context-dependence between individuals, the community and economic resilience (Ungar, 2012). Hence, the focus of policies affecting certain regions or communities should be geared towards building “entrepreneurship and ensure a diverse business structure” (Lapuh, 2018) if the ultimate goal is to be more resilient. This requires the need to hold actions of individuals accountable, especially the entrepreneurs in the way of ensuring broader economic processes. Therefore, interventions should focus on bolstering the psychological resilience of individuals such as supporting agencies (Mahdiani, Holtge, & Ungar, 2020). In this project, the agencies that were created and supported with skills to achieve economic resilience are the savings saccos among the targeted households. Communities that depend on a single resource extraction or are within this area of oil and gas exploitation may be vulnerable economically due to changes in commodity prices brought about by the oil industry. Although existing research on economic resilience has brought up various aspects of socio-economic resilience, adaptation to environmental change, the emphasis has been put on the resilient region especially in environmental and economic terms (Mahdiani, Holtge, & Ungar, 2020). Above all however, contextualized reaction of individuals in respect to changing availability of resources of great consideration.

# Moreover, building effective resilience in times of risks and shocks may require meaningful productive financial investments by incorporating financial tools on investment behavior to mitigate risk before it occurs as well as removing any barriers to credit and savings. The creation of saving groups, liquid or savings accounts can enable households to build precautionary savings but also sustainable financial investments (Moore, Niazi, Rouse, & Kramer, 2019). The authors’ review of existing evidence show that financial services can build economic resilience. This project capitalized on credit and saving groups among other interventions as precursor for economic resilience for peace building among the oil and gas projects affected households. Saving groups, especially village savings and loan associations (VSLAs), self-help groups and rotating savings and credit associations (ROSCAs) with flexible lending arrangements can encourage emergency savings and increase savings of households (Moore, Niazi, Rouse, & Kramer, 2019) due to their creation of a social commitment to save.

# The literature review has identified key gaps in respect to the current project. In terms of resilience, existing studies are mainly focused on interventions designed to improve the financial health of low income households so that they are able to manage risks before shocks, bent on examining the welfare impacts the mentioned interventions in the event of the non-availability of circumstances or conditions against which they are meant to build resilience while also considering the occurrence of major catastrophes and or disasters. This project did not have the capacity to assume or predict catastrophe and disasters or even greater shocks but sought to exploit financial and other business interventions for creating sustainable and lasting peace among oil and gas projects affected households (not necessarily low-income) in respect to conflicts arising from oil and gas projects compensations.

# 2.2 Theoretical Underpinnings

# 2.2.1 McAdams’ theories of Narrative Identity

# In this project and generally study, we built on the view that the individual’s life story can show resilience or lack of it as per the themes based on McAdams’ theories of narrative identity (McAdams & McLean, 2013). McAdams brings forward a categorical understanding of life story constructs employed in studies of narrative nature or identity. Narrative identity, according to McAdams is a person’s internalized and evolving life story, integrating the reconstructed past and imagined future to provide life with some degree of unity and purpose (McAdams & McLean, 2013). This also builds on previous studies concerning how people make sense of difficult experiences as presented by (Pals, 2006). Consequently, the narrative identity theory relies on seven constructs; identify, communion, meaning making, explorative narrative processing, coherent positive resolution, redemption and contamination. Agency refers to an extent to which an individual can take action to develop mastery over their life or others’ lives (McAdams & McLean, 2013). In this project, we reasoned that the creation of peace in the family or community is a matter of people taking peaceful actions to positively change their lives or the lives of others they live with through enhancing good financial behavior. In line with this, Ungar, Brown, Liebenberg, & Othman, (2007) identified seven critical factors associated with resilience across different cultures which are also related to adaptation and meaning making, namely; relationships, powerful identities, experiences of efficacy, social justice, the meeting of basic needs, social cohesion and cultural adherence. Both schools of thought view resilience as being closely associated with agency. The factors named herein are associated with this project that sought to implement peace related interventions through financial literacy and resilience among oil and gas project affected persons. *Communion* is defined as the extent to which individuals portray communal connections (McAdams & McLean, 2013). During the implementation of this project, communal connections among the participants from 100 households of oil and gas project affected persons. The proponents of communion advance constructs or elements like intimacy, caring and belongingness. This also considers social-ecological accounts of resilience that underscore the role of relationships with significant others, including peers and adults within one’s family and community. This was applicable to this project that sought to transform families or households and communities in general in terms of financial resilience for peaceful families, households and communities.

# In the theory of narrative identity, *meaning making* is a life narrative construct defined as the extent of learning from an adverse experience (McAdams & McLean, 2013). This construct was relevant for this study which was aimed at restoring hope among the vulnerable oil and gas projects affected households due to their adverse experience created by displacements and inappropriate financial compensations due to loss of their property such as land, roads and buildings. Theron & Theron, (2014) also studied meaning making processes in pursuit of resilience-promoting processes and in all these studies, there was a significant positive relationship between meaning making and individual resilience. Building on this adverse experience among projects affected households, the project sought to enculturate financial management and business skills for resilient communities in the oil and gas filled Ngwedo Sub County, Buliisa district.

# We also took into consideration the *Exploratory narrative processing*, another construct under the narrative identity theory. McAdams defines this construct as ‘the degree of self-exploration as expressed in the story where a resilient individual’s narrative would reflect the development of a richly elaborated self-understanding (McAdams & McLean, 2013). The other construct in this theory, *Redemption* is concerned about a story where there is a positive outcome rooted in a negative experience. In other words while implementing this project on financial management and resilience among oil and gas projects affected households aimed at enhancing an environment of peace, we needed to come up with positives out of households’ negative experiences created by inconveniences of oil and gas exploration activities. The project was therefore a redemptive intervention in the area hence McAdams concepts were applicable for this project. The project however, did not put into consideration the idea of *contamination* advanced by this theory because we envisage the bright future and could not therefore take negative outcome. This is a critical construct of the theory that was not applicable to this project and indeed, the construct has been ruled out as being a frequent construct in resilience related studies or narratives (Mahdiani, Holtge, & Ungar, 2020). The constructs under McAdams’ theories informs the context of lives lived in bad and good economic situations in a community that is socio-economically vulnerable which has further facilitated this project to focus attention towards resilience in the context of financial and business resilience among the oil and gas projects affected households. These theories expose the idea that peace interventions are required among oil and gas affected communities in order to achieve financial management sustainability and resilience. This is compounded by the view that in resilience, challenges become a prerequisite to adaptive responses (Masten, 2014).

# 2.2.2 Theory of financial resilience

# This project targeted peace creation among oil and gas projects affected households and the environments in which they leave. We opined that financial management and business interventions could create financial resilience among households leading to peaceful co-existence and environmental safety. This theory is about understanding the causes of financial instability and stability in the social systems. Owing to the realization that resilience is the property of institutions that govern social systems, financial resilience therefore refers to the institutions that make a financial system stable. The theory of financial resilience is one of the newest versions of theories that contend that top-down regulatory approaches to achieving financial stability proves ineffective because of poor knowledge of local contexts as well as incentive (Salter & Tarko, 2017). The raise concepts like redemption, knowledge and incentives, aspects of resilience, consistent with McAdams’ constructs hence the authors recommended a bottom-up approach to financial resilience. It became applicable for this project that sought for peace among oil and gas project households.

# 

# 2.3 Change theory and how it was applied

# A theory of change consists of a broad method that explain how a given intervention or set of interventions are expected to work or actually works in leading to specific desired change drawing on a causal analysis based on the available evidence (UNDG-UNDAF, 2022). The theory of change is driven by sound analyses, consultations with key stakeholders as well as learning on what works and what does not work in diverse contexts. A theory of change helps to identify solutions to solve the causes of problems that hinder progress and guide decisions on which approach should be taken with regard to feasibility, uncertainties, effectiveness and comparative analyses. This theory further helps to identify the underlying assumptions and risks that will be vital to understand and revisit throughout the process to ensure the process contributes to desired change. The theory is useful in dealing with complex development challenges that are rooted in the functioning of society. Through depiction of causes of a development challenge, explicitly revealing assumptions on how an intervention or strategy would yield positive results, as well as testing the results against evidence such as what has worked well and what has not worked, the theory of change is useful in showing the logic for achieving change. It can also be important in providing or showing areas of corrections during the course of strategy implementation incase anticipated risks emerge along the way. The theory provides room for monitoring and evaluation of the implementation framework hence helps to refine assumptions and also inform decisions on how a given approach needs to be adapted so as to deliver expected change results. Adjustments are made in light of evolving circumstances such as crises arising from regular monitoring.

# In using the theory of change, focus was the first step aimed at identifying the needed change among the oil and gas projects affected households and guided by the Vision 2040 and the United Nations Development Goals especially in the area of poverty and peace and stability. The change analysis came second where we identified alternative interventions needed for change to happen (financial and environmental peace) among households. This was done by evidence on ground in Ngwedo Sub County in Buliisa district, searching for relevant information and what stakeholders and other partners planned or had attempted to do in line with this project. This exercise was more participatory to a large extent aimed at developing shared understanding and collective validation of choices among project stakeholders. Both problem tree and solution tree were drafted to analyze challenges and arrive at expected solutions. Thirdly, making key assumptions underlying the theory, how change would happen and risks affecting it and, lastly we identified partners and key actors. The key actors in the project who were likely to have a direct role in the success or failure of the change effort were identified in this last step.

# For this particular project, the theory of change was applied as a means for developing and managing partnerships and strategies due to the fact that there were different views and assumptions among the project stakeholders, beneficiaries, donors and project staff among others. The purpose was to foster consensus and motivate project stakeholders through their participation and involvement in all project stages beginning from the planning process and to show the project stakeholders how their involvement and participation in the entire project framework would contribute to the project long term impact. The aim of this was to inspire all support agencies such as government, civil society groups and the private sector to appreciate the importance of this project on financial management and resilience among oil and gas projects affected households with the aim of enhancing peace within households and the environment. This would also contribute to strengthening collaboration with all other organizations and institutions to promote sustainability of this project, especially those organizations with similar objectives. This would lead to stronger and new partnerships, better complementarity and coordination. It was also important that using the theory of change, effective communication would be developed through clearly communicating shared vision and strategy on how change (from instability caused by struggle over oil compensation cash within households) to peaceful households (resulting from households financial training interventions).

# 2.3.1 The change theory model/framework

# Fig. 1: Application model of the theory of change to the FiMaRe Projet.

# 

# 2.4 Methods and design

# This project aimed to implement financial management and create financial resilience among oil and gas project affected persons in Ngwedo Sub County, Buliisa district. The research used qualitative approach including data collection techniques. In-depth interviews, focus group discussions and field observations were used in data collection. A total of 100 people from 100 households participated in the research. Interviews were conducted with 20 key informants drawn from the Ministry of Energy and Mineral Development, Buliisa district local government officials, area Members of Parliament, Total Oil Company officials, the Ministry of Water and Environment, Ngwedo Sub County Local Government officials and local livelihoods organizations. A total of 5 focus group discussions were held each comprising of 20 households participants per group after informed consent and ethical social research (Vanclay, Baines, & Taylor, 2013). The researcher also reviewed secondary data sources including the Tilenga Environmental and Social Impact Assessment (ESIA) report, the Resettlement Action Plans and Resettlement Policy Frameworks, the Strategic Development Plans, all relevant regulatory and policy frameworks as well as reports from non-governmental and civil society organizations. The research was carried out at the time when oil wells and other oil infrastructures were being constructed including roads in Buliisa district.

# Specifically, the major question that was answered was ‘how can financial management skills and financial resilience be entrenched among the oil and gas project affected households in Ngwedo Sub County, Buliisa district?’ to answer this question five rounds of interviews each making up a total of 20 participants. The interview guides were consisting of open questions were conducted among participants from 100 households of Ngwedo Sub County in Buliisa district. The data collected from the first round of interviews was analyzed and key themes such as family, community factors were identified. In the second round, the themes established in the first round of interviews were used during the interviews with specific questions on financial management and resilience among oil and gas project affected households. The same was done in the third and fourth interview sessions. In the fifth round of interview, we included questions about private lives, work lives, community lives and future lives in the context of oil and gas industry. Specific questions for example included; ‘How does oil and gas affect your finances as an individual or as a family?’, ‘How have you managed to cope with oil and gas in terms of financial management as a family or an individual or community?’, ‘Have you had any conflicts resulting from sharing compensation cash?’, How have you managed these conflicts? And so on. In most cases, focus group discussions, recording of narratives of the project beneficiaries were conducted in the sub county. The analysis of the narratives looked for patterns in relationship between financial risk exposure, promotive and protective factors at multiple levels of the systems namely; individual, relational and cultural as well as functional outcomes such as individual coping, community cohesion as well as social and economic sustainability.

# In addition to the interviews, household surveys were conducted. The sustainable livelihoods approach was applied to analyze the households’ asset framework, the various activities and strategies for financial management and resilience and their expected results or outputs. The selection of income generating activities through the investment of oil compensation cash would inform the capacity of a household to adapt to sustainable financial livelihoods including in situations of relocation and resettlement (Aboda, Vedeld, Nakakaawa, & Byakagaba, 2022). Data was analyzed using the thematic analysis framework as well as content analysis methods and techniques to identify key issues. The study however, revealed that the households receiving cash compensations hardly adapt to challenges and disruptions created by oil and gas infrastructural projects hence this project design, about training resilience in financial and business management was important.

# CHAPTER THREE

# 3.1 Interventions and Activities

**Forming a Core team, orientation and training**. 2 qualified Business and Financial Inclusion Volunteers (BFIVs) were recruited and inducted before activation of the field activities and they formed the major project implementing body. This team helped in all financial training sessions such packages under financial literacy and business management. They were also responsible for moderating the creation of Sacco executive committees and inform them of their roles. This team identified critical financial management areas for training.

# Designing Training Materials. In consultation with the relevant stakeholders, the Business and Financial Inclusion Volunteers, the project designed appropriate and effective Financial Literacy & Business Management training manual. This included modules fit to equip the oil & gas project impacted households with a combination of financial awareness, knowledge, skills, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing. It is these modules that helped to inculcate financial resilience character among households in the Sub County.

**Mobilization of the project beneficiaries and relevant stakeholders.** The project had planned to effect this through engagement meetings with the leaders of the targeted District, Sub County, parish and villages. Community Interest Meeting at village level were crucial for commencement of field activities. With the help of local council systems, we managed to mobilize 100 households from which 100 members participated in the project. The mobilization continued until Saccos and group members were identified and trained on modalities of running the savings groups.

**Financial Literacy and business management Training**. This will be provided by Financial Inclusion Volunteers to the 100 oil & gas project impacted households. They will be equipped with a combination of financial and business awareness, knowledge, skills, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.

**Saving groups formulation**. Targeted households’ representatives were formed into 5 saving groups comprising of 20 people each. This was a platform through which the beneficiaries would have access to; three basic financial services – Savings, Credit & Insurance (emergency funds); tree planting – group managed fruit trees nursery bed. These groups were duly established under independent management committee selected by the beneficiaries themselves and were requested to practice transparent governance processes. This was in accordance to the training accorded them in various perspectives such as communication skills, group management, financial management, savings and credit management among others as mentioned earlier.

**Mentorship**. Financial Inclusion Volunteers would remain providing Business and Financial Management support in the Group and one on one to enable all members attend group meetings, regularly contribute to their savings and sustainably invest part of their money. Members were selected transparently to do mentorship of the beneficiaries and their leaders. The local councils were also asked to closely monitor mentorship programs.

**Gender Sensitivity**. The project had planned and committed to include both men and women to equally benefit from the program and always keep respect for gender equity in terms of responsibilities and their participation in the day today project activities and benefits. This, indeed, is what was implemented. Beneficiaries were both males and females in observance of gender equality and equity. This is because, households are managed by both men and women regardless of whether they are spouses or not.

**Project Monitoring.** All the project activities were closely being monitored and tracked including an average savings per member, and the annual return on savings at the end of the cycle would equally be analyzed by the executive committee members. The monitoring was done right from the inception of the project through the training sessions and all activities. The project head was the main supervisor of all activities. All materials used in the project were monitored to ascertain their functionality and proper usage. Working closely local authorities, the monitoring produced successful project results.

**Project Reports.** The weekly, monthly, quarterly, mid-year and annual report has to be made regularly by all project staff to keep track on the project and ensure all achievements (successes, failures and improvement are included). Reports were always submitted to the supporters, sponsors and donors according to their requirements. This was a form of accountability to the project funders and would enable decisions for future project funding opportunities in the same, or other areas. It is these timely reports which enabled successful phased funding of the project activities.

**Partnership.** The project would cooperate and work together with different stakeholders including, cultural leaders, local government units, Central Government, non-governmental organizations (NGOs), corporate companies and any other institution with the likeminded interest. Indeed, this explains why, in the sustainability plan, various stakeholders such as Enterprise Uganda and local authorities were urged to find areas to pick up after the decommissioning so as to enhance project sustainability.

**Formation of emergence handling committees.** Committees to handle domestic disputes as they arose during and after the decommissioning of the project were also established. It was envisioned that disputes over oil cash compensations among others were responsible for violence in families. Moreover, due to operations of oil companies, households would easily face unprecedented challenges in trying to seek justice to their livelihoods and the environment. In view of this, these committees were established at village level to provide emergency information from households both domestic and environmental to the authorities for quick interventions and response.

**The planting of fruit trees as demonstration of peace and useful investment of compensation money**. Some households volunteered to plant a few fruit trees, especially mangoes that were present at the time. This activity was done with the presence of many project beneficiaries in specific households including the project manager. The message was, some of the cash they obtained from compensations should be used to plant fruit trees and that trees represent peace in the family.

# 3.2 Key findings/Impact

# The study reveals that indeed, there is usually limited peace among households affected by oil and gas projects when it comes to management of the cash from oil compensations. In most cases, the money is given to both the PAP by the companies. However, the consent of women is never sought by men in case of procuring some items using the compensation cash. Men spend much of the money on items bought out of their own decisions and drink alcohol more often. All in all, in a household that received compensation money, women are less consulted on how to utilize the money.

# Households also stressed that they do not obtain sufficient financial literacy skills during the process of compensation. They obtain single training on financial management. Even when this happens, women do not get full participation in the trainings. It is the men who mostly get access to such trainings and they do not share the knowledge with their spouses. Additionally, the trainings does not include deliberate component of peace promotion. The end result is always domestic conflicts. This project hoped to bridge this gap through thorough financial management and resilience interventions. Households were trained on formation and participation on savings and credit cooperative societies through which the cash compensations would have sustainable benefits to them.

# The findings revealed that household resilience in times of economic change is partly dependent on strong identity in particular expressions of personal urgency, communion and engagement in making meaning. Our results also indicate that positive attitude towards a better future among households. This study established that resilience for prevalence of peace among households affected by oil and gas projects is beyond occurrence catastrophes and disasters or risks and shocks but rather is a systemic call for all stakeholders to realize that financial illiteracy occasioned by distribution of cash compensations would lead to household instability and lack of peace. This study has therefore revealed that the application of the theory of change, McAdams’ narrative identity theories and the theory of financial resilience have a great impact on financial resilience among households faced with managing and coping with oil and gas compensation cash.

# Economic change in the livelihoods of households affected by oil and gas can only be achieved developing and managing partnerships and laying interventions and strategies that harmonize the different views and assumptions among the project stakeholders, beneficiaries, donors and project staff among others. This helps to foster consensus and motivate project stakeholders through their participation and involvement in all project stages beginning from the planning process and to show the project stakeholders how their involvement and participation in the entire project framework would contribute to the project long term impact. This inspires all support agencies such as government, civil society groups and the private sector to appreciate the importance of this project on financial management and resilience among oil and gas projects affected households with the aim of enhancing peace within households and the environment. This would also contribute to strengthening collaboration with all other organizations and institutions to promote sustainability of this project, especially those organizations with similar objectives.

# Consequently, stronger and new partnerships, better complementarity and coordination is created. Under the theory of change, effective communication can be developed through clearly communicating shared vision and strategy on how change (from instability caused by struggle over oil compensation cash within households) to peaceful households (resulting from households financial training interventions) occurs.

# The findings also reveal that there is need to reduce the cost of insurance and encourage insurance as well, create innovations in credit facilities, facilitation of social networks and government response to household conflicts. It has also been revealed that apart from financial interventions, other strategies such as meteorological services, improvements in risk mitigating technology, social protection programs, development and provision of basic shelter and infrastructure and provision of affordable health care are some of the major large scale interventions for oil and gas projects affected households going forward. This would create further peace by complementing the interventions implemented under this project. As per the findings, this requires strong public-private partnerships, civil society organizations and collaborations among financial educators and experts as well as government agencies and donors to encourage the oil and gas affected communities to live in harmony by providing education programs on how to manage financial compensations arising from oil and gas projects.

# CHAPTER FOUR

# 4.1 General conclusion

# In conclusion, while it is widely believed by mainly state actors that the oil resource is a blessing for its contribution towards national revenue which in turn would facilitate national development, this project has shown that there is usually inadequate planning for the project affected households throughout the oil discovery and exploitation stages. The government as well as oil companies only know that land must be acquired through some process which, however, this study has discovered that, violates a large part of rights of land owners due to largely unexplained nature, and more so unfair compensations. When the oil companies give out cash compensations, no thorough preparation is done for the beneficiaries to use the cash sustainably even for their future welfare. The financial literacy trainings take place mostly once and always towards the date of giving out money and there are usually no repeat trainings or sustainability plans and measures left behind by the training companies. The people of Ngwedo Sub County in Buliisa district were hitherto green about using the meagre oil cash compensations for sustainable living until this project was instituted in the area. We found out that the households knew the money was always meant for short term benefits given the fact that it was always little compared to the property they had lost to the government or oil companies. They would therefore chose to use the money within a small time and it would be finished. There was therefore hardly any peace in families and households as a result of oil and gas compensations. Moreover, the reports obtained indicated that domestic violence would erupt after compensations. This project was an intervention into the use of cash compensations for sustainable livelihoods through rigorous trainings in financial management for resilience among the households affected by oil and gas projects in the Sub County. This project trained 100 members from 100 households in financial literacy skills as well as financial management and resilience. Interventions such as creation of savings and credit societies to encourage long term savings for investments and fruit tree growing among others were introduced so as to provide avenues through which the compensated households would channel the cash and use it sustainably.

# 4.2 Recommendations/Implications for policy

# From the findings and conclusion of this study or project, the following areas for action are recommended to be implemented going forward by respective stakeholders especially government agencies and its partners but also other goodwill players like the private sector and non-governmental or civil society organizations who wish to see a sustainable financial management for peace behavior among the households affected by oil and gas projects. The recommendations ought to be implemented in the short term, medium term and long term.

# The communication interventions proposed in this project should be used by Buliisa district structures and systems to create awareness and sensitize all households in the district that are affected by the oil and gas projects to know, understand and undertake financial and business management sustainability measures which would enable appropriate use of cash compensations arising from oil and gas infrastructural projects. The design of the communication message should be put clear for the households to understand in local languages. The messages communicated should help enhance household resilience both in times of financial crisis and financial boom but more so, the use of cash for present and future welfare in addition to finding business opportunities.

# Local authorizes in Ngwedo Sub County should continuously encourage household members who were key beneficiaries of this project to use optimally use the created saccos for savings with the aim of investment. The money received from compensation should be used partly in savings and investments in order to fight poverty in the area. With every household undertaking to save part of their compensation cash, household income will multiply hence sustained growth of the families or households and reduction of poverty levels in the district.

# There is need for government to regularize peace processes among households affected by oil and gas projects. Oil companies should be compelled to have extensive programs, using legislations or policy and procedures about household peace in times of compensations as well as environmental peace so that household members do not disintegrate due to struggle of oil cash compensations, or as such, destroy the environment in any way due to oil. When peace prevails among households, there will be an opportunity to have participatory agreement on how to invest the money and how much to place for savings.

# Apart from investment in saccos communities should be encouraged to identify and form larger enterprises by with similar enterprises. For instance, farmers dealing in similar fruits or crops and harvests can join their capacities dealing in agricultural products, invest in their oil cash and lobby for further funding because this creates ready market for fruits grown in a larger setting. Once these larger enterprises form, they can be encouraged to apply for membership in agricultural organizations so as to have a big bargaining power when it comes to inter-district, inter-regional and international bargaining power for prices and product market.

# Every sub county affected by the oil and gas projects in Buliisa district should have a Household Emergency Response Committee (HERC) for financial grievance handling.

# 4.3 Sustainability Plan

# Project sustainability has always been a major concern for majority of community projects especially in developing world. FiMaRe project had established sustainability plan involving the following procedures:

# The first major element for the sustainability of this project was capacity building in form of training household members in financial literacy. The aim of this was to equip families with financial management and business skills. It was important that project beneficiaries were given an opportunity to possess skills in managing money at family level so that cash compensations received as a result of loss property such as land, buildings, among others to oil projects was used sustainably. The major purpose of this training was to inspire positive characters and behaviors among household heads on the inclusive usage of oil compensation cash and to eventually demonstrate to the households that such money could actually be used to create further wealth. The idea was to create financially stable and independent families because they would already have knowledge, expertise, and talent to use the oil cash sustainably. During the literacy training sessions, attributes such as patience, responsibility, selflessness, generosity, truthfulness and moderation among others were taught to the project beneficiaries with the aim of building stronger families, neighborhoods, communities and eventually, to lead to a new and better world.

# The project leadership trained Sacco executive committee members on how they would ensure that members of registered households continue saving year in year out and also how they would ensure multiplier effect of the savings. For instance they were trained in Sacco management and leadership skills, general business enterprise management, small and medium enterprise management, financial management, principles of management, basic people and human resource management as well as savings and credit management. They were also trained about book keeping skills, basic accounting, accountability and transparency, communication skills and group management. The rationale to taking the executive members through these packages was to equip them with long term skills that they would use to ably handle affairs of savings groups for years without fault.

# We called on the district leadership especially the office of the community development officer in collaboration with political leaders to closely monitor the performance of these Saccos and small businesses created out of households’ oil cash compensations and ensure democratic principles and practice are adhered to in accordance with the requirements for peace building. The involvement of district stakeholders in the business activities of these groups (formed at household level) was tactically aimed at monitoring the sustainability of peaceful behavior among households after the handover or completion or decommissioning of the project.

# The project proponent, the Peace Fellow also reached out to key organizations like Enterprise Uganda, Village Enterprise and similar support organizations in Ngwedo Sub County to pick up the idea of moving forward with the households under this project in support of the spirit of financial sustainability and resilience as well as in promotion of peace prevalence among households vulnerable to domestic and community risks due to oil and gas exploration activities. This idea was informed by the fact that peace building at household level, and more so among communities affected by oil and gas or extractive industries is supposed to be a concerted effort of all mindful stakeholders.

# Simple printed messages in Alur, Lugungu and Kiswahili with pictures of peace in a homestead were made available to local councils for distribution to households who were supposed to pin them at respective spots of their houses for quick viewing. This was intended for members of households to resort to peaceful means of handling grievances arising from spousal disagreements on financial matters and related issues. The leadership of Saccos were also handed the same copies and tasked to always remind their members of the cardinal importance of resolving disputes arising from affairs of oil and gas amicably. The printed materials were bold enough to be read even at a distance. The local council administrations were also requested to implement the messages and information carried in these materials regularly to ensure a long term impact of the same among households in Ngwedo Sub County, Buliisa district.

# The project proponent and management instituted the Domestic and Environmental Affairs Emergency Committees (DEECs) among the villages in Ngwedo Sub County most of which the leadership consisted of members of Saccos although others were also co-opted. The function of these committees would be to respond to emergencies arising from oil and gas projects and directly or indirectly affected households. Some of the anticipated emergencies that these committees would provide rapid response to restore and maintain peace are; dispute over management of household finances, emergency disruption from management of oil companies and emergency attack on village environment among others. We planted some fruit trees in some households symbolizing that the project left peace among families affected by oil projects.

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## **APPENDICES:**

**APPENDIX I:**

**APPENDIX 2: FIELD WORK GUIDING QUESTIONS**

1. What are the most common emergencies experienced in this community?
2. How do the community members and leaders respond to the emergencies experienced?
3. How do the emergencies lead to, or result into, conflict or violence in the community?
4. What are the most common social, economic and environmental factors that lead to the emergencies experienced?
5. What members of the community are most affected by the emergencies in the community?

# REFLECTION POINTS: DOES THE EXPERIENCE SHARED RELATE TO YOUR SCI?

1. What is the Theory of Change (TOC) of the project?
2. After implementing activities, what results are expected? (outputs, outcomes and Impact)?
3. How does the initiative incorporate the philosophy of positive peace?
4. How does a particular initiative incorporate the philosophy of African peacemaking?