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Business & Human Rights in Uganda: What's on the Agenda?



A few days after attending the annual UN Forum on Business and Human Rights in Geneva, IPIS Business & Human Rights Analysts [Anna Bulzomi](#) and [Gabiella Wass](#) boarded a plane to Kampala, Uganda, to run a two-day training with ActionAid Uganda for businesses and NGOs on “*What does business & human rights mean, and how can we bring about a healthy relationship between the two?*”

The training provided a space for businesses and civil society to meet, get to know each other and take stock of what is being done to implement the UN Guiding Principles on Business & Human Rights (UNGPs) in Uganda. The training was timely, as Uganda strives to identify pathways to benefit from its recently discovered oil without incurring in the so-called “Dutch disease” (i.e. creating macroeconomic effects that hinder the non-oil economy and ultimately constrain economic diversification and development) and with a view to minimising difficulties to which oil operations may give rise.

The actors who attended the training, and were willing to engage with the topic, were varied. They spanned the national human rights institution Uganda Human Rights Commission, international NGOs, major players in the oil industry like Total, local civil society organisations from Uganda’s oil region and journalists. This diversity suggested to IPIS that business & human rights issues are increasingly becoming part of the Ugandan policy landscape.

This document summarises some thoughts and observations from our 19 participating organisations, as well as providing snapshots (in text boxes) of the current relationship between business and human rights in Uganda.

Oil: a Way Out of Poverty?

Estimates put 38% of Ugandans under the poverty line. However Uganda’s economy will be strongly shaped by the recent discovery of crude oil reserves along the Albertine Rift. Over the coming decade, the country plans to establish itself as an oil producer and exporter. Peak production (to be reached in 2017) is estimated to range between 120,000 and 210,000 barrels per day. Uganda plans to use oil wealth to bring much of its population out of poverty, by improving infrastructure, healthcare, and education. Uganda’s economy will be bolstered by oil, but the influx of oil wealth may also affect (and weaken) other industries, such as agriculture, in which 66% of the population are employed.

IPIS’ research in Uganda

IPIS Researcher Gabiella Wass, and ActionAid Uganda’s Oil in Uganda portal’s Chris Musiime have been working on a series of four papers on Oil, Business and Human Rights in Uganda. These research reports have enabled IPIS and ActionAid Uganda to gain a granular understanding of the business and human rights dynamic in the country.

Two reports have been published so far: [Part One: Uganda’s oil sector and potential threats to human rights](#) and [Part Two: Protect and Remedy: Implementing State duties under the UN Framework on Business and Human Rights](#). Part Three: Respect and Remedy: Implementing corporate responsibility under the UN Framework on Business and Human Rights and [Part Four: Civil Society: Holding the State and businesses to account](#) are to follow.



Fig. 2: IPIS and ActionAid’s publications have proved a very useful awareness raising tool in both Europe and the Great Lakes region. ActionAid have printed and distributed over 2000 copies.

The dangers of irresponsible business

Investment and business activity can have a profoundly positive impact on people's lives. Large-scale oil, gas & mining projects are not inherently bad for local communities in host countries. Agriculture can open up avenues to sustainable development by tackling the roots of food insecurity and breaking the circle of dependence of food imports. However, Uganda has often experienced how investment and industry growth can end in blowback.

Over 60% of participants were fully aware of the harm that can result from irresponsible corporate behaviour, with some of the civil society representatives having direct experience of adverse human rights impacts in some industry sectors (namely horticulture).

"Irresponsible business is what we see all the time in some flower farms, where workers report instances of abuse from their supervisors every time they speak up against harmful practices at the farms, such as the use of hazardous chemicals."

NGO Representative, Entebbe

Box 1

Labour

In Uganda, labour officers reportedly receive too few resources to be sufficiently trained, and therefore health and safety conditions in the workplace cannot be monitored sufficiently, despite being reported as troubling. In the horticultural sector, for example, the use of chemicals is not effectively monitored, and workers report rashes, illness, miscarriages and even death. Child labour is widespread in Uganda, with an estimated 2.7 million children involved in economic activity.

Acceptable conditions at work also continue to be a concern. Although a 2013 Minimum Wage Bill is reportedly being drafted, it is not without contestation. Meanwhile the only relevant existing legislation is the Wages Councils Act adopted in 1964, last adjusted in 1984 to 6000 Ugandan Shillings (approx. 2.25 USD) per day. Gender inequality is a distinct issue. Women also consistently receive lower wages than men and sexual harassment in the workplace is commonplace.

Health and # Safety

Health can be severely impacted upon by careless business activity. For example, water sources can become polluted or depleted, or waste products can contaminate the soil. An example in Uganda has been the disposal of drill cuttings from oil wells onto farming land; drilling waste contains traces of heavy metals that are harmful to human health, such as lead and cadmium.

Throughout the different steps of due diligence, companies are required to engage with stakeholders. This is specially needed at the risk assessment stage; at the moment of tracking progress and reporting; and in order to design adequate grievance mechanisms. The business & human rights paradigm calls for a major shift in corporate understanding of stakeholder management: from being concerned with human rights, businesses should move to what participants depicted as a two-way, transparent and free dialogue with right-holders. The shift requires stakeholders to somehow enter corporate boardrooms and take part in decision-making processes.

“To achieve real two-way dialogue, NGOs should be willing to sit next to us.

Transparency is also a two-way issue; if you want to see change in corporate behaviour, make sure that your organisation has also embraced that change, and is showing what due diligence and engagement mean in its everyday work”

Representative of oil business, Uganda’s oil region

“Real engagement is possible only when some barriers are dropped.

We should not perpetuate the idea that charities work ethically and businesses don’t.

Here in Uganda, in this room, we have the full spectrum of stakeholders, and dialogue is possible”

NGO Representative, Uganda’s oil region

The vast majority of participants (80%) were concerned about the definition of stakeholders, and feared that it could be used by corporate actors to lower the numbers of actual stakeholders and exclude some groups altogether.

Box 3

Women

Regarding land, women tend to carry the burden of relocation, changes in employment and so on more than men. Where extractive industries operate there often is a rise in levels of prostitution, gender based violence, human trafficking, child exploitation, and an increase in the rates of HIV/AIDS infection amongst women. Moreover, the benefits of such activities also accrue mostly to men, who are able to gain employment and are often awarded the compensation. They may also have rights over land and make decisions over whether to move and, if so, where to.

Proactively engaging women’s organisations in the corporate-civil society dialogue, especially at the local level, can improve women’s ability to take part in decision-making processes and shelter them from the harmful consequences of unregulated business activities. It will also help to lift barriers to women claiming leading roles in society rather than taking background roles on the margins of their communities.

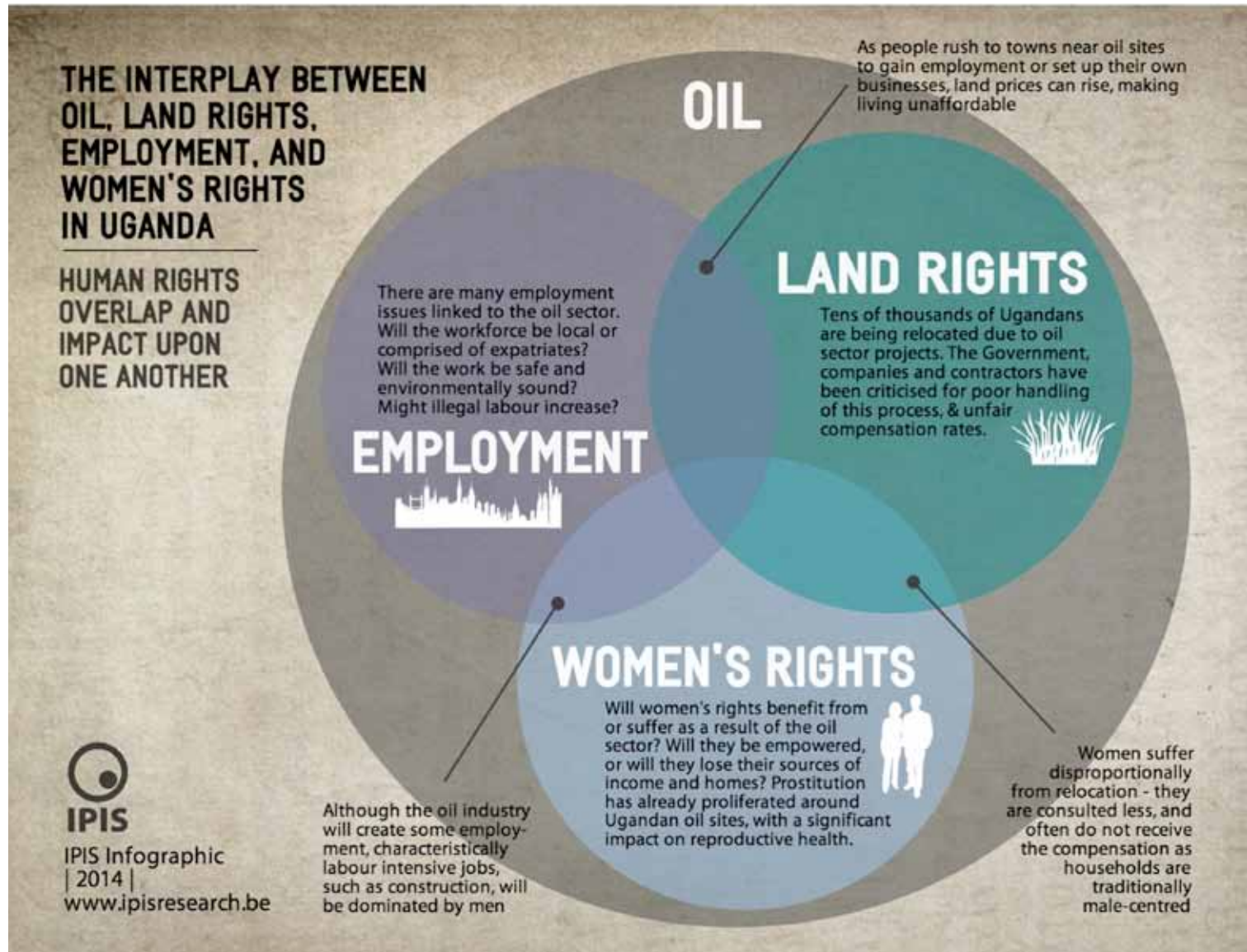


Fig. 4: IPIS reflected on workshop participant's brainstorm on the interaction of human rights (see Fig. 3) and created this Venn diagram. Using the examples of employment, land rights, women's rights and oil, we illustrate that no human rights issue can be viewed in isolation.

What role for the Ugandan state?

Participants from both the business community and the NGO community agreed that the Ugandan state needs to do more to translate the duty to protect into tangible, on-the-ground action.

All participants called on the state to (1) enforce existing laws on land management, labour standards and investment practices and (2) assess whether the current legal framework allows to adequately address instances of corporate misconduct.

With regards to the latter, IPIS Analysts and the Uganda Human Rights Commission discussed the potential that could be yielded by the introduction of due diligence requirements for companies, such as the legislation enacted in DR Congo and Rwanda in 2012 and targeting the mining sector in these countries¹.

All participants representing NGOs also agreed that Uganda should come to grips with current shortcomings in ensuring access to justice for victims of corporate abuse.

Participants also flagged up that Uganda's success in implementing the UNGPs will also depend on avoiding *faux pas* that could drag the country backwards.

Looking at the oil boom, participants from civil society organisations based in the oil region highlighted how natural resources can all too easily lend themselves to mismanagement, and how examples such as governance and corruption in Nigeria attest to this. Uganda has come under fire for not providing an adequately transparent framework for its oil management. Many commentators are concerned that a lack of good governance and transparency will cause political process to degenerate in Uganda over the following years.

Besides, Uganda has been increasingly cracking down on the freedom of civil society organizations. The Ugandan Minister of Internal Affairs' announcement in February of an "NGO Bill 2014" suggests even further tightening of restrictions on what non-governmental organisations are allowed to say and do in Uganda.

Defend Defenders has reported that, in the region, "human rights defenders engaging with the extractive industries sectors frequently face harassment and intimidation and are blocked from accessing the information and physical locations necessary for them to fulfil their monitoring and advocacy roles. As one Ugandan human rights defender working in a rural area undergoing development for oil extraction told us, "only the brave talk about oil."

¹ OECD, Upstream implementation of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Cycle 2 – Interim Report), May 2012

Box 4

Remedy

Access to remedies – judicial and non-judicial – is a recurrent theme on the business and human rights agenda, and was also extensively discussed at the annual Forum in Geneva, where Amnesty International's Seema Joshi reminded the audience that 2014 marks the 30th anniversary of Bhopal's infamous industrial disaster. Thirty years on, survivors of the gas leak from a Union Carbide plant that killed thousands of people are still waiting for justice and compensation. In a blog post featured in ESCR-Net's People Forum, Amnesty International's Joe Westby observes how the theme of access to justice is still top priority for human rights advocates – not only Union Carbide has been able to divest its interest in the company that owned the Bhopal plant and simply walk away, but also other corporate human rights disasters have happened amidst complete lack of effective remedies.

Let us think of the Dutch-based oil and commodity shipping company Trafigura, which offloaded toxic waste in Côte d'Ivoire in 2006, or of the 2013 collapse of Bangladeshi garment factory Rana Plaza. In both cases, compensation for survivors and families of the deceased has been delayed, showing that serious obstacles to obtaining adequate remedies continue to exist.



Fig. 5: Participants at IPIS Research and ActionAid Uganda's workshop: *What does business & human rights mean, and how can we bring about a healthy relationship between the two?*