

### **CORRUPTION IN NOC RECRUITMENT SHOULD NOT BE TOLERATED!**

I recently had a rather interesting conversation with a taxi cum long-distance driver. We were on our way to Hoima for work-related activities and seeing as we were getting close to the oil region, our conversation turned to Uganda's oil. What opportunities does it present? How about the challenges? Was the driver hopeful seeing as Uganda had a whole 6.5 billion commercial barrels of oil?

No, he said. He was not hopeful.

"That oil is not ours. It is for a select few," he said in Luganda, which I have loosely translated.

To demonstrate his point, he said, "You look at the price of fuel here [Hoima]! It is higher than that in Kampala. These people are near the oil wells and they should be enjoying cheaper fuel but you see!"

Aside from the fact that the youthful driver was ignorant of the fact that Uganda is not producing oil yet, –I disabused him of this ignorance and educated him on the oil and gas sector and the potential it holds-, he echoed the sentiments of some Ugandans. The sentiment that oil is for a select few.

The president has severally referred to the public resource that oil is as "my oil" and as such, it is not surprising that some Ugandans are of the above view that Uganda's oil is not theirs. This view is fuelled by the fact that public resources are often used for personal gain and Ugandans are discouraged from looking at them as their resources that should be used to uplift them from unemployment and poverty. What the taxi driver and some other Ugandans are not aware is that according to the constitution, government holds all oil, gas and sub soil mineral assets in trust of the nation. It represents Ugandans in policy formulation and in negotiating contracts related to oil and gas exploitation and development. Therefore, every Ugandan has a stake in oil among other resources and should demand for the accountability from government.

Back to the taxi driver. Why am I bringing up my conversation with him today? Because reports have said that the recruitment process for Chief Executive Officer (Executive Director) for Uganda's National Oil Company (NOC) is already mired in back handedness, influence peddling and is generally flawed or if you will, is rotten.

What do these reports have to do with the very public sentiment that oil is for a select few and will do little to benefit all Ugandans?

Well, with corruption marring the recruitment process of the Executive Director for the NOC, this sentiment will hold true. I think we are all aware that piped pipers call the tune. The persons who will ensure that certain candidates are selected for NOC jobs will forever have those candidates beholden to them. This means that they will work for the interests of those people as opposed to those of Ugandans. We must fight corruption therefore in all sectors and in the NOC recruitment process for NOC is critical in the success of the oil sector. We must also ensure that the oil sector gets regulations, a

local content policy and functioning petroleum authority to ensure effective regulation. These have been lacking since 2015.

### **IMPORTANCE OF NOC**

The Petroleum (Exploration, Development and Production) Act, 2013 lists the roles of the company as: “handling the state’s commercial interests in the petroleum sub-sector; managing state participation in petroleum activities; and managing the marketing of the country’s share of petroleum received in kind”.

Other roles include “managing the business aspects of state participation; developing in depth expertise in the oil and gas industry; optimizing value to its shareholders; participating in accordance with the terms of the petroleum agreement, in joint ventures in which it holds an interest on behalf of the State and investigating and proposing new upstream, midstream and downstream ventures initially locally but later internationally”.

Looking at its roles, one can surmise that if not meddled with by politicians and if given the right resources –including human- to work, the NOC can support our National Development Plan, Vision 2040 and generally help transform Uganda to middle income status as aspired towards by 2019. In short, a strong and independent NOC can play a role in uplifting us from thinking that oil will benefit a corrupt few while majority Ugandans remain trapped in abject poverty.

### **WAY FORWARD**

As Ugandans therefore, we must demand for transparency to beat corruption. In Kenya, we saw the selection process of Kenya’s Chief Justice and Deputy Chief Justice being done transparently with interviews of candidates being broadcast live. In the recruitment of a managing director for the NSSF, marks of candidates were published. Why can’t we have the same for NOC to ensure that we get the best and at least be assured that NOC is working for us? Let us demand for immediate formulation of the upstream, midstream and downstream regulations, the local content policy, the operationalisation of the Petroleum Authority to ensure that the oil sector development processes are guided by a coherent and strong legal framework for transparency so that oil may belong to us all and not a select few.

We must also ensure that the oil sector gets regulations, a local content policy and functioning petroleum authority to ensure effective regulation. These have been lacking since 2015 yet running of the oil sector without regulations and a functioning authority will only aid and abet a few individuals to manage the sector without responsibility for accountability.

If regulations and institutions are not put in place and fully operationalized respectively before the oil sector becomes fully advanced, the sector will not work for the benefit of Ugandans. Indeed, these are the same problems that explain why in other sectors like the electricity one, we have been spending over a trillion shillings of our national budget per year for the last six or so years, but today, less than 14% of the population has

access to clean energy and of those, the number which can afford that electricity cannot even exceed 5%. We must fight them therefore.

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