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Special report Oil and natural gas exploration in East Africa

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The disconnect between what oil and petrol companies say is happening in East Africa what global bodies, international NGOs, academics, activists and ecologists say is going

should worry us all, writes Thembi Mutch

We've already done a great deal of damage, and appear to have learnt little. A recent (October 2010) UNEP report, The Economics of Ecosystems and Biodiversity (TEEB), put the damage to the natural world by human activity in 2008 at between US\$2 trillion (£1.3 trillion) and US\$4.5 trillion (£3 trillion).

It's really important we don't screw up in East Africa, and it's vital we draw attention to the people and organisations who are pushing the agenda in the right direction. We cannot go ignoring the voices – whether of the UN, the IUCN, activists against Canadian tar sands and in the Niger Delta, Ghana and Angola who have to some extent seen it all before, or of in academics – who are seriously sounding the alarm.

This is not an oblique problem: how oil and natural gas are extracted in Africa has direct impacts on our lives. Because if we exacerbate social inequality and rifts and misunderstandings, religion, destroy valuable livelihoods and take away people's sense of control and responsibility, we create the conditions for war, globally.

In Europe we are switching from coal to natural gas, fed by exploration (now over 50 years old) in East Africa: presently we export little of East Africa's gas (about 1%), but all are definitely rising. Eighteen companies are involved in the 27 offshore coastal areas, in South Kenya, Tanzania and North Mozambique.

The companies include BG Group, Statoil (which is a 40% shareholder of Exxon), KPMG, Royal Dutch Shell, Anadarko, Petrobras, Ophir Energy, OriginOil, Total, BP and Aminex. With wells drilled so far (compared to West and North Africa's 35,000), the US geological survey estimates the volume of gas reserves alone at 441 trillion cubic feet. Petroleum reserves are estimated at 600,000 barrels a day.

In East Africa the debate is finally taking off: on the one hand, these resources could be the answer for the modernisation so desperately needed in Tanzania and East Africa. (The UK Department for International Development is spending £161 million per year until 2015 on its programme of support to Tanzania.)

At the same time, and not coincidentally, the East African media is catching on to the fact that vulnerable marine environments need attention: building a port in or right next to a reef is not OK. Positioning an oil rig or fracking in a marine park is not acceptable. However, there are other issues – corruption, the militarisation of areas of extraction, and the impact on communities – that need serious scrutiny.

Highlighting the debates around oil exploration (let alone reaching consensus on solutions) is highly problematic. Part of it is just the logistical clash of a first-world oil company trying to do business with highly undeveloped economies. Emails sent from London to Dar es Salaam, where the electricity has been off for days, disappear into the ether.

At a different level, the contracts awarded to oil companies are often complicated and written behind closed doors. Information is withheld, sometimes because the mechanisms for redress do not exist, sometimes because there's no desire to do so and no culture of dissemination. Thus plans in East Africa for the development of refineries, electricity-processing plants and other infrastructure; the websites of BG, Anadarko and Statoil are full of rhetoric and lacking evidence.

Wheels within wheels and existing rent-seeking behaviours mean it's hard to get a clear sense of the truth or of who is being more manipulated. There are no clear baddies: for example in Southern Tanzania the government labour office has cottoned on to the big payouts possible due to unfair labour practices.

Local sources report that they are approached and encouraged to complain, even if they are blatantly wrong, in order to leech big payouts from the oil companies; the labour office is in a deal. In fact some of the oil companies are bending over backwards to try and implement better practices, but fail to do so because of endemic corruption at grassroots level, or entrenched practices of jobs for party apparatchiks.

According to the activist group Platform, which works globally, including in Uganda and DRC, perceptions (in the global North) of corruption tend to be quite naive. Platform believes that increasing militarisation, from private militias to protect foreign staff to an overuse of the navy in East Africa, that remains the issue. And of course the total lack of accountability of corrupt governments in the region to their citizens, and of oil companies to the people who live in oil and gas areas.

According to Platform, Heritage Oil is owned and managed by an ex-mercenary, Tony Buckingham. Thus even if schools and health facilities are built as a sop, it is the effective military development that is highly troubling.

Some of the existing rigs – in Tanzania, Kenya and Uganda – are clearly in hot spots, where there have already been deaths and violence sparked over access to resources. These are dismissed as 'tribal' conflicts. They are not: they are fights about access to land, minerals or the right to farm as pastoralists. In Uganda, for example, three British firms – Tullow Oil and Dominion – are exploring the Albertine Rift, a lake area, where 3.5 billion barrels of oil have already been discovered. This is a vulnerable area of skirmishes with DRC because oil people have been kidnapped there in attacks linked to conflicts over ransoms, minerals and oil.

In Mombasa and Lamu (both exploration areas) there have been four deaths (reported in local media) in connection with secession issues and the area being marginalised from the centre. Introducing further wealth inequities will not improve this. In Nigeria the deaths in the river state – where oil exploration is central – are numerous and extremely hard to catalogue since according to activists there.

However, there have been successes. In Uganda particularly, the Civil Society Coalition for Oil (CSCO) is vociferous, organised and focused. According to Tony Otoa, its executive co-ordinator, many groups, including WWF, International Alert, Kitara Heritage Development Agency, and Advocates Coalition for Development and Environment, spend time and energy engaging communities and incorporating them in the ongoing discussions.

Publish What You Pay (Uganda chapter) is making strides calling for transparency in the oil sector, and one of the most prominent demands in the CSCO comments on the 2012 Petroleum Law was that the Ugandan government embrace the Extractive Industries Transparency Initiative.

In Tanzania as well there is a groundswell of interested parties willing to be vocal. In autumn 2012, three NGOs in Tanzania – the Legal and Human Rights Centre, Sikika ('To Be Heard') and HakiElimu ('Rights Education') – asked for five key points to be addressed, including the way in which contracts and licences are awarded, how Tanzania is prepared to regulate and monitor the oil and gas sector, and how the country plans to work on the issue of collection of taxes and royalties.

The management and allocation of these generated revenues and a broader discussion of the implementation of sustainable development policies and projects are also called for.

Mzee Kira, Executive Director of Sikika, says: "A review of the whole value chain of gas and oil exploitation must be supported by transparent and participatory processes. We think, country, we need to suspend issuance of new licences until we find credible answers to these issues. All Tanzanians should be involved in the process of getting responses to these questions."

From 24 September 2012 new licences in Tanzania have been suspended.

Several consultants involved in the oil and gas industry are willing to offer their opinions off the record. All are aware that the oil industry is a serious player: \$US2.1 trillion is needed for investment in African oil and gas supply infrastructure (refineries, roads, whole towns, ports) between 2010 and 2035.

Consultants are contractually bound not to talk about what they are doing, and are scared to bite the hand that feeds them. One told me: "It's too early to say; what we do know is that East Africa has no regulatory frameworks in place for oil and mineral resources exploitation. Or if they have, there is an abject lack of willpower to implement them. Selous in Tanzania, Albertine Rift and Murchison Falls National Park in Uganda, and Virunga National Park in Rwanda all had environmental assessments or management plans which have not been implemented. They sit on shelves, unread."

We need to disincentivise corruption, prevent rent-seeking behaviours, arrest people, sort out our judicial system, and make it unviable to undertake short-term corrupt behaviours. The environmental management studies associated with the Lapsset pipeline, the Mwambani port in Tanga Marine Park and Lake Natron have been completely leapfrogged. The debate about 'clean' natural/shale gas is (remember how difficult it is to pursue 'neutral' science) is still going on.

On the ground, this lack of regulation has real impacts, real consequences. No environmental assessments are in the public domain. On paper there are corporate social responsibility and people employed to implement social consultations. Certainly in Mtwara, Mikindani, Lindi and Kilwa (in coastal Southern Tanzania, close to the border with Mozambique), local people are anxious to understand whether oil and natural gas revenues will add valuable capital for modernising, or whether they will distort and destroy an already fragile situation.

The bus station in Mikindani is a desolate, depressed place, lost and forgotten by the capital, 650km away. The local people do not have work, and are still waiting to be paid for their seasons' cashew crops. "When they find oil or gas here, only the rich will eat," says one man, unemployed for the last two years.

In the East African coastal region there are some dirty secrets. Employment and livelihoods are in a mess: the coastal fishing communities dynamite up to four times an hour in the Mtwara, and the oil platform there is drilling right next door to a marine park famous for sea horses and turtles.

Yet all attempts to find evidence of assessments, of consultations conducted on the ground by the companies drilling, led nowhere. All promises to send plans and consultations went unbelieved. Unbelievably, my own investigations, over a cumulative nine months based in the region, yielded nothing. The overall message from local people I spoke to is that they don't really go on, and they're not getting the jobs, even menial ones as security personnel, because they're not qualified enough.

The consequences of this are dire. Professor Marc Kochzius of Brussels University comments: "Compromising this natural capital of living resources by uncontrolled oil and gas exploitation damages or destroys these ecosystems will have undesired and severe socio-economic consequences. If coastal habitats can no longer support subsistence fisheries, a large part of the population will lose their main source of animal protein, since fishing is the only possibility for poor people to meet their requirements."

There is a need for power, and natural gas and oil can provide this, but only if it's regulated, monitored, and done carefully. The population density in Tanzania generally is so low, and transmission networks of power cables so expensive, that most people will remain off-grid for the next generation, according to Erica Mackey of Tanzanian company Off-Grid:Electric.

For these people (over 90% of rural Tanzania is off-grid) a decentralised renewable energy solution is the best or only way: solar for lighting and mobile phones/computers/TVs, and cooking (for those who have cows). The current plans seem to be top-heavy, with national capitals retaining control over both natural gas revenues and supply. Oliver Kynaston of Ta based Shamba Technologies comments: "The Tanzanian population have a long way to go before they compete with their European or American counterparts in terms of CO2 per cap."

In Mozambique, Uganda and Tanzania, oil and natural gas drilling will take place in national parks and UN World Heritage Sites. The governments are the first to privately admit that effectively managing the burgeoning development pressures. Dr Dembe, a senior Tanzanian National Parks Association official, points out: "The challenges between wildlife, resources and extraction are not simple problems, and adding resource extraction into this complicates it all. I am worried we do not have the capacity, the leadership and the politicians to do this."

There should be money for environmental research and support for communities. Every oil company working in Tanzania has to donate US\$100,000 a year to central government as a registration fee. And as a result of the lessons learned in gold mining, the Tanzanian government is asking for 60% of all gas revenues. However, the financial mechanisms in East Africa keeping account of the revenues are deliberately vague: only companies registered with the Securities and Exchange Commission (in the USA) are required to submit financial reports; leaves the Italian, Brazilian and British firms exempt.

Even then, it is easy, as has already happened in Uganda, for local ministers and judges to ensure that disclosure of documents relating to oil is kept out of the public sphere. The *Oilwatch* activist Nimmo Bassey comments: "The ultimate solution is not transparency in the petroleum sector: you simply will not get it. The sector will not agree to pay environment that they externalise. The ultimate solution is to leave the oil in the soil."

Open Society Fellow and journalist Angelo Izama is more sanguine: he views oil and gas through the lens of state building, and sees that in this one Kenya will triumph. Its impressive robust media landscape and articulate politicised populations are demanding, and rightly so.

This is not the case in Tanzania yet. The Tanzanian Minister of Energy and Mineral Resources, William Ngeleja, announced in March 2012 that Petrobras, Motherland Industries and Her Rukwa (from Brazil, India and the UK, respectively) would be granted licences to explore for 11 years. In his and every other government press release in the East African media the mention of the issues alarming WWF East Africa and IUCN. There are over 220 Red List species in regions earmarked for oil and natural gas drilling. Specialists highlight the threatened seagrass, coastal mangroves, dugongs, coelacanths, sea turtles, mantas and the pristine areas of coral that range over thousands of miles along this East African coastline.

The World Resources Institute, UNESCO World Heritage, IUCN and savvy divers point to this area as comprising some of the most complex and fascinating marine systems in the world. The humble, unassuming seagrass beds are extremely important as feeding grounds and nursery areas for many species from many habitats, and play a considerable part in preventing eutrophication.

These are not biological sideshows, or the whimsy of scientists in European hothouses. These are a vital part of the oceans' ability to support life, to maintain oxygen in our atmosphere particularly by East African media and electorates. Climate change is already well documented in Africa, but the waste created from mining, including oil and natural gas, is not. According to Friends of the Earth Europe in 2007, "The total weight of all the materials extracted around the world amounted to 60 billion tonnes, equivalent to 25kg/day for each person on planet."

Are we in East Africa suffering a form of amnesia? The fallacy of sustainable fossil fuels and the over-consumption of oil – which lies at the root of modernity – goes largely unquestioned particularly by East African media and electorates. Climate change is already well documented in Africa, but the waste created from mining, including oil and natural gas, is not. According to Friends of the Earth Europe in 2007, "The total weight of all the materials extracted around the world amounted to 60 billion tonnes, equivalent to 25kg/day for each person on planet."

To this figure must be added more than 40 billion tonnes of materials removed from the soil surface but not used in production processes themselves, such as 'overburden' from mining activities. ('Overburden' is the term used to describe the ecosystem – the rocks, vegetation, soil – that lies above a coal seam or ore body, also called 'waste' or 'spoil' in the industry. According to *Mining Journal*, 50 billion tonnes of earth is moved every year by mining activities, 21 billion tonnes of which is wasted.)

Bassey comments: "I'm sure there are communities in Tanzania and Kenya that have swallowed the tales from the oil industry and the government. That was the situation in Nigeria a few years ago, in Uganda, in Ghana. Now we know better. Most communities are already seeing the bare fangs of the industry. Fossil-fuel civilisation has reached its dead end. Anything further is going over the precipice."

Comparisons with the Niger Delta situation are complicated by the presence of illegal oil wells ('bunkering'), exploitation of existing ethnic hatreds by interested parties, spurious fact (often gathered with specific agendas in mind), and the corruption that dominated the country prior to 1999. The use of flaring, and the failure to follow up on the two major oil spills in 2008 and December 2008 in the Niger Delta (where the volume of oil spilt was as large as that spilt by the Exxon Valdez oil tanker in Alaska in 1989) have angered campaigners.

"The Exxon Valdez accident is considered one of the worst environmental disasters of all time," says Bassey. "Why has the environmental disaster in the Niger Delta never reached the level of relevance? The deafening silence over this level of ecological assault makes some of us reach the conclusion that human and environmental rights are only important when they are breached in rich, powerful countries. No questions asked. It is a replay of the abuses entrenched from the colonial past, the ugly face of imperialism."

In Europe and Africa, The Green Belt Movement (GBM) has been watching with concern oil exploration and discovery in East Africa in recent years. Francesca de Gasparis of GBM Europe comments: "The actions of oil companies elsewhere around the world do not suggest strong environmental stewardship or foresight. The gulf spill in 2010 and the current push for Arctic drilling and the hugely negative potential environmental impacts show that when spills happen it is the environment and local communities that ultimately pay the price."

We are all owed more intelligent options than just fossil-based modernisation plans devised by oil executives sitting in 25th-floor offices with views of Amsterdam, Dublin, Manhattan or London. East Africa should not be denied the right to modernise, but oil and natural gas exploration must only continue if accurate, scientifically informed and contextually accurate environmental and social factors are included, and made public. Wind farms are currently being built in Uganda and Kenya. Why are they not receiving the same level of support and enthusiasm?

We need to know more about soils, water tables and erosion and ensure that communities who steward or rely on valuable environmental assets take ownership of them. We need to support organisations like Farm Africa, Nobel Women's Initiative, Sikika, Twaweza ('We Can Make It Happen'), Tanzanian Natural Resources Forum, Platform, the Green Belt Movement and other civil society initiatives, which understand and know how to consult local communities. Then we can have fruitful connections, discussions about railways built right across from the coast, and ports and exploration platforms right next to marine parks and inside national parks.

We need to talk about how natural gas and oil distort economies: about the thousands of farmers who will die if their crops are deprived of water, and the fishermen who will continue to be protected Indian Ocean coral reefs if they can't line fish because they are competing with exploration rigs, super trawlers or fracking outfits. Fragmented, inaccurate and out-of-date information about the environment needs to be actively reworked and explained to East Africa's citizens. If we are serious about the Millennium Development Goals, then we need to integrate them into some of the core issues of Africa's development: and those include oil and gas exploration.

Thembi Mutch is a freelance journalist based in Tanzania. This is the full version of a special report that was also published in Resurgence & Ecologist magazine January/February 2014. www.resurgence.org

