



JUNE 2016 EDITION



Greetings!
Welcome to this edition of
Oilwatch Newsletter
Published by Oilwatch Africa.

Oilwatch Africa newsletters are packaged to share information about activities of our member groups, impacted communities as well as other fossil fuels news bits. In this edition we bring you news from Uganda, Ghana and Nigeria. In particular, we highlight the campaign against coal in Ghana - Oilwatch Ghana joining the No Coal Energy campaign in the West African nation, on stressing the need for West Africa to embrace the alternative sources of energy. Of course we begin by reminding you of what we stand for.

Who we are?

Oilwatch Africa is the Africa regional unit of Oilwatch International

What is Oilwatch?

Oilwatch is a network of resistance to oil activities in tropical countries.

Principles of Oilwatch

Oilwatch aims to stop the expansion of oil activities that are degrading tropical countries, socially and environmentally.

Oilwatch is a network of resistance to the negative impacts of the oil and gas industry on peoples and their environment. After decades of hydrocarbons extraction the balance is always negative.

Oilwatch is a network that builds solidarity and promotes a common identity in the peoples of the South. Our diversity is also our strength.

Oilwatch recognises the similarities of the pattern of resources exploitation in countries of the South that show the historical legacy of domination and plundering of resources from the North. It also recognises people's right to self-determination as one of the main solutions to environmental problems. Our past and our current environmental problems are similar.

The members of Oilwatch support the initiatives of local populations in opposition to oil and gas activities. The network does not impose ideas or push the people to act. The network exists to support what the local populations autonomously decide to do. The initiatives we support include the monitoring of the devastation and violations that arise directly or indirectly from oil activities; local claims of compensations and restoration of their ecosystems so that they can be able to provide for themselves again; lawsuits brought by local populations, etc.

Oilwatch is a network that promotes and implements decentralization. It works as a movement. That is the strength of the network. It provides an adequate environment to combine our energies and, at the same time, preserve our identity.

The objective of Oilwatch is to build a network of national and regional organizations that act at the local level and join together to intervene at the international level in order to protect life and the livelihoods of the local populations. It does so, by linking the environmental impacts with the social impacts of oil activities.

Oilwatch promotes the debate on issues around oil activities such as: human rights, climate change, biodiversity conservation, ecological debt and external debt.

Oilwatch promotes a moratorium to new projects of hydrocarbons extraction, through a proposal that includes energy sovereignty and self-determination of peoples against a model of civilization based on fossil fuels that causes impoverishment, pain and death.

Objectives of the Network

Oilwatch creation was inspired by the need to develop global strategies for the communities affected by oil activities; support their resistance processes because they didn't want to see their territories damaged; work for sustainability and defend their collective rights. Read more: <http://oilwatchafrica.org/about-us/>



Why Ghana must shun coal energy, by Oilwatch

In commemoration of the World Environment Day 2016, Oilwatch Ghana joins the No Coal Energy campaign in the West African nation, stressing that, given its abundance and available renewable energy endowment, Ghana does not need to go far looking for another energy source.

Ghana is proposing to establish a coal-fired plant in Ekumfi Aboano

During the UNFCCC climate change conference held last December in Paris, France (COP21), climate negotiations pertaining energy-related talks were stroked by renewed commitment to renewable energy. According to WWF press statement circulated in December 2015, not only is this ambitious but a commitment that largely emerged from Africa.

Read more:

<http://www.environewsnigeria.com/why-ghana-must-shun-coal-energy-by-oilwatch/>



Uganda chooses Tanzania over Kenya for oil pipeline route

Uganda is to route its oil exports through Tanzania after a report found the country was a cheaper and more secure option than its other east African neighbour Kenya.

Uganda is to use Tanga, a seaport city about 200km north of Dar es Salaam, to export its crude oil, rather than Lamu in Kenya.

The announcement was made last month at the East African Community (EAC) summit held just outside Uganda's capital, Kampala.

Uganda said a pipeline between Kabaale, in Hoima district, and Tanga, of about 1,400km, will be the most cost-effective route when Uganda begins exporting oil by 2020.

Having had a pipeline route through Kenya rejected by Uganda, Kenya plans to build a pipeline from Lokichar in its oil-rich Turkana region to Lamu, where it is building a port,

close to the border with Somalia.

“President Yoweri Museveni [of Uganda] and I have announced that Kenya will embark on the construction of the Lamu-Lokichar pipeline while Uganda will build the other pipeline through its southern borders,” wrote Kenya's president, Uhuru Kenyatta, on Facebook.

“We have, however, agreed to continue cooperating on petroleum issues since both countries are new in the industry.”

Read more at

<http://www.theguardian.com/global-development/2016/may/12/uganda-chooses-tanzania-over-kenya-for-oil-pipeline-route>



Nigeria Oil Well Protest Spotlights 'Destroyed Livelihoods and Betrayed Hopes'

Oilwatch was active in Break Free Actions in Nigeria!

Activists in Nigeria gathered at the site of the country's first oil well on Tuesday as part of the global Break Free movement, to show what happens "when the oil goes dry, and the community is left with the pollution and none of the wealth."

Black gold, or oil, was discovered in Oloibiri in 1956 by what was then known as the Shell Darcy corporation—Nigeria's first commercial oil discovery. The site has since been declared a national monument.

But environmentalists like Nnimmo Bassey, a key Break Free organizer and director of Nigeria's Health of Mother Earth Foundation (HOMEF), imbue the oil well with a different sort of significance.

"This is indeed a monument," Bassey said on Tuesday. "This Olibiri Oil Well is a monument to neglect. It is a monument to pollution. It is a monument to destroyed livelihoods and of

betrayed hopes. It is a monument to the agents of global warming. It is a monument to fossil colonialism. It is a monumental disappointment. And we are saying, never again!"

Indeed, according to Nigeria's Vanguard Media, which toured the region in March, "The people still face basic development challenges and environmental pollution caused by oil spills."

And this legacy speaks to the common goal of the Break Free movement, which calls for oil, gas, and coal to be kept "in the ground" in order to avert climate and environmental catastrophe.

Read more of CommonDreams' analyses of the global actions at
<http://www.commondreams.org/news/2016/05/10/nigeria-oil-well-protest-spotlights-destroyed-livelihoods-and-betrayed-hopes>



Nigeria Starts Oil Production outside the Stormy Niger Delta

By Sully Manope

Nigeria has started the first commercial crude oil production outside the Niger Delta. First oil production commenced from the Aje field, in Oil Mining Lease (OML) 113, located in the Dahomey (Benin) Basin, offshore Lagos, on May 3, 2016.

Although Aje production is from a small oil rim of an essentially gas rich field, and is unlikely to deliver more than 12,000 Barrels a day at peak, in a production period spanning at most 15 years, its commissioning is symbolic, in the 60th year of commercial oil discovery in the Niger Delta.

Nigeria has produced all its crude from the Niger Delta basin in the south of the country for 58 years. In the last 20 years, however, that production has been fraught with severe challenges, as recurring violence becomes part of the mainstream national conversation. The shut in of 250,000 Barrels of oil a day due to the breach of the Trans Forcados System via a military grade attack on a subsea pipeline last February, is the latest evidence that unimpeded production in the basin cannot be guaranteed.

Read more: <http://africaoilgasreport.com/2016/05/in-the-news/nigeria-starts-oil-production-outside-the-stormy-niger-delta/>

Otakikpo Capex Remains Within \$82MM

By Sully Manope

The rig Wellsmart 151 is moving to re-enter, test and complete Otakikpo 003 as Lekoil pushes ahead with the first phase of development for the Otakikpo field onshore Eastern Niger Delta.

To achieve its target of having the first cargoes lifted by the third quarter of 2016, Lekoil has refinanced its existing \$10 Million Notes Issuance Agreement with FBN Capital Limited, the investment arm of First Bank, Nigeria's biggest lender.

The AIM listed Lekoil has also secured a new 2 Billion Naira, which it says "approximates \$10 Million at the Central Bank of Nigeria exchange rate of 199 NGN:1 USD at time of execution) facility from FBN".

With this announcement coming on the same day the CBN has floated the Naira, which plunged from the fixed 1; 199 to 1:280, Lekoil clarifies that the two billion naira is not going to be converted. "The money will be used for naira payments only".

Oil industry payments in Nigeria are made in both the local currency Naira and the US Dollars.

Read more:

<http://africaoilgasreport.com/2016/06/in-the-news/otakikpocapex-remains-within-82mm/>



Dear Friends

On June 1 this year groundWork marked our 17th birthday. We are well into our teenage years, a time when youth start maturing into adults, and Gill and I – and I am sure I can speak for our Board of Trustees – can feel a sense of achievement the same way a parent feels watching a child mature into an adult.

When we started groundWork we said we would take it one year at a time. It is now nearly two decades later. At the outset I want to thank the Trustees for showing their faith in all at groundWork, the very many community people and organisations we have worked and continue to work with, the funders who have recognised the critical importance of environmental justice, and the many partner organisations and supporting individuals who work with us daily.

It has been an exciting 17 years. Critically, we have made great strides in keeping the flames of environmental justice alive and burning strongly. But despite this we feel that the need for our work is ever more so critical now as there is an onslaught by the alignment of government and corporate power that seeks to undermine democracy for the furtherance of the elite wealth project. It is precisely for this reason that we host our 3rd Environmental Justice School in our birthday month. Our aim is to build a cadre of environmental justice

activists that will seek to mobilise, resist and transform society.

The undermining of democracy is not some far-fetched idea. It is not some rhetoric from yet another “northern-funded” NGO, as government representatives, including senior ministers, would say. Among them are the controversial Mosebenzi Zwane, Minister responsible for the important Mineral Resources portfolio. Journalist Marianne Merten, in a report in the Daily Maverick on April 19, reflected on Zwane's statement after the death of Sikhosiphi “Bazooka” Radebe, an anti-mining activist who was assassinated on the Wild Coast, Eastern Cape. “Zwane said mining was “in the interest of all” and must be allowed to go ahead once the majority agreed.

And if the majority did not want mining, government would have to persuade them to see their point of view ...”

So it is clear what government's position on mining is and this is further confirmed by a recent detailed analysis by groundWork's legal partner, the Centre of Environmental Rights, and the Centre of Applied Legal Studies. In their report, Ground Zero, they highlight that government is not enforcing legislation, in relation to mining, that seeks to protect the environment and enhances social development through social labour plans.

It is clear that government is turning a blind eye to the transgressions of mining companies because big money is at stake for the elite. I will not go into the very many reports that link political figures to corporate interest in various ways. The evidence of this abounds in the media.

So in the above context, groundWork has often taken a very clear stand that mining will not bring about sustainable societies. On the contrary it destroys societies and people's livelihoods. This narrative has been brought together under the banner of "Yes to Life- No to Mining", a movement of people's organisation that believe those "who wish to say No to mining should be able to. This movement is of and for them, in recognition that when we say no to mining, we stand in solidarity with the planet, with precious ecosystems and with the future generations of all species". This stance has been recently taken up in interesting places. In response to Ibutho Coal's proposal to mine alongside the Imfolozi Game Reserve, Ezemvelo and KwaZulu-Natal Wildlife, have clearly said no to coal mining. Within their own domain this is an important stance. It is critical that they hold this stance in all their governance structures.

In Sweden recently, while groundWork's Coal Campaigner Robby Mokgalaka was visiting, there was a parliamentary protest to end coal mining and mining in general. This was in solidarity not only with local Swedish communities resisting mining in the north of Sweden but also with German communities living next to Vattenfall's lignite mine in Lusatia, which Vattenfall wants to sell rather than close.

It is clear that there is a tide to push back against mining. The critical reality is that northern countries have attained their wealth and comfort by the exploitation of minerals both in the North and South and this must be understood in relation to ecological debt. So while the momentum is building against mining, rich countries need to ensure that

ecological debt accrued because of their mining exploits, is settled, or else the emerging Southern elite will see no problem in hiding behind the narrative of poverty and will continue pushing mining in their quest for extreme wealth.

It is critical to understand that South Africa's mining model was built upon and was dependent on cheap labour that first served a colonial elite. As the mining sector is shrinking and jobs are being shed daily, the unions and civil society organisations need to think creatively about how to move society forward. How do we practically make a transition happen? It is going to be tough but if do not start making some tough choices as society now, the transition will never happen.

Mining work, upon which apartheid thrived, has always been demeaning. In Southern Africa there is saying: "You are not a man until you have worked underground in a mine." But this macho expression belies the sad legacy of mining, like the rampant spread of HIV and other illnesses such as silicosis for which workers seeking compensation had to turn to the legal system rather than the democratic government they voted in.

. In reflecting on democracy and the systems that should underpin this in South Africa, Mail and Guardian columnist Serjeant at the Bar, writing in the May 27 to June 2 issue, warns that "it simply cannot be in the long-term interests of democracy in this country that only one arm of the state, the judiciary, has to take up the task of ensuring adherence to constitutional commitments because the legislature fails to hold the executive accountable – on the basis of fundamental misconceptions".

It seems that it has become the norm in SA that government will only listen to the courts, rather than the people. It is a fundamental failing of our democracy.

The failing of democracy has served to further legitimise mining in the South African political and corporate psyche as evidenced by Minister Zwane's comments on the recent deaths in mining operations. Romanticising the deaths of the miners, Zwane referred to them as having died in the line of duty.

Duty to whom, I ask? Duty to the bosses and big capital certainly. But certainly not in the line of duty to provide for families as mining cannot bring ordinary miners who risk their lives daily, and their families, out of the poverty they are mired in.

There is clear evidence of the power wielded by mining companies. Recently, the Petroleum Association of South Africa (PASA) gave the go-ahead for environmental impact assessments to be done for the testing for gas in KwaZulu-Natal. One of the local anti-fracking activists, Judy Bell, pulled out this phrase from the scoping report: "As the EAP, SLR has never before encountered such a united and passionate opposition to a project from such a broad range of I&APs. It is vital that this public opinion is taken into consideration through the EIA process, by the applicant and by the decision makers."

Despite this statement on page 5 of a 113-page document, the decision-maker, PASA, ignored it. But then maybe they did not read the document as their minds were made up already in 2015 when they unwittingly indicated to a groundWork staff member that the EIA would go ahead.

Reflecting on our future, it is evident that ground Work still has a key role to play and we can be comforted by the fact that there are many NGOs and people's organizations today that are taking the very same stance we have held for 17 years—that mining kills.

To end off on a more buoyant note, yes, we can do without mining. I hear that the organization FairPhone is already making phones with more recyclable materials. It is only hoped that those that push such new technologies do not get trapped by all the green rhetoric such as offsets and sustainable mining, but move us to a new social production process that serves workers, communities and the environment.

Till next time.

Bobby –Executive Director Ground Work/Oil Watch South Africa

Why all the Oil Watch Fraternity across Africa and the World at Large should champion the Leave Oil in the Soil Campaign and urge their home governments to stamp out dirty energy fossils.

By Bwengye Rajab Yusuf-Oil Watch Uganda

I was shocked to visit the Niger delta –the city of port Harcourt on an experience learning visit and joint oil watch planning way back in 2010 when I learnt that some Nigerian affected forested communities had learnt how to construct their own temporally roads due to Oil spills by Shell in the Niger Delta –Port Harcourt city.





Environmental Challenges Of Oil & Gas Discovery And Planned Oil Pipelines In The East African Rift Valley

By Bwengye Rajab Yusuf

The East African rift valley is a linked intra continental rift that extends 3,500 km across eastern Africa and is in the order of 50 km to 150 km wide. It is separated into two dominant trends i.e. the Eastern Branch: Afar –North Tanzanian Divergence that begins from Lake Turkana down wards into southern Tanzania and the Western Branch: Albertine Rift –Malawi Rift that moves north wards through lake Tanganyika, Lake Kivu, Edward, and ends after lake Albert in a Zigzag style.

The hydrocarbon potential of the Albertine oil rift section dates back to the 1920's, when active source kitchen identified from seeps and also seeps were identified when the first shallow well –Waki B1 drilled in 1938 proved that the hydrocarbon elements exist. This first oil drilling was spearheaded by the Anglo European Investment company of South Africa. More shallow wells were drilled but further active oil drilling was hampered by the 2nd World War and post independence political turmoil in Uganda from 1940s through 1950s and 1970s.

In 1983, Aeromagnetic data over the entire Albertine Graben was acquired and between

2002-2004, Canadian based Heritage Oil Ltd drilled Turaco oil wells 1, 2 and 3 in the Semliki Basin hitting dry holes. Between 2003 and 2004, acquisition of seismic data over Lake Albert was achieved and in January 2006, the First Oil discovery at Mputa 1 was confirmed followed by Waraga oil wells both in the kaiso Tonya Oil block. Kingfisher oil discovery followed in October 2006 and thereafter more discoveries were confirmed. Currently, the Albertine rift section of the rift valley is sub divided into 17 oil blocks and the Kingfisher production field is currently the most productive oil pad undergoing further oil development spearheaded by the Chinese National Offshore oil company (CINOOC). Uganda is looking forward to further licensing new oil blocks majorly

- The Ngassa (410 Km²) in Hoima District,
- Taitai & Karuka (565 Km²) in Buliisa District,
- Ngaji (895 Km²) in Rukungiri & Kanungu Districts,
- Mvule (344 Km²) in Moyo and Yumbe Districts together with Turaco (425 Km²) and Kanywantaba (344 Km²) in Ntoroko District.

The next Oil Prospective oil fields in the East African region are located of South Lokichar in the Lake Turkana belt in Kenya.

This is where the Loperot-1 oil well was drilled in 1992 by Royal Shell which proved the presence of hydrocarbons in the South Lokichar Lake Turkana Basin. Ngamia oil well was there after drilled by Tullow Oils Plc Ltd in 2012 in a fault terrace.

Tanzania also boasts of huge gas reserves off shore the Indian continental shelf and has embarked on extended seismic studies that will lead it into future gas production for both the east African Market and global gas demands. 2.17 trillion cubic feet (tcf) of natural gas reserves were discovered in the coast region at the Ruvu basin onshore block near Dar es Salam in 2013.2014.

Southern Sudan is also rich in oil and gas in the Paloch Oil fields located in the Upper Nile state and all its political problems rotate around who manages the Productive oil belts in the country. Key to note is that the northern Oil route in Kenya is planned to be extended from Lake Turkana to Lackchar and Noth west wards into southern Sudan before it eventually leads to the sea port of MOMBASA.This is being pushed by Tullow Oils operating prospective oil wells in the Ngamia Turkana basin.

Total –the French oil giant meanwhile is pushing for the Southern route through Tanzania to the port of Lamu on the Indian ocean having viewed the Northern route through Kenya as too long and there fore too expensive and very sensitive to sabotage from both the Hostile ethenic tribes and acts of terrorists from the Alshabab Miltant groups active in northern Kenya and boardering Somalia

The above planned oil developments and pipe line work in the East African region pose serious environmental, social , climatic and governace challenges since not any of the 5 c o u n t r i e s i n t h e b l o c k (Uganda,Kenya,Tanzania,Southern Sudan ,Rwanda and Burundi has got a reliable and credible regulatory framework for managing

oil both at landscape and international level.

In Uganda for instance, the first phase will involve setting up a central processing facility with a capacity of 20,000 barrels of oil per day that will be expanded to a 40,000 barrels a day in the second Phase and in future to a 60,000 and or more in respect with the domestic & foreign market demand. the plan under way is to export oil through an 85 Km oil pipeline to the green field refinery to be located in Kabaale-Buseruka Sub county Hoima District. Also planned in an oil pipeline from Buliisa to the Green field refinery in Hoima.

The only pass way out of the Buliisa or kingfisher oil pipelines heading to the green field refinery is through the biodiversity rich Kabwoya and Bugungu Wildlife reserve that are located at the base of the rift valley. These main pipelines will have a series of smaller feeder pipelines connecting from the different oil wells distributed in Murchison, Kabwoya, Bugungu wild life areas. From the Green field refinery in Hoima, planned is a 250 Km to Wakiso district near Kampala from where a long pipeline to the east African coast is planned through Tanzania.

In whatever case, the pipeline off sets and the drilled oil wells will risk the rift valley wildlife and Lake, and riverine ecosystems through future oil spills and wild fires in cases of any rupture arising from the hot crude in the pipes or sabotage and in case of such occurrences, there will be acceleration of animal human conflicts once the wildlife is threatened from their natural habitats.

The pipelines through wildlife areas will definitely create stress to the animals and affect animal migration routes, breeding places and grazing patterns.

Thus the East African region is faced with a challenge of managing “environment in Oil” at site and landscape levels and meeting international and regional obligations together with application of planning tools such as EIAs and SEAs.

The pipelines heading to the coast will for sure at one point pass through community land and accelerate land wrangles and tribal conflicts especially if the compensation and resettlement issues are not handled with care. At policy level, there could be issues of policy conflict since it's on record that laws on environment including international ramser conventions, The Nile Basin Initiative, The Nile treaty, The UNESCO convention etc do not permit large scale mineral extraction or disruption of nature in fragile ecosystems of international and regional importance.

Economically, the East African block has got an uphill task of ensuring that maximum oil revenues are achieved and trickle down to service the needs of the majority poor in the region. Corruption and poor governance and political strife continue to bite most of the less developed world and the East African block is

not an exception with conflicts biting parts of Uganda bordering DRC, Southern Sudan, Northern Kenya, Burundi among others. The economies still have to have credible macroeconomic policies and deal with macro-economic level risks and mitigation measures, have sound production sharing agreements and national safeguards, integrate oil in national development plans and have credible policies and frameworks for managing oil revenues including revenue sharing schemes that ensure that oil revenues trickle down to other sectors of the economy.

Thus the region risks near future extinction of its fragile ecosystem resources in the name of oil extraction and political conflicts, ethnic strife, unprecedented climate change impacts arising from the power of petro dollars.





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