

## November 2019; Issue 11

# MURCHISON FALLS NATIONAL PARK, OIL & THE PROPOSED HYDROPOWER DAM: A CASE OF IMPUNITY, GREED AND CORRUPTION MEETING



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## Tourists in Murchison Falls National Park

A photo of Murchison Falls in Murchison Falls National Park. The falls will be destroyed if a dam is constructed at the Uhuru or Murchison Falls.

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### **Editorial**

Welcome to our November newsletter! This month, government announced some unfortunate news. Government told Ugandans that the proposal to conduct a feasibility study before development of a 360mw-dam at Uhuru Falls had been approved by cabinet.

The approval came only three months after cabinet announced that it had instructed the Electricity Regulatory Authority (ERA) to halt plans for the conduct of a feasibility study for development of a dam at Murchison Falls. In particular, in August 2019, the Minister for Tourism, Hon. Ephraim Kamuntu, assured Ugandans that cabinet had instructed ERA to stop the planned feasibility study.

Readers will recall that in June 2019, ERA invited the public to submit comments on an application by Bonang Power and Energy (Pty) Ltd to conduct a feasibility study for development of a dam at Murchison Falls. However, only three months after cabinet stopped the feasibility study, the same cabinet announced that they had approved a feasibility study to be undertaken prior to development of a dam at Uhuru Falls.

This has left the public wondering: which is which? Why is government hiding the truth? ERA's June 2019 call for public comments was in respect to a feasibility study and dam at Murchison Falls. However, today, government is talking about a dam at Uhuru Falls, which is adjacent to Murchison Falls!

Government has created confusion and contradiction over the future of a critical ecosystem such as the Murchison Falls National Park landscape. This is regrettable and unacceptable especially because government has a constitutional obligation to promote the right to a clean and healthy environment as provided for under Article 39 of the 1995 Uganda Constitution.

To make matters worse, the South African company, Bonang, which is set to conduct the feasibility study has no known capacity in dam construction. It also has no known track record for environmental conservation in addition to human, social and economic rights protection. In the absence of such a track record and a profile of the hydropower Bonang has undertaken, works that Ugandans should consider Bonang a front by corrupt middlemen who continue to cause untold suffering to Ugandans, especially vulnerable groups such as women, youth, children and others.

It is noteworthy Uganda's ecosystems and biodiversity which are destroyed by the corrupt have high biodiversity economic value. The ecosystems ensure that Ugandans earn or save trillions of shillings by doing the following: stabilising climate, purifying air and water, controlling soil erosion and floods, maintaining soil fertility, attracting tourists, providing rich and poor households with herbs, honey, fuel wood and others.

The Murchison Falls landscape also plays the above roles and has a high biodiversity economic value. A 2017 study that was undertaken by the National Environment Management Authority (NEMA) with support from the United Nations Development Programme (UNDP) shows that the biodiversity economic value of the Murchison Falls landscape is over \$60 billion (UGX 114 trillion).

In our **Word from AFIEGO & Partners**, we call for protection of the Murchison Falls landscape's biodiversity economic value from all dangers including dams, oil and

others. Ugandans will recall that Murchison Falls National Park hosts oil that is going to be extracted under the Tilenga project. Every Ugandan has a right, responsibility, duty and obligation to reject decisions that threaten biodiversity and livelihoods. We must not allow our biodiversity valued at over \$60 billion to be traded with projects such as dams, oil and others.

In our **pictorial** section, we share some of the activities we implemented this month. For instance, we facilitated two hearings of the case in which youth and civil society organisations (CSOs) want court to stop NEMA and the Petroleum Authority of Uganda (PAU) from implementing the Tilenga oil project's Environmental Impact Assessment (EIA) certificate. The EIA certificate was issued in violation of Ugandan laws and international best practices.

In addition, we equipped communities with knowledge and skills to monitor implementation of the Land Acquisition and Resettlement Framework (LARF), the Resettlement Action Plan (RAP) report for the East African Crude Oil Pipeline (EACOP) project and conditions of the Tilenga EIA certificate of approval. The LARF and RAP are key documents being used in the land acquisition processes for the EACOP project in ten districts in Uganda.

Further, we supported CSOs from the DRC to empower communities around Lake Albert in the DRC with knowledge of oil impacts on the environment and livelihoods. This was done through community sensitisation meetings and film screenings. As a result of the skills gained, the DRC communities petitioned Uganda's NEMA to ensure that the environment and livelihoods of local communities in the DRC are protected. The Tilenga, Kingfisher and EACOP oil projects will have transboundary impacts as is indicated in the respective projects' Environmental and Social Impact Assessment (ESIA) reports. These impacts will affect communities in the DRC.

Furthermore, our staff undertook media engagements in the United States (U.S.) to lobby for support for the court case which CSOs from France and Uganda filed against Total E&P Uganda in France. The CSOs accuse Total of failing to adequately protect communities and the environment from the dangers posed by their Tilenga and EACOP oil projects.

In our **lobbying** section, we share some of the lobbying activities we undertook this month. For instance, we wrote to the president asking him to publically commit that no dam will be built at the Murchison Falls. Further, as indicated above, we supported communities from the DRC to petition NEMA to demand that the authority does not make a decision on the Kingfisher and EACOP oil projects' ESIA reports without consulting them.

In addition, with 13 other CSOs, we issued a communique calling on NEMA to fill gaps in the 2019 draft ESIA regulations.

Finally, in our **in the media** section, we share some of the 12 newspaper articles that were written by our staff and partners this month. The articles were published by leading media houses in Uganda

We hope you enjoy the newsletter.

#### Editorial team:

- 1. Diana Nabiruma
- 2. Sandra Atusinguza
- 3. Balach Bakundane

## Word from AFIEGO & Partners

### MURCHISON FALLS NATIONAL PARK, OIL ACTIVITIES & THE PROPOSED HYDROPOWER DAM: A CASE OF IMPUNITY, GREED AND CORRUPTION MEETING

When commercial quantities of oil were discovered in Uganda in 2006, the president and his government assured Ugandans of miracles. They said that oil would transform the lives of citizens. They promised that oil would help citizens to overcome poverty as the sector would employ locals and Ugandan companies would supply it with goods and services.

Government also promised that income from the oil sector would be invested in infrastructure and would improve citizens' access to good transport, education and other services necessary for a dignified life. Citizens celebrated this news and lived in anticipation of the benefits of oil.

However, what the president and his government did not tell Ugandans is that environmental costs would arise due to oil production in Uganda. This is especially because the country's estimated 6.5 billion barrels of oil are located in the Albertine Graben.

The Graben hosts 70% of Uganda's protected areas including national parks and game reserves among others. The Albertine Graben also hosts lakes, rivers, wetlands, central forest reserves and others that are critical for Ugandans' wellbeing.

Over time, the Ugandan government has put in place laws including the 2008 National Oil and Gas policy, the 2013 upstream and midstream oil laws, the 2015 downstream law, the 2018 local content policy and the 2019 National Environmental Act. They have also put in place numerous regulations.

All these are aimed at promoting environmental conservation, transparency,

accountability and other aspects of good governance which would supposedly enable Ugandans to enjoy the perceived benefits of oil.

Unfortunately, despite the above laws and promises, oil sector activities continue to run amidst secrecy and several things are going wrong including:

- Oil agreements remain secret;
- Ministers sign tax exemptions without reading agreements;
- Oil companies refuse to pay assessed taxes;
- Government misuses oil revenues in disregard of national laws;

• Resettlement Action plans (RAPs) reports continue to be implemented before approval of ESIA reports and;

• NEMA continues to approve ESIA reports and issue EIA certificates of approval in absence of complete mitigation plans that would help to avoid or mitigate oil dangers on biodiversity and others.

#### ENTER A HYDROPOWER DAM

Before the above problems are addressed, cabinet has approved a feasibility study for a dam in the Murchison Falls landscape.

The study for the said dam is coming at a time when Uganda National Roads Authority (UNRA) and private companies are constructing a huge permanent road through Murchison Falls National Park and Budongo Central Forest reserve.

Currently, there is no indication that the road developer conducted and NEMA approved an ESIA report for the road. On the other hand, oil companies are denying that they need a road in the park. UNRA itself is not telling Ugandans whether the said permanent road is intended to aid movement of elephants, loins and other animals or it is needed for poachers.

It is also noteworthy that oil will be extracted from Murchison Falls National Park under the Tilenga oil project.

In the face of the threats of oil and roads came the cabinet approval for the feasibility study for a dam. While cabinet announced approval of a feasibility study for a dam at Uhuru falls, ERA –the only independent power regulator in the country- announced and invited Ugandans to make comments on an application by Bonang Power and Energy (Pty) Ltd for a feasibility study for a dam at Murchison Falls.

The decision to approve the feasibility study and contradictions between cabinet and ERA demonstrate the high levels of impunity, greed and corruption that continue to undermine good governance in the country.

Yet without good governance in the form of good leadership, strong institutions, respect for laws and respect for citizens' rights to a clean and healthy environment, dams and oil will destroy our country as seen in oil-producing countries such as Nigeria, Angola, Chad, Equatorial Guinea and others.

#### WHO IS BONANG?

Ugandans must ask ERA and the entire government to explain why Bonang is committed invest in a project that will destroy our iconic falls and expose Murchison Falls National Park to more destruction. As earlier noted, the park is already under stress from oil activities and road infrastructure. As CSOs, we view Bonang as the epitome of environmental, economic and political corruption. How can government deal with a company that does not have any clear record of competence in dam construction? A search on Bonang fails to show the hydropower projects that the company has undertaken. The company's physical location is also sketchy. The address it listed on its website, before the website was pulled down, belongs to Rosebank Central Office station, a co-working space.

A company search also shows that Bonang was registered in 2014 in South Africa. In April 2016, the company was de-registered due to failure to file annual returns. The company was re-registered in December 2017 and it filed returns on June 26, 2019.

This makes one ask: What is the company's financial record and ability to meet its tax obligations? Further, what is the company's track record in meeting environmental and human rights obligations while delivering dams in critical biodiversity areas and others?

Like Eutaw, the fictitious company that was unearthed in the 2014 Katosi road scandal, Bonang is likely a fictitious company and is a front for some people who may be planning to cheat taxpayers' money.

# ECONOMIC VALUE OF MURCHISON FALLS LANDSCAPE

The Murchison Falls landscape that Bonang and government want to destroy has a high biodiversity economic value of \$60 billion (UGX 114 trillion). This was ascertained in July 2017 when NEMA produced a report, Economic valuation of protected areas in Uganda: A case study of Murchison Falls conservation area and Budongo central forest reserve. The report was produced with support from UNDP and through it, NEMA clearly indicates that any degradation of the Murchison Falls Coonservation area and Budongo forest will result into loss of the biodiversity values of the two ecosystems. Ugandans must stand up to protect these values for the present and future generations. No one should be allowed to risk them with dangerous activities of dams and oil.

Below is a table highlighting the economic value of the biodiversity of the Murchison Falls and Budongo landscapes.

# Table highlighting the biodiversity value of the Murchison and Budongo landscapes

Ecosystem products/services	Value of the service/product (Ushs)
Value of timber stock	146 billion
Non-timber products (mainly wood)	4.81 billion per yr
Non-wood Forest products	5.425 billion per yr.
Medicinal and pharmaceutical value	2.21 billion per yr
Soil erosion control	132.1 billion per year
Tourism value	110.4 billion in 2008
Carbon sequestration and storage value	3.75 billion per yr
Option, bequest and existence value	30-4 trillion
Relocation and rehabilitation value	114.438 trillion
Watershed protection and catchment services	26.5 billions
Research and education	47 million
Costs to the community	2.5 billion per yr
Opportunity costs for MFCA (livestock husbandry)	4.8 billion per yr
Opportunity costs for BCFR (sugarcane option)	20.4 billion per yr
Income of the MFCA	2.2 billion (2008)
Oil reserve	Value not yet established

Table 1: Value of Ecosystem Services and products in MFCBFC

#### VALUE OF DAMS AND OIL

Ugandans must ask themselves and government: What is the value of dams or oil? Since 2001 when government completed construction of Kiira dam and renovation of the Owen Falls Dam with a combined capacity of 380mw from the previous 60mw, government assured and promised Ugandans to end energy poverty in the country.

Later, in 2012 when the 250mw Bujagali dam was commissioned, the president declared that Ugandans would enjoy affordable power. To date, we also have Isimba dam of 183mw and the Karuma dam of 600mw will soon be added to the grid. Unfortunately, all these dams have not helped Ugandans to enjoy the promised benefits of accessible and affordable power.

Currently, while government is proudly talking of excess power of over 500mw, only over 20% of Ugandans have access to power and of these, over 90% still rely on biomass to meet their domestic energy needs for cooking, heating and others.

How about oil? What is its value when compared to conservation? It is estimated that the annual revenue that will be got from Uganda's oil is \$2 billion per year for the next 20 to 30 years. Uganda could therefore earn \$60 billion over 30 years of oil production.

However, before it earns USD60 billion, it must borrow and invest between \$15 and 20 billion in addition to the over USD 3.5 billion recoverable costs that have already spent by oil companies in oil exploration. It is therefore clear that our biodiversity is of greater value than oil, dams or other proposed dangerous activities.

#### RECOMMENDATIONS

What should be done?

To protect and conserve Murchison and Uhuru falls against degradation, we recommend the following:

i. The planned feasibility study, whether it is meant for a dam at Murchison falls or Uhuru falls or even any other part of the park, must be stopped by government.

ii. In addition, ERA should make public the full details of Bonang and all other companies that want to conduct a feasibility study for development of a dam at the Murchison or Uhuru Falls. What are the companies' track records in construction of dams? What are their track records in environmental conservation and protection of human rights?

iii. Further, government should urgently organise a people's public hearing or dialogue to discuss how to safeguard Murchison Falls National Park from the current and future dangers of degradation.

iv. In addition, in view of the fact that oil activities have opened our protected areas to dangerous activities such as dams, roads and others, no oil activities should ever again be allowed in critical biodiversity such as Queen Elizabeth National Park, Lake Edward and others.

Just this month, a delegation from Ministry of Energy, PAU and the Uganda National Oil Company (UNOC) participated in the Africa Oil week in South Africa.

The objective of their participation was to popularise the five oil blocks that the Ugandan government put up for bidding in May 2019. Among these blocks is Ngaji oil Block which covers parts of Queen Elizabeth national park, a UNESCO-listed Human and Biosphere Reserve, and Lake Edward, a UNESCO-listed Ramsar site. No oil activities should be allowed in these areas.

v. Finally, CSOs should work with other relevant stakeholders to mobilise and sensitise citizens about the dangers of the feasibility study for a dam at the Murchison Falls or Uhuru falls. Informed citizens will hold government accountable and strongly oppose the pending damaging projects.

#### By AFIEGO and CSO partners

## Pictorial of our activities

#### AFIEGO EQUIPS COMMUNITIES TO MONITOR IMPLEMENTATION OF LARF, RAPS AND TILENGA EIA CERTIFICATE CONDITIONS





Between November 5 and 10, 2019, AFIEGO organised five community sensitisation meetings in the districts of Buliisa, Hoima and Kikuube that are affected by the EACOP, Tilenga and Kingfisher oil projects.

The objective of the meetings in Hoima and Kikuube was to equip communities with knowledge and skills to monitor implementation of the Land Acquisition and Resettlement Framework (LARF) in addition to the Resettlement Action Plans (RAP) that is being used to acquire land for the EACOP project. AFIEGO also sensitised the communities in Buliisa, Hoima and Kikuube to monitor implementation of the Tilenga EIA <u>certificate conditions.</u>

AFIEGO will continue to mobilise and sensitise communities in all the districts that are affected by oil projects including the ten districts that are affected by the EACOP to promote environmental conservation and community livelihoods amidst oil threats.

#### AFIEGO FACILITATES CSOS AND YOUTH IN CASE HEARING ON CANCELLATION OF TILENGA EIA CERTIFICATE





On November 5 and 20, 2019, AFIEGO supported hearing of the court case through which youth under the Guild Presidents' Forum on Governance (GPFOG) and CSOs want the Tilenga oil project's Environmental Impact Assessment (EIA) certificate of approval to be cancelled.

The CSOs and youth argue that NEMA and PAU violated laws, procedures and principles of natural justice during the public review process of the Tilenga ESIA report in November 2018.

They argue that the above violations could not have allowed NEMA to make the best decision to promote environmental conservation and community livelihoods amidst oil threats.

NEMA awarded the Tilenga project developers with an EIA certificate of approval in April 2019 and the youth in addition to CSOs' court case was filed in May 2019.

The case is ongoing and the youth's lawyer is set to cross examine NEMA's witness as a means of having his key evidence being thrown out by court.

#### AFIEGO STRENGTHENS DRC STAKEHOLDERS' UNDERSATNDING OF OIL IMPACTS





Between October and November 2019, AFIEGO supported leaders of civil society organisations (CSOs) and fisherfolk from the DRC to sensitise communities in the DRC on the environmental and livelihood impacts of oil.

Communities in the DRC that live around Lake Albert are going to be affected by oil activities on Lake Albert in Uganda. However, the communities' awareness of the impacts oil activities in Uganda would have on them was limited.

AFIEGO supported the above-mentioned leaders in addition to communities from the DRC to learn about oil impacts through exchange learning visits to Uganda, community sensitisation meetings and film screenings. It is hoped that the lessons gained will be used to safeguard the environment and community livelihoods amidst oil threats.

In the photo at the top are communities in the DRC during a sensitisation meeting and film screening in the Ituri region.

In the photo at the bottom are partners from the DRC, AFIEGO staff and youth champions after a film screening in Kampala.

## AFIEGO SUPPORTS DRC STAKEHOLDERS TO MOBILISE THE PUBLIC FOR INVOLVEMENT OF DRC CROSS-BORDER COMMUNITIES IN UGANDA'S OIL SECTOR





In October 2019, AFIEGO supported partners including leaders of CSOs and fisherfolk from the DRC to engage the media and Ugandan public through a radio talkshow.

The objective of the radio talkshow was to mobilise the media and the Ugandan public to lobby the Ugandan government to involve cross-border communities living on the shores of Lake Albert in the DRC in oil exploitation processes in Uganda.

In the pictures are AFIEGO staff and CSOs partners from the DRC during the media engagements at Spice FM in Hoima district.

#### AFIEGO STRENGTHENS CLEAN ENERGY CHAMPIONS' UNDERSATNDING OF OIL IMPACTS AS WITNESSED IN ECUADOR AND U.S.





On November 12, 2019, AFIEGO organised a film screening for university youth and clean energy champions from Kasese.

The film screening raised the youth and clean energy champions' awareness of oil impacts on the environment and community livelihoods.

The film screenings also strengthened the youth and women champions' lobby and advocacy skills.

The films that were showed were shot in Ecuador, U.S. and Uganda.

In the pictures are the university youth, clean energy champions from Kasese and Kikuube in addition to AFIEGO staff.

#### AFIEGO MOBILISES PUBLIC SUPPORT FOR COURT CASE AGAINST TOTAL



In October 2019, AFIEGO staff participated in media engagements in the United States (U.S.).

AFIEGO used the media engagements to raise public awareness and mobilise public support for the court case which CSOs in Uganda and France brought against Total.

In the case, the CSOs accuse Total of failing to put in place adequate measures to protect communities and the environment from the threats of its Tilenga oil projects.

In the pictures is AFIEGO's Ms. Diana Nabiruma during media engagements at Voice of America (VOA).

# Lobbying

This month, AFIEGO and 19 CSOs wrote to the president requesting him to publically commit that no dam will be built at the Murchison Falls.

Further, AFIEGO supported 23 CSOs from the DRC to petition NEMA to involve cross-border communities in oil activities in Uganda.

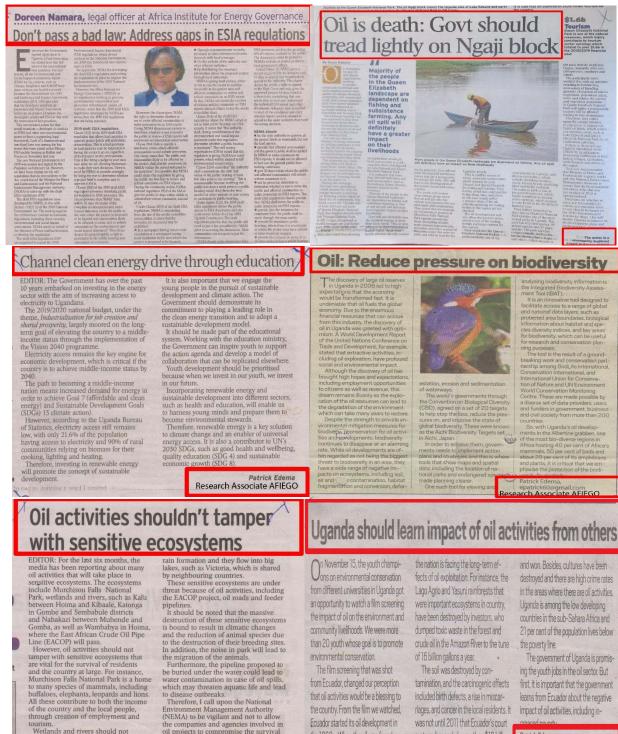
AFIEGO also issued a communique through which 14 CSOs called on NEMA to address gaps in the 2019 draft ESIA regulations.

In addition, AFIEGO and GPFOG issued a press statement that highlighted the outcomes of the third hearing of the court case in which CSOs and youth want the Tilenga EIA certificate of approval to be cancelled.



## In the media

This month, staff and research associates wrote over 12 newspaper articles which were published in the leading newspapers including the New Vision and Daily Monitor. Some of the published articles are captured below.



tourism. Wetlands and rivers should not

be disturbed because they provide water and are home to reptiles and amphibians. In addition, they help in a still to risq tad

water contamination in case of oil spills, which may threaten aquatic life and lead to disease outbreaks.

to disease outbreaks. Therefore, I call upon the National Environment Management Authority (NEMA) to be vigilant and not to allow the companies and agencies involved in oil projects to compromise the survival of Luczycie's econcurronus the companies and a oil projects to compr

Paul Kato Katop.adveeri@amail.com Reseach Associate AFIEGO

The film screening that was shot from Ecuador, changed our perception Ecuador started its oil development in the 1960s. When the oil was found,

The soil was destroyed by contamination, and the carcinogenic effects that oil activities would be a blessing to included birth defects, a rise in miscarthe country. From the film we watched, riages, and cancer in the local residents. It impact of oil activities, including inwas not until 2011 that Ecuador's court system demanded more than \$18 billion their economy improved greatly, but now from the investor, who fought the suit

ing the youth jobs in the oil sector. But first, it is important that the government learns from Ecuador about the negative

#### Patrick Edema, epatrick60@gmail.com Research Associate AFIEGO

## **Upcoming events**

December 5, 2019; Kampala: Public talk on renewed efforts to construct a dam at Murchison Falls

December 10, 2019; Kampala: AFIEGO Board members' end-of-year meeting

December 16, 2019; Kampala: Fifth court case hearing on cancellation of the Tilenga oil project's EIA certificate

December 18, 2019; Kampala: Staff end-of-year evaluation meeting

## About Africa Institute for Energy Governance (AFIEGO)

Africa Institute for Energy Governance (AFIEGO) is a public policy research and advocacy NGO dedicated to influencing energy policies to benefit the poor and vulnerable. Based in Kampala, Uganda, the organisation was born out of the need to contribute to efforts to turn Africa's energy potential into reality and to ensure that the common man and woman benefits from this energy boom. Through lobbying, research and community education, AFIEGO works with communities and leaders to ensure that energy resources are utilised in a way that promotes equitable development, environmental conservation and respect for human rights.

Our Vision A society that equitably uses energy resources for socio-economic development

Our Mission To promote energy policies that benefit poor and vulnerable communities