Civil society organisations (CSOs) and fisherfolk from the Democratic Republic of Congo (DRC) are calling on the Ugandan government to stay implementation of the Kingfisher oil project’s Environmental and Social Impact Assessment (ESIA) certificate of approval.

The certificate was handed over by Uganda’s National Environment Management Authority (NEMA) to CNOOC, the Kingfisher oil project developer, in March 2020.

The CSOs and fisherfolk from the DRC say that the certificate of approval should not be implemented until the Ugandan government works with the DRC one to consult and seek DRC cross-border communities’ approval of the Kingfisher ESIA and project.

The CSOs and fisherfolk have also called on the Ugandan government to stay making a decision on the EACOP ESIA until the Ugandan government works with the DRC one to seek their views on the EACOP ESIA.

The CSOs and fisherfolk, who wrote to their government last week requesting that their government engages the Ugandan one to ensure that cross-border communities in the DRC are involved in oil processes in Uganda, say that they will take action should their firm requests not be acted on. Read more

Total and Tullow have entered into an agreement, through which Total shall acquire Tullow’s entire interests in Uganda’s Lake Albert development project including the East African Crude Oil Pipeline (EACOP).

The overall consideration paid by Total to Tullow will be $575M, with an initial payment of $500M at closing and $75M when the partners take the Final Investment Decision (FID) to launch the project. In addition, conditional payments will be made to Tullow linked to production and oil price, which will be triggered when Brent prices are above $62/bbl.

The terms of the transaction have been discussed with the relevant Ugandan government and tax authorities and agreement in principle has been reached on the tax treatment of the transaction.

Under the terms of the deal, Total will acquire all of Tullow’s existing 33.3334% stake in each of the Lake Albert project licenses EA1, EA1A, EA2 and EA3A and the proposed EACOP system. The transaction is subject to the approval of Tullow’s shareholders, to customary regulatory and government approvals and to CNOOC’s right to exercise pre-emption on 50% of the transaction.

The permanent secretary of Uganda’s Energy Ministry, Robert Kasande, says that this would be the best time to invest in the oil and gas sector. He argues that economically slow periods, brought about by pandemics such as Covid-19, make for the best investment periods in the oil and gas sector because of cheap contracts. Read his full statements.

It is quite astonishing how an energy minister in the 21st century can still think of a technology of the last century – while at the same time the big oil companies worldwide are greatly increasing their investment in renewable energies. At least they realize what the technology of the future is. If Uganda does not want to lose touch with the international energy industry, the energy ministry should change course soon. Read more

Upcoming Events

April 29, 2020; Hoima: Radio talkshow on communities’ role in saving Budongo and Bugoma forests from degradation by oil roads

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The world should fight climate change with the same determination it is showing in the battle against the new coronavirus, the United Nations (UN) said on Wednesday.

The UN's World Meteorological Organization said it was time to flatten the curve on climate change as well, with its impact on the planet "reaching a crescendo" in the past five years -- the hottest on record. The trend is expected to continue, the WMO said on Wednesday, as it marked the 50th anniversary of Earth Day -- an annual event to demonstrate support for environmental protection.

Carbon dioxide levels at one key global observing station are about 26 percent higher than in 1970, while the average global temperature has increased by 0.86 degrees Celsius in that time, the WMO said. Temperatures are also 1.1 Celsius warmer than the pre-industrial era, it added.

The agency said the COVID-19 crisis was exacerbating the socioeconomic impacts of climate change -- for example, making it harder to keep people safe from tropical cyclones. "We need to flatten both the pandemic and climate change curves," he said.

Lake Victoria waters reach alarming levels

Lake Victoria is bringing ashore more trouble for residents and business owners than ever before. Scientists have for decades warned of the impact of climate variability like the current increased rainfall that is unusual.

The impact is being felt, especially around Lake Victoria which is shared by Uganda, Kenya and Tanzania. "The level is going up. We cannot stop the water. We can only manage it at Jinja. Move to other areas if you are near the shores. Because even Lakes Kyoga, Albert and River Nile, the water levels are also increasing as we release the water from Jinja," Dr Callist Tindimugaya, the commissioner for water resources planning and regulation at the Ministry of Water and Environment, said.

"It is eroding shorelines, altering ecosystems and causing flooding and economic damage," Prof Raphael Kapiyo, an environmental scientist in Kenya, told the Standard Media.

In Mwanza, the port city of Tanzania, the communities at the shores are equally worried. A fisherman told Mwanainchi newspaper that they need an explanation from experts why the water levels have continued to increase since the beginning of the year.

US oil prices turn negative as demand dries up

The price of US oil has turned negative for the first time in history. That means oil producers are paying buyers to take the commodity off their hands over fears that storage capacity could run out in May. Demand for oil has all but dried up as lockdowns across the world have kept people inside. As a result, oil firms have resorted to renting tankers to store the surplus supply and that has forced the price of US oil into negative territory. The price of a barrel of West Texas Intermediate (WTI), the benchmark for US oil, fell as low as minus $37.63 a barrel.

"This is off-the-charts wacky," said Stewart Glickman, an energy equity analyst at CFRA Research. "The demand shock was so massive that it's overwhelmed anything that people could have expected."

Coronavirus: AFIEGO continues to call on communities and stakeholders to stay safe through following the Ministry of Health and World Health Organisation’s guidelines.

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