

No Carbon Credits for West African Gas Pipeline

The Problem of Gas Flaring in Nigeria:

Impoverished Nigerian communities have come to associate gas not with energy generation but with the continuous pollution of their air and lands from the gas flaring by Shell and other major transnational oil companies in the Niger Delta.

Oil fields in the Niger Delta of Nigeria contain very large amounts of gas mixed with crude oil. There are “oil wells” that contain more gas than crude oil. When crude oil is drilled, it comes out with the “associated gas”. Major oil companies operating in Nigeria chose to separate the oil from its associated gas at its flowstations where the gas is wasted by burning and contaminating the air and lands for local communities.

For the communities, the effects of gas flaring has been dramatic: continuous noise, rise in temperature in communities close to flare sites, acid rain and retarded crop yield, corroded roofs, respiratory diseases. And the loss of darkness as with the unnatural illumination from gas flares at night. Gas flared in Nigeria, containing high amounts of methane and carbon dioxide-major greenhouse gasses, is also a major contributor to global warming, as it produces emissions that is more than the combined emissions of the rest of sub-Saharan Africa.

The West African Gas Pipeline

The West African Gas Pipeline (WAGP) is a 681 km onshore and offshore pipeline meant to transport natural gas from gas fields in the western Niger Delta of Nigeria to selected consumers in Benin Republic, Togo and Ghana. As one of the region's largest trans-boundary investments, The WAGP is projected to cost 560 million USD. Project promoters, including Chevron and Shell claim that WAGP will reduce carbon emissions, provide cheaper, more reliable and environmentally friendly energy, and foster economic development and integration in Ghana, Togo, Benin and Nigeria.

Chevron and other sponsors have been making a case for WAGP as a Clean Development Mechanism (CDM) Project, as a means for making extra profits. But today we present the key requirements for benefiting from the Carbon Development Mechanism (CDM)-one of the instruments of the Kyoto Protocol.

From all the parameters that will be examined below, WAGP is not eligible for carbon credits.

***Additionality of emission reductions:** CDM projects must be able to reasonably demonstrate that the emission reductions from the project are additional to what would have happened in the absence of the project.*

WAGP Reality:

Flaring is already prohibited in Nigeria and companies like Chevron and Shell have

been paying a penalty for non-compliance. The Nigerian government has, again, set a target of 2008 for all oil companies to stop gas flaring. So a WAGP cannot be said to provide any additionality (even assuming there was a plan for 100% use of flared associated gas for the WAGP) since they are already obligated to end gas flaring.

On Monday, November 14, 2005, the Federal High Court of Nigeria, in Benin City has ordered companies to stop gas flaring in the Nigeria, as it violates guaranteed constitutional rights to life and dignity.

Moreover, gas is a fossil fuel. The use of gas releases 75% of the CO₂ emissions of oil. Therefore, gas is not a clean source of energy, though it is minimally better than crude oil. The WAGP project keeps countries dependent on fossil fuels instead of initiating a shift to renewable energy sources.

Promotes sustainable development.

WAGP Reality:

As oil and gas exploitation by Chevron and Shell in Nigeria clearly shows, oil and gas production rarely contributes to economic development in developing countries. Forty Years of oil and gas development in Nigeria have resulted in mass impoverishment. Economists have pointed out that economies of developing countries with abundant natural resources have tended to grow less rapidly than natural-resource-scarce economies. Dependence on rent from oil and gas leads to the abandonment of other sectors of the economy like agriculture and manufacturing that contribute more to GDP.

In Nigeria, oil and gas infrastructure developments including the building of pipelines and flow lines have resulted in severe environmental degradation, loss of community livelihoods and abuse of human rights. We must point out that gas for the WAGP will be sourced from Escravos in the Western Niger Delta, an area noted for violent conflicts arising from competition for control of land and resources between communities, the Nigerian government and the oil and gas companies. Without an attempt to resolve these issues, there is fear that WAGP will exacerbate the crisis in the area, which will lead to further disruptions in gas supply, while worsening the insecurity and impoverishment in the area.

Measurable results: Projected emission reductions over the life of the project should be predictable and emission reductions should also be amenable to validation and verification.

WAGP Reality:

As Chris Miller confirmed, projections on GHG emissions reduction from the WAGP are theoretical, with the sponsors unable to say, in concrete terms, the amount of currently flared associated gas from Chevron and Shell oil fields in the Niger Delta that will be used for the WAGP, which will be connected to an existing Escravos-Lagos Gas Pipeline built to transport unflared non-associated gas.

The Bermuda registered WAGP is only a transporter of gas and the operating company has argued variously that it actually has no responsibility for oil and gas

gathering or flares reduction programmes in the oil fields of the Western Niger Delta.

Environmental impact assessments: *CDM projects will need to satisfy national laws and regulations requiring environmental and social impact assessment prior to project implementation. The project monitoring and verification system will need to produce necessary data to assess ongoing environmental/social impacts during the lifetime of the project.*

WAGP Reality:

The Environmental Impact Assessment for the WAGP was inadequate in process and content, as it does not evaluate potential impacts related to upstream activities (such as gas collection) or the Escravos-Lagos portion of the pipeline system. The environmental and social dimensions of upstream portions of the project (in the Niger Delta) and potential future/related activities are given insufficient attention in the EIA.

Community members could not participate in the EIA processes as there was inadequate prior consultation. Members of the affected communities in the Badagry area of Lagos State have expressed serious reservations and are challenging the project in the Federal High Court. The draft EIA was also not made available to community people. For example, copies of the draft EIA supposed to be on public display at the Lagos State Ministry of Environment were hidden in the office of the Permanent Secretary, away from the reach of community people, contrary to the mandatory provisions of the Environmental Impact Assessment Act No 86 of 1992.

Stakeholder comments: *Project participants are required to invite and consider comments from local stakeholders on proposed CDM projects, in the course of finalizing the project design.*

WAGP Reality:

To date, public consultations and information dissemination about WAGP has been inadequate. At the community level WAPco's contact with community members in Lagos State has been restricted mainly to paying pre-determined amounts as compensation to certain landowners while excluding the larger community: A sure recipe for communal conflict.