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LOCAL PEOPLE PERSPECTIVES ON OFFSHORE OIL DISCOVERY IN GHANA – THE JUBILEE FIELDS

INTRODUCTION

- Oil discovery in Ghana has been received with much applause and enthusiasm.
- Expectation of improved fortunes of the country and propel it to a middle income status.
- Jubilee Field discovery is described by Kosmos Energy as the single largest offshore discovery in the West Coast of Africa.
- Removing the veil of secrecy that shrouds the flow of resource rich revenues have led to very sordid conclusions.

INTRODUCTION (continued)

- Ghana's oil discovery, development, production and anticipated revenue in-flows must be approached with caution.
- Experience from Nigeria, Chad, Angola, Equatorial Guinea and Gabon suggest negative story could emerge from Ghana.
- Problems include environmental pollution; rampant agitation leading to local terrorism; marginalization; climate change; the popular "Dutch disease" , and rampant corruption etc.
- Uncertainty, fear and lack of institutional space have characterized thinking in majority of host communities in the Western Region especially within my Constituency (Jomoro).

Host Communities

- Western Region is host of oil industry,
- But coastal communities will constitute 'real' host,
- from New Town in the Jomoro District to Shama in the Shama Municipality.
- Seven (7) District/Municipal /Municipal Assemblies directly involved in hosting.



Sensitization of Host Communities: Consultation Activities (Phase 1: Scoping & Phase 2: EIA Disclosure)

- Several seminars have been organized to sensitize selected groups in the Region.
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- Consultations have been very minimal on the part of Tullow Oil, EPA and their Associates.
- In Jomoro, three consultations have been held and the latest been the EIS Public Hearing at Half Assini in mid August 2009 and subsequent meetings in Axim and other coastal districts.

The Fall-Out of the EIS Public Hearing - Jomoro Perspective

- Indigenous stakeholders unaware of the full content of the EIS Report.
- Limited time for Assembly to deliberate over the 300 page report to comprehend its contents.
- The misreporting as to whether Jomoro adopted or failed to adopt EIS Report.
- Discussions skewed to mean that only fisher folks are likely to be affected to the detriment of other stakeholders such as the beach front hotel investment .
- Discussions were characterized by suspicion from local stakeholders as the District seems to be unaware of current development and happenings with the discovery e.g. Employment opportunities in Tullow and the recent overseas training of Ghanaians abroad by Tullow

The Fall-Out of the EIS Public Hearing - Jomoro Perspective (contd)

- Jubilee fields exact location and the attempt to misinterpret the fields location and make nonsense of geographical grid lines
- Inability on the part of Tullow Oil to identify front line communities in order to properly direct mitigating measures and Corporate Social Responsibility
- Assembly request for Tullow Oil to synchronize their Corporate Social Responsibility to the District development plan
- Tullow Oil water project in the Jomoro District failed to produce water and communities unaware who to contact
- Exact location of land fill sites for cuttings and other waste not known.

General Perspectives of Local People

- **Loss of livelihood and other Social Cost**
 - Declaration of Exclusive Zone for fishermen and the expected limitation of fishing area for artisan fishermen,
 - “Dutch Disease” and expected creation of a mono-economy
 - Social vices e.g. prostitution, criminals etc
 - Expected increased cost of living e.g. rent
 - Expected increased pressure on existing infrastructure and the need for expansion e.g. roads, water etc

General Perspectives of Local People (continued)

- **Environmental pollution**
 - Ballast water
 - Cuttings and waste
 - Oil Spillage
 - Gas flaring and creation of hazardous micro-climate
 - The use of FPSO

General Perspectives of Local People (continued)

- **Local Content**

- Indigenous companies participation in the industry
- The localization of the local content

General Perspectives of Local People (continued)

- The draft National Petroleum Regulatory Authority Bill
 - The double role of the GNPC
 - Automatic representation of Oil bearing Districts on the board of NPA
 - The passing of the NPA Bill with CSO inputs

General Perspectives of Local People (continued)

- **Institutional Capacity**
 - Security – to deal with Oil Bunkering
 - Revenue Collection Agencies e.g. IRS, VAT, etc
 - Procurement Law
 - Judiciary

General Perspectives of Local People (continued)

- **Increased Risk of Corruption**
 - Divide and Rule tactics
 - Administrative officialdom
 - Reckless middlemen arrangements and the Accra connections
 - Transparency issues -Oil on EITI

General Perspectives of Local People (continued)

- **Employment Opportunities**

- Early advertisement of all employment vacancies ahead of time by all operatives
- Limitation of certain jobs for locals
- Excessive localization of activities in Sekondi Takoradi, at least the need for spread,
- Fast track technical training centers' to train the youth in employable skills

General Perspectives of Local People (continued)

- **Associated Gas Development on Land and General Land Matters**
 - Active participation with land as equity and not land vendors – Western Region Chiefs
 - Uncertainties surrounding the Osagyefo Barge
- **Special Funds**
 - Community Funds and Special levies from Oil Companies
 - Trust Funds e.g. Kundum Trust , the Apollonian Fund, Western Region Development Fund etc

Recommendations

- Consultations leading to Draft EIS Report were very shallow and the EPA must require Tullow Oil to do more sensitization,
- Institutional Capacity need to be built and strengthened,
- Quick passage of NPA Draft Bill with CSO inputs,
- Creation of Sekondi –Takoradi as the Oil & Gas Hub of Ghana with Headquarters of Companies relocated.