

FRIENDS OF THE EARTH - GHANA

Non Governmental Environmental Organization

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The Executive Secretariat
The Inspection Panel,
1818 High Street
Washington DC
200433

Dear Sir

A STATEMENT FROM FRIENDS OF THE EARTH-GHANA (FOE-GH.)

We write to you to express our support for our colleagues in Nigeria in relation to a complaint lodged by the Ifesowapo Host Communities host Forum of the West Africa Gas pipeline project to the World Bank inspection panel on the West Africa Gas pipeline. We would like to ask that our names be added to the request for inspection. By this letter we also wish to inform you of issues we consider critical to the implementation of the West Africa Gas pipeline Project and believe in good faith that a call for meaningful action will heed the concerns raised in this letter of complaint.

While we acknowledge the contribution of energy development to poverty alleviation in the West Africa sub-region, we wish to draw your attention to the critical issue of lack of transparency during the project's design and assessments. At your own insistence, the promoters of the WAGP project integrated public consultation and engagement into the project's design, suggesting recognition of the vital importance of understanding stakeholders' opinions. However, this recognized need for public consultation has not been adequately addressed, and the persistent calls from civil society organizations for this to be undertaken have gone unheeded.

It is on record (the media) that Ghana's Energy Commission raised major concerns regarding gas pricing benefit sharing and the project's long term economic benefits to Ghana. As you may be aware, the Energy Commission is a democratic statutory institution that owes its creation, existence and responsibility to the people of Ghana. Consequently, any concern raised by such an institution should be accorded the necessary attention it deserves. However, we have followed the WAGP development process and have to date no evidence to suggest that the consultation process has been expanded to examine the Commission's concerns.

In our view, it is only by revisiting this critical concern that we can ensure strengthened national ownership over WAGP development policies and proceedings, this being considered a vital pillar of good governance and a notable driving force in any truly democratic process. The gas purchase commitments were too costly and would discourage the government from pursuing other alternative energy options. Yet the Bank seems unwilling to consider the Commission's concerns or open up the space for public analysis of the Commission's concerns. This is demonstrated by a comment from a Bank official who remarked that the "train has left the station", suggesting that it was by then too late for any such discussions to be undertaken. The economic and financial analysis of the project were never disclosed as initially promised; only a semblance of this was done in a hasty workshop to discuss the summary findings but not to share or open for comment the full document.

In another respect we acknowledge that one crucial barrier to achieving 'sustainable development is insecurity. The WAGP Environmental Impact Assessment detailed a clear emergency response system necessary in the event of any accident with the WAGP infrastructure. However it is very uncertain the extent to which local people would be able to utilize such a system in the event of an accident such as a fire outbreak resulting from the WAGP project.

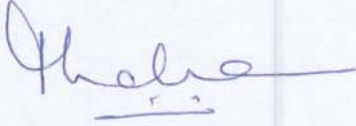
This concern is compounded when it is recognized that Ghana lacks the requisite capacity to respond to significant oil and gas related accidents. Currently, the oil spill contingency response scheme, which is to be the model for managing oil and gas related incidents, is on record to be inadequate. In 2005 several lives were lost as a result of a fire outbreak in Ghana's premier port of Tema. This amply reflects the country's lack of capacity to deal with such an emergency situation. Furthermore, interaction with local people suggests they do not have any better understanding of how to respond in an emergency situation. Security is a human right and, as such, is a very crucial issue. It should be emphasized that WAGP is immune from responsibility for any indirect impacts in the course of the project development. This aspect raises yet more significant concerns because ordinary people with limited knowledge and understanding of emergency response management could easily cause a fire outbreak as a result of a gas leak incident and this would have extremely serious consequences, yet the WAGP would be immune from liability because the project is registered in Bermuda outside any of the laws of the countries in West Africa. We are aware of your expressed concerns for human rights and hope that you will use your influence to re-examine these concerns and the existing situation regarding the WAGP, and so establish the necessary structures that will promote integrity, security and human rights.

Fishing is a critical source of livelihood for a significant proportion of Ghana's population. While we recognize that the planned route of the pipeline avoids sensitive fisheries ecosystems, the project sponsors should commit itself to undertake assessments of the pipeline's impacts on fisheries and livelihoods following the laying of the pipeline and periodically throughout the project's operation. It is not clear to what extent this will be addressed. In pursuit of achieving its core mandate of poverty alleviation, it will be of credit to the Bank if it ensures that continuous impact assessments such as these are done to understand the project's impacts on livelihoods and the fisheries ecosystems and so allow for any negative impacts to be fully addressed. Similarly the project's commitment to local consultation should expand to cover all communities in the stretch of the country's coastline. Only in this way can there be any meaningful local consultation process, particularly considering the migratory tendencies of fishermen. Focusing

consultation in selected project terminal communities has a huge potential to miss out wider view.

In view of the above we request that our names be added to the request for inspection submitted to the Inspection Panel on 27th April 2006 by the Ifesowapo host Communities Forum of the west Africa Gas Pipeline Project. We appreciate your consideration of these concerns.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Theo Anderson', with a horizontal line underneath the name.

Mr. Theo Anderson
Director, FoE-Ghana