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Whales' migration to Mozambique to cross path of 'gas men'

Sep 30, 2013 | Jinty Jackson

Anadarko and ENI plan a huge natural gas extraction and liquefaction operation in the north of the country, writes Jinty Jackson

HUMPBACK whales are regular visitors to the turquoise waters of Palma Bay.

In this remote and unspoilt corner of northern Mozambique, sleepy fishing villages are tucked between mangroves and the coral reefs teem with marine life. All that is about to change as the "gas men" prepare to move in.

Hungry to exploit one of the world's largest natural gas finds in recent years, Italy's ENI and US, Texas-based Anadarko are finalising plans to build a massive gas liquefaction and export operation in Palma. According to estimates, the country is sitting on as much as 180-trillion cubic feet of gas, the potential benefits of which, if harnessed correctly, could help lift it out of poverty.

But, as it readies to cash in on the bonanza, questions are being asked about the environmental and social impacts on its coastline.

ENI and Anadarko say they want to start exporting gas by 2018 and last month moved a step closer to making their gas dreams a reality. They unveiled an environmental management study of how to minimise the damage caused by underwater drilling and the building of a giant onshore complex with loading jetties, storage tanks and the gas liquefaction units.

Environmentalists say that while the plan passes muster on paper, much is riding on whether the companies can be made to stick to their promises.

"There are a lot of unknowables. That is why it is really important to have effective, on-the-ground monitoring of what actually happens, as opposed to what is predicted may happen," Mozambique-based environmental consultant Sean Nazerali told Business Day.

Mr Nazerali is worried by the "abysmal" track record of other large companies working in the extractive industry, which have often taken advantage of Mozambique's weak ability to ensure compliance with environmental protection mechanisms in the past.

Mr Nazerali was speaking at a forum held by the South African Institute of International Affairs (SAIIA) in Maputo last week to look at the challenges and pitfalls for the mineral-and hydrocarbon-rich country that is in the process of weaning itself off donor funding, on the back of expected coal and gas dividends. The issue is already raising tempers in affected communities.

One public consultation held this month in the village of Quitupo (one of those zoned for resettlement), erupted in a shouting match when villagers heard rumours the government intended to move them to a site inland, where they would be unable to fish. The government denied the claims.

Although the numbers have yet to be confirmed, perhaps as many as 1,000 families who live off fishing and subsistence agriculture in palm-fringed villages will have to move to make way for the gas project, that will sprawl over 7,000ha.

In their place an army of up to 10,000 workers (mostly foreign) will move in.

A special compound will be built to house these workers (most of whom will be employed during the construction phase), along with an airstrip and supporting infrastructure.

"One of the big indirect impacts they are trying hard to ignore is, because of this, you're going to have a lot of people moving into the area. If you bring in a couple of thousand construction workers, well, what are they going to eat? Where are they going to get it?" said Mr Nazerali.

Sensitive mangroves and near-shore fisheries are likely to bear the brunt of increased population as people forage for firewood and food. Extracting the gas from deep-water reserves will involve drilling more than 100 wells into the seabed. The waste from lubricants used on drill bits can be toxic if dumped in the ocean. Laying pipelines along the ocean floor will also cut through sensitive coral and sea grass beds. The process will also throw up sediment that can kill coral downstream if it stays in the water for long periods.

Another big unknown is what impact all this will have on migratory humpback whales that visit Mozambique's northern waters between June and December each year. Noise from the undersea drilling, and the threat of collision between whales and the many heavy LNG (liquefied natural gas) transport ships entering and leaving Palma Bay are likely to be a problem, acknowledges the project's environmental impact assessment, which suggests that trained "marine mammal observers" be hired to watch out for them during the construction and drilling phase and record sightings.

"If any marine mammal is sighted in the path of a vessel, the vessel will gradually divert to avoid it, or slow down to idling speed ... if this can be easily done," reads the report.

"The fact is, we don't know even how many whales are migrating up and down this coast. They are up there with babies. Where are they having those calves? Where are the safe harbours they are going into with their young? We don't have this information," Mr Nazerali said.

Mozambique's track record when it comes to forcing companies in the extractive industry to stick to their environmental and social promises has been poor. Despite a relatively strong legal framework requiring operators to conduct extensive environmental impact studies, the country lacks the capacity to check whether companies follow through on what they say they are going to do.

"It ends up being, de facto, almost entirely up to the company to do as good a job as they want to do," Mr Nazerali said.

Mozambique is now Africa's second-largest coal exporter, with several large coal-mining operations in the northeastern Tete province. Early entrants, such as Brazilian company Vale got burnt as a result of resettlement efforts gone wrong. Vale has twice faced protests over the past two years during which communities blocked the railway and mine entrance over poor housing provided at a resettlement site and over a loss of earnings due to the move.

Environmental issues related to coal mining have claimed less public attention than the social upheaval caused by it. Despite concerns that the amount of coal dust in the air is now significantly higher than allowed in mining areas, companies have not been publishing the results of air testing as agreed when they submitted their environmental plans.

Anadarko and ENI are likely to face far greater scrutiny over the social and environmental impact of their project. Unlike coal mining (which has taken place inland, in dusty bushveld areas), the Cabo Delgado gas plant is very close to one of Mozambique's most exclusive tourist attractions: the Querimbas Archipelago. The cluster of 30-odd paradise islands is the new it-destination (Daniel Craig is among its visitors and Tokyo Sexwale owns one). Querimbas was declared a United Nations Educational, Scientific and Cultural Organisation world heritage site in 2008.

Perhaps, too, the billions of dollars that will have to be spent to build the plant (potentially the biggest investment on the African continent) will place it in a different league, exposing it to greater scrutiny from international investors themselves. The gas project itself has yet to get the final green light from both investors and the Mozambican authorities.

Anadarko and ENI have promised that regular, independent assessments of the environmental and social impacts of the project will be carried out if and when it goes ahead — but it remains to be seen whether those promises are kept.

- *Jackson is a Business Day correspondent based in Maputo.*

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