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Controversial landfill project to generate carbon credits for South Africa

October 18 - According to an article in *Business Day* (South Africa) this week, Lindsay Strachan, project manager of the controversial Durban Landfill-to-Electricity project, remarked that the scheme would be South Africa's first to generate carbon credits through the World Bank-managed Prototype Carbon Fund, under the Kyoto Protocol Clean Development Mechanism (CDM). The project entails the processing of methane gas produced by landfills in Durban to produce electricity. While capturing and reusing emissions, such as methane, for electricity sounds like a good idea in principle, in reality, the project poses a number of problems. The predominantly black and Indian communities adjacent to the landfill sites protest that the waste dumps represent a major health hazard to the residents, and that the landfills would have been shut down entirely had it not been for government interest in using the gases to generate electricity – and valuable carbon credits. Instead of being rid of the waste, which reportedly contains carcinogens, residents can expect a major increase in the amount of trash in their neighborhoods once the plant is built. Aside from the direct effects that this and other carbon-credit-earning projects have on local residents, critics have charged that the CDM is inherently unsustainable and will not contribute toward curbing climate change. Under the CDM, industrialized countries that do not meet their carbon reduction targets under the Kyoto Protocol can essentially buy the unused carbon credits of countries that do not use up their allotment of carbon emissions. In other words, instead of cleaning up their operations, polluters in the North can pay for more air space. In this case, the conversion of the Durban landfill's methane to electricity will qualify South Africa to receive over \$15 million for the carbon emissions avoided, thus allowing northern countries to exceed their pollution levels. In the end, critics argue that the mechanism will not help reduce global emissions. Instead, they fear it may in fact enable continued climate change, which is expected to disproportionately affect developing countries, particularly in Africa.

Read the *Business Day* article at:

<http://www.businessday.co.za/articles/economy.aspx?ID=BD4A291908>

Read commentary on carbon trading and the Durban landfills from Patrick Bond and Rehana Dada at: <http://www.zmag.org/Sustainers/Content/2005-11/29bond-dada.cfm>

Read more about carbon trading from Carbon Trade Watch at:

<http://www.carbontradewatch.org>

Oil expected to increase Angola's GDP growth to 31 percent

October 18 – A *Reuters* article reports that the IMF anticipates a 31 percent GDP growth rate Angola in 2007, by far the highest rate in sub-Saharan Africa, courtesy of revenue derived from new offshore oil fields. According to the article 60 percent of Angola's economy comes from its oil production. While such an increase presents a major opportunity for the southwestern African country, still emerging from a conflict that ended in 2002, Angola should know only too well the pitfalls associated with natural resource wealth; its decades-long war was fueled by the trade in what have been termed "conflict diamonds." Oil production has generated tremendous wealth in some African countries, notably Nigeria, Equatorial Guinea and Gabon, but it has mostly contributed to the massive enrichment of a few individuals. On the whole, citizens of oil-producing countries are no better off than they were before the discovery of their "black gold." Indeed, in places like Nigeria's Niger Delta, the residents are decidedly worse off. Particularly as Angola recovers from conflict, it is critical that Angolan citizens insist upon their right to know how much companies pay for their natural resources, how much the government receives in revenues from the oil companies, and how the revenues are used, if the country is to have any chance of overcoming the "resource curse."

Read the *Reuters* article at:

http://za.today.reuters.com/news/NewsArticle.aspx?type=businessNews&storyID=2006-10-18T070705Z_01_BAN825612_RTRIDST_0_OZABS-ECONOMY-ANGOLA-GROWTH-20061018.XML

Read a Catholic Relief Services report entitled "Bottom of the Barrel: Africa's Oil Boom and the Poor" at:

http://www.crs.org/get_involved/advocacy/policy_and_strategic_issues/oil_report_one.cfm

World Bank says energy should top Africa's agenda

October 12 – World Bank energy director Jamal Saghir, in an interview with *Reuters*, stressed that Africa must double its investments in energy if it is to extend access to half of the continent's population. Saghir further insisted that large-scale and fossil fuel plants would be necessary in order to accomplish this, and that "You cannot tackle the issue of

access in Africa only with small projects, even if some of them are dirty like diesel (powered generation).” At its annual meetings in Singapore last month, the World Bank approved an energy access plan for Africa that hinges on large-scale, regional initiatives implemented through extended “power pool” projects and the construction of major thermal power plants and hydroelectric dams. Many civil society advocates are concerned the emphasis on energy investment - the World Bank advocates a \$2 billion annual increase in financing for energy - may come at the expense of funding for social development programs and could actually deepen poverty. The Bank’s promotion of hydroelectric power in the region is also troubling, considering the finding of recent studies conducted by the Bank and independent researchers, that sub-Saharan Africa is the region most susceptible to climate change-induced drought. Likewise, the continued reliance on fossil fuel-based power generation further exposes Africa to environmental damage and the shocks of changes in oil prices.

Read the *Reuters* interview at:

<http://www.alertnet.org/thenews/newsdesk/N11428000.htm>

Read about alternatives to fossil fuel and hydroelectric energy at the International Rivers Network website: <http://www.irn.org/basics/alternatives/>

Read “Mega-dams back on the agenda” at http://www.eurekalert.org/pub_releases/2006-09/ns-mbo091306.php

EITI conferences concludes in Norway

October 18 - The third official Extractive Industries Transparency Initiative (EITI) conference concluded on Tuesday in Oslo, Norway, where high-level delegates representing governments, donors, oil and mining companies and civil society groups worldwide met to discuss transparency in the oil, gas, and mining sectors. The EITI is an international campaign whose stated aim is to improve governance in resource-rich through disclosure of company payments and government revenues from oil, gas and mineral extraction. Speakers at the conference included the presidents of the World Bank Group and African Development Bank, as well as Ministers of Energy and executives from some of the world’s most prominent producing countries and extractive industry companies. While the EITI conference signaled the increased attention stakeholders are paying to the issue of revenue transparency, civil society advocates argue that bolder steps are needed to ensure that companies and resource-rich countries will move beyond the rhetoric to disclose meaningful information about natural resource extraction. Adherence to the EITI requires that a country disclose how much it has received from extractive companies, but critics say that this does not go far enough. They argue that more extensive and thorough reforms are needed in order for transparency in the extractive industries to have a real effect on poverty alleviation and socio-economic justice in resource-rich countries. They also advocate for universal, mandatory requirements regarding the disclosure of all payments, revenues, and contracts between

extractive industry companies and their host governments so as to help ensure the accountability of all industry actors and state beneficiaries.

Read an article from the *Turkish Daily News* about the conference at:

<http://www.turkishdailynews.com.tr/article.php?enewsid=56992>

Read a press release about a new report on the EITI from the Publish What You Pay Coalition at:

<http://www.publishwhatyoupay.org/english/doc/releases/PWYPEyeonEITIPressRelease111006.doc>

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