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Elizabeth Littlefield
President & CEO
U.S. Overseas Private Investment Corporation (OPIC)

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Director, Environmental Affairs
U.S. Overseas Private Investment Corporation (OPIC)

President Littlefield and Ms. Boomgard:

Friends of the Earth U.S. writes to provide comments on OPIC's potential support for the proposed expansion of the Takoradi Port in the Western Region of Ghana. We have reviewed the project Environmental Impact Statement and we submit these comments in light of OPIC's environmental and social policies, as well as its development mandate. We raise the following concerns about the project:

Development mandate not fulfilled with this port expansion: The financing of the expansion of the Takoradi Port would help Ghana to receive a greater number of oil export services vessels. This would obviously help the oil export industry in Ghana, but it is unclear how that would help the country to develop. In fact, a documented history exists in Africa of the harm that fossil fuel exports have on development. For example, in Nigeria a fossil fuel export-dominated energy sector fostered not only harmful environmental and social impacts but civil unrest and human rights abuses. It seems unlikely that local communities will benefit economically; their land and water will be polluted and their jobs and homes taken away. Any new jobs will probably not go to local communities as no job training programs are planned and most locals will probably not have the requisite skills to get these jobs. This port will also not enhance energy access as it will merely help export the country's resources, so Ghana will bear the environmental destruction without any improvement to electricity reliability. OPIC's resources would be better used to help with adaptation programs and mini and off grid solutions that would help improve lives by bringing clean and affordable energy access.

Encouraging increased dependence on fossil fuels: The impetus for the expansion of the Takoradi Port is the growing oil and gas export sector as oil services vessels are expected to "increase tremendously in the near-future." This expansion will allow for an increase in the export of oil and gas, and, therefore, an increase in the extraction of oil and gas. The investment of significant money and resources into building fossil fuel infrastructure furthers Ghana's – and the region's – dependence on fossil fuels. In order to get money back on this investment in infrastructure, there will be pressure to continue using the Takoradi Port for oil and gas export

for decades to come, hence stifling the needed shift to renewables. Recent studies have found that the world must keep global warming to 1.5 degrees Celsius to avoid the worst impacts of climate change.¹ Considering that Ghana and other countries in the region will feel some of the worst impacts of climate change, investing in expanded oil and gas port infrastructure rather than adaptation measures and renewables is a misuse of funds.

Local communities worse off: The assessment mentions the possible resettlement of local fishing communities, but does not provide an estimate of the number that is likely to be displaced. The assessment finds that such an estimate would be “premature,” but this allows AECOM potentially to skirt being categorically excluded from financing if it were found that 5,000 people would be displaced. These numbers need to take into account the number of people that are economically displaced from the loss of fish after the increased water pollution. Furthermore, the assessment mentions the potential benefit of employment opportunities from a modernized port, but does not give specific details on number or skills required, so there is no guarantee than any local communities would benefit from these employment opportunities.

For those who are not displaced or lose their jobs, their quality of life will greatly deteriorate. Their air and water quality will worsen from increased truck and vessel traffic and pollution. This increased traffic will also lead to greater noise levels. In addition, there is the potential for increased crime. The assessment mentions that GPHA will maintain security around the project, but provides no details, nor does it address the fact that the increased activity will probably attract more crime in the larger area. Most importantly, the assessment fails to provide for any mechanism or requirement in the environmental management plan to consult with local communities throughout the process.

Environmental impacts underestimated: This project will undoubtedly create an immense amount of human and construction waste. After construction, the operation of the expanded port will continue to create a large amount of waste and emissions and will have an increased chance of oil spills. The report claimed that unnamed punitive measures for offenders, but fails to mention specific fee regimes or enforcement mechanisms. Therefore, it is likely that this increased waste and spills will further erode the local environment and be left on the Ghanaians to clean up the messes that are left behind.

In addition, both during and after construction, the expansion of the port will lead to an increase in air pollution. A larger port means more truck and vessel traffic that will increase the surrounding air pollution. The assessment claims that the project will keep particulate emissions at “permissible levels,” but then fails to specify what that level is, so it is impossible to know whether and how these emissions will be kept at safe levels. Moreover, the stated goal is “to

¹ Reto Knutti, et al. *A Scientific Critique of the Two-Degree Climate Change Target*. NATURE GEOSCIENCE (2015), <http://www.nature.com/ngeo/journal/vaop/ncurrent/full/ngeo2595.html>.

make the ports the maritime hub of West-African sub-region,” which means that this project will lead to much greater destruction in the future as it will probably lead to further expansions and increased traffic. The assessment does not take this into account when discussing potential impacts and how to address air pollution from this project.

Flawed alternatives assessment: The project EIA includes a flawed and incomplete alternatives analysis section. The alternatives considered were constructing a new port just for oil and gas vessels, expansion of a different port, and taking no action. In just over a page, the assessment found these alternatives to be insufficient. It dismissed the no action option based on the fact that in the absence of expanding the port, “lower outputs and decrease[d] revenues” would result. The assessment completely fails to consider the benefits of maintaining the fishing jobs and avoiding the environmental destruction. This financing would be better spent on social programs and building infrastructure for renewables, rather than helping the fossil fuel industry reap greater profits from Ghana and cementing depending on a dirty and outdated form of energy.

In light of the concerns raised in this letter, we urge OPIC to reject financing for the Takoradi Port expansion and to consider financing for other projects, such as mini and off grid renewable projects that will increase energy access without displacing communities and negatively impacting the environment.

Sincerely,

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