



REGIONALISM, GEOPOLITICS & REGIONAL ENERGY INFRASTRUCTURE: LESSONS FOR EAST AFRICA

BY

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Recently, Total Energies and CNOOC Ltd concluded the final investment decision (FID) on Uganda's Lake Albert development, finally triggering the start of work on the 240,000 barrel per day project. Additionally, this gave visibility to the East African Crude Oil Pipeline (EACOP). The FID is a stark mark of the firm commitment from the shareholders including TotalEnergies, CNOOC and Uganda National Oil Company (UNOC)- who are now committed to inject up to \$10 billion towards the development of the Kingfisher and Tilenga projects in the Albertine Graben and the construction of the East African Crude Oil Pipeline (EACOP) from Hoima to the Chongoleani peninsula near Tanga port in Tanzania.

The 1,440-kilometre pipeline, when complete, will transport crude oil from Hoima Western Uganda to the Tanzanian Indian Ocean Port of Tanga. Whereas there are various opportunities and issues to be explored with respect to the current FID, from a global perspective, the developments in Uganda and Tanzania mirror the energy principles enshrined in the doctrine of 'Regionalism' and 'Geopolitics'.

Simply defined, regionalism is the expression of a common sense of identity and purpose combined with the creation and implementation of institutions that express a particular identity and shape collective action within a geographical region. Regionalism can also be defined in the context of international relations and is discussed as one of the three constituents of the international commercial system—the other two being multilateralism and unilateralism. This definition brings into play the component of geography, and mostly connotes the idea of an international region, which is understood to mean a limited number of states linked by a geographical relationship and by a degree of mutual inter-independence. This can also be called international regionalism, which is understood as the formation of interstate associations or groupings on the basis of region. This directly applies to the East African Community—specifically the regional energy infrastructure.

There are indeed various advantages associated with regional energy infrastructure as discussed in my book focused on 'Energy Access and the role of Regionalism'. In this short article, I explore the geopolitics of energy infrastructure as evidenced in the current global energy crisis.

Oil and gas pipelines are considered to have the highest capacity and to be the safest and least environmentally disruptive means for oil or gas transmission. These have been established in different regions; in Europe for instance, over 30 oil and gas pipelines exist. The development

of oil and gas pipelines historically dates as far back as the 1850s, when the first commercial oil well was drilled in Pennsylvania in 1859, necessitating the construction of the first cross-country pipeline in 1879. To date, oil and gas pipelines are considered to be a very important form of energy infrastructure considering the vast amount of oil and gas consumed around the world. Pipelines transport oil, natural gas, and petroleum products from producing fields and refineries to consumers, sometimes crossing other countries on a transit basis. Moreover, in instances where the discoveries are offshore, pipelines are used to gather the resources and bring them onshore.

Whereas countries often focus on their national interests in the development of the energy sector, with the unequal distribution of energy resources, we are often reminded of the practicability of regionalism. The development of regional energy infrastructure has been evident in different parts of the globe. Although this short article illustrates regionalism in the oil and gas sector, it worth noting other energy infrastructure including on-grid electricity interconnection, the rise in off grid electricity interconnections such as solar and wind energy, which are now being embraced in developing countries in an endeavour to tackle the challenge of energy access.

What is the connection between regionalism, geopolitical tensions and energy infrastructure?

Geopolitical tension often has massive impact on energy security. There are obviously no visible concerns for the EACOP, however, we must pay close attention to what is happening in the different parts of the globe. Policy makers must have some options in the event the same political tension is experienced in East Africa. Historically, we note that different political ideologies in the region were partly responsible for the collapse of the East African Community in 1977.

Moving forward, in recent months, the complexity of regionalism and geopolitics in the energy sector-specifically with respect to oil and gas pipelines has been manifested in the ongoing Russia-Ukraine crisis. In this short article, I draw examples specifically from the Nord Stream 2 (NS2)- a natural gas pipeline that directly connects Russia to Germany, via the Baltic Sea. Upon its completion, it is believed that NS2 will play a big role in ensuring Europe's energy security, specifically because it is estimated that NS2 will be able supply some 26 million European households.

Although viewed by Russia and German as an economic project, geopolitically, it was initially opposed by the UK, US and EU who feared that the NS2 can easily be weaponised. In recent months, the NS2 has been impacted by the current crisis in Ukraine. For instance, on 22 February 2022, the German Government halted the certification process for NS2. Further sanctions were evidenced on the 23rd of February 2022, when the US Treasury Department's Office of Foreign Assets Control ("OFAC") designated some of the key personnel on NS2 to

the OFAC's List of Specially Designated Nationals and Blocked Persons. The longer-term future of the pipeline is now tied to the Ukraine crisis and its outcome.

There are various issues associated with regionalism and geopolitics in the establishment and development of regional energy infrastructure such as oil and gas pipelines. These issues must be thought beforehand by the key stakeholders. What the Ukraine crisis has made clear is that there is a need for countries to ensure independence of their energy sector. Relying on one country for energy supply is a catastrophe. The questions that I would leave open to the policy makers in Africa, is, whether their countries are well-prepared to handle the complexity of regionalism and geopolitics in the energy infrastructure development? Are the relevant regional energy laws and policies adequate to respond to these regional challenges? The main message in this article is for stakeholders not to be blinded by the massive energy investments, regional energy projects specifically oil and gas pipelines are influenced by national, regional and international politics. All these must be taken into consideration in the establishment and development of these projects. Moreover, with the increasing community concerns, principles of corporate social responsibility and acquiring a social licence to operate must also be taken into consideration.

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