

# It's time to negotiate a better future for African energy

By [João Marques](#)

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For the better part of the last half century, oil and gas has been portrayed over and over again as the source of all evil across Africa, responsible for instability, power struggles, poverty, death, pollution and corruption. If this portrait really was the mirror of the truth, then African nations would be better off just leaving their oil and gas underground, but it isn't the whole truth.



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First off, the solutions for Africa's problems must come from within. Cooperation for development with supranational and international partners is great, and needs to be fostered, but only locally-developed solutions that combine in-depth knowledge of the challenges faced as well as the idiosyncrasies of the local culture and population can hope to succeed. There are countless examples of programmes that failed because they were designed abroad with insufficient knowledge of the situation on the ground, and of programmes that succeeded because they were developed by Africans to fix African problems.

This idea is not only conceptually important, as it empowers Africans, but it also represents a call to action for African leaders. The solutions for their country's problems are in reach if they choose to make use of them.

## Indigenous solutions

Enhancing oil and gas production to foster economic development. Improving the business environment by simplifying red tape, streamlining the negotiation and licensing procedures, promoting regular bidding rounds, implementing transparency measures, establishing a strong legal framework and attractive contract terms are all fundamental parts of attracting foreign investment that can help develop the industry. Different countries have found solutions that match the needs of their own markets and take advantage of the specificities of their own resources, from the cross-border development agreements between Senegal and Mauritania, to South Sudan's recent historic production sharing agreement that shows leadership and commitment in the aftermath of a deadly conflict with Sudan.

Nigeria's marginal field development campaign offers local exploration and production companies the opportunity to develop assets that were too small for the majors, thereby developing profitable fields, contributing to the economy and gaining a new status amongst oil and gas producers. Angola's attempt to mimic these efforts is a clear demonstration of how African nations can learn from each other.

By enhancing production and streamlining resource management, African countries can finally have the capital to invest in industrialisation and in the diversification of their economies.

## Powered by gas

And how should we power these industries and economies? The answer lies in the abundant, accessible and affordable natural gas reserves that dot the continent. Equatorial Guinea has already stepped up its game and is positioning itself to become West Africa's gas hub. Natural gas can power industries, produce electricity that will light the homes of hundreds of millions of people, feed a growing and profitable petrochemical industry across the continent and serve as an export to foreign markets, besides the fact that natural gas is the cleanest source of energy of all hydrocarbons, serving an environmental purpose in itself.

Unbundling national utilities and privatising the power generation sector is another pillar in this path, as is the need to integrate women in the oil and gas industry - how can we continue to snub half of the continent's workforce? The need to attract American companies that will partner and share knowledge to develop the industry, the need to invest in innovation and infrastructure, focus on education, improve Africans' negotiation skills and make use of the stand African nations have gained in OPEC and other international platforms.

They are all fundamental, for they inform a pathway to constructive and wise management and development of the continent's resources to foster growth and improve people's lives.

For me, there is one topic that is always striking above all others; intra-African trade, which remains dismal when compared to other regions. The continent has been shipping off its wealth abroad for decades. African nations have had their backs turned on each other for so long they have failed to see what they could achieve if they worked together and promoted synergies and integration.

*The author's commentary is based of Billions at Play by NJ Ayuk*

## ABOUT THE AUTHOR

João Marques is an energy analyst and editor. He is a seasoned specialist with in-the-field reporting experience from Africa's petroleum hotspots.

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