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**Leben Moro**

**Oil Development Induced Displacement in the Sudan**

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**Oil Development Induced Displacement in the Sudan**

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**Leben Moro**

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**Oil Development Induced Displacement in Sudan**  
**Leben Nelson Moro**  
**Sir William Luce Fellow 2009**  
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## 1. Introduction

Since the Anglo-Egyptian colonial epoch (1898-1956), development in Sudan has mainly been based on large-scale projects, such as the Gezira Irrigation Scheme, Rahad Irrigation Scheme, Jonglei Canal, oil exploitation, Merowe Dam and rain-fed mechanized agricultural schemes. Without doubt, these projects, implemented in the name of the 'national interest,' have benefited the country immensely. Nonetheless, it is also true that they have been associated with conflicts and displacement as people who feel marginalized resort to arms against the state so as to secure their interests. This paper analyses the conflict and displacement linked to oil development in Southern Sudan, a region that suffered two long wars since the British and Egyptian colonial regime was ended in 1956 and Northern "Arab"<sup>1</sup> and Muslim elites assumed power.

The first war began a few months before independence and ended in 1972 with the signing of the Addis Ababa Agreement by the Anyanya rebel group and the government. The second war broke out in 1983 and ceased in 2005, when the Southern-based Sudan People's Liberation Movement/Army (SPLM/A) and the government concluded the Comprehensive Peace Agreement (CPA). To a great extent, Southern Sudanese resumed fighting in 1983 so as to secure their interests in oil, which although developed in the name of the 'national interest' serves mostly the interests of its main beneficiaries: "Ara" and Muslim elites and their supporters in the North. The indigenous people of the oil-rich parts of the South bore the brunt of the war, which escalated since oil exports started 1999. An estimated 204,500 people were internally displaced within Unity State from mid-1998 to February 2001.<sup>2</sup> The UN reported that some 110,000-180,000 people had been displaced or re-displaced between October 2000 and February 2003 in the same region.<sup>3</sup> In the first quarter of 2002 alone, between 150,000 and 300,000 people were displaced. Similarly, Upper Nile State suffered severe human displacement.

The bitter experience of Sudan, however, is not unique. Other low income, oil-rich countries, such as Angola, Nigeria and Equatorial Guinea, had or continue to experience conflicts and displacement associated with the exploration and extraction of oil and other natural resources.<sup>4</sup> Indeed, Ian Bannon and Paul Collier succinctly observed that 'the presence of abundant primary commodities, especially in low-income countries, exacerbates the risks of conflict and, if conflict does break out, tends to prolong it'.<sup>5</sup>

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<sup>1</sup> Most of the Northern Sudanese who identify themselves as "Arab" have Arab and African ancestry. "Arabs" form a large portion of the population of the North. The people of the South, which is nearly one-third of the area of the country, are entirely black Africans.

<sup>2</sup> Human Rights Watch, *Sudan, Oil and Human Rights*, (New York, Human Rights Watch, 2003), p. 416.

<sup>3</sup> UNOCHA, 'Sudan: Mid-Year Review', (New York and Geneva, United Nations). <http://reliefweb.int/>

<sup>4</sup> Denny, Charlotte, 'Oil Firms Secretly Finance Crooked Regimes', *The Guardian*, 24 March 2004; Drohan, Madelaine *Making a Kill: How and Why Corporations Use Armed Force to do Business*, (Toronto, Tandom House, 2003); Frynas, J. George, 'The Oil Boom in Equatorial Guinea', *African Affairs*, Vol.103, No.413, 2004, p.527-546.

<sup>5</sup> Bannon, Ian and Collier, Paul, *Natural Resources and Violent Conflicts*, (Washington DC, The World Bank, 2003), p. ix.

It is, however, the case that exploitation of oil and other natural resources is not always associated with negative outcomes. Indonesia achieved impressive economic growth during the 1970s and 1980s because of its massive oil and gas reserves.<sup>6</sup> Oil-rich African countries, including Angola and Sudan, have attracted significant foreign investments, fuelling spectacular economic growth. However, the economic benefits are often concentrated in national capitals.<sup>7</sup> For example, Sudan's capital, Khartoum, witnessed an impressive economic progress since oil exports began in 1999. Other parts of the country, particularly the oil areas, have mostly known violence and displacement.

The paper is organized as follows: Section 2 discusses the discovery of oil by Chevron Oil Company and its repercussions for the local people in the oil areas and for the Addis Ababa Agreement. Section 3 deals with development of oil resources in the midst of the second war and the mass displacement of local people. Section 4 delves into the ongoing displacement after the war ended. And the last section concludes.

I collected much of the information for this paper in 2006 and early this year in Upper Nile and Unity States of Southern Sudan, where I held interviews with politicians, local leaders and ordinary people, oil workers, and aid workers. Moreover, I consulted published works, newspapers articles and NGO reports that deal with oil issues. In addition, I read materials in the Sudan Archive that tackle development in general and oil in particular.

## **2. Pre-war Oil Activities and Rising Political Tensions**

The discovery and development of oil in Southern Sudan during the Addis Ababa Agreement period (1972-1983) did not cause serious difficulties for the local Dinka and Nuer. However, it led to serious tensions between Northern and Southern elites. As Peter Woodward pointed out, '[the] discovery of oil turned from dream to nightmare as politicians North and South wrangled over Chevron's discovery of the field near Bentiu'.<sup>8</sup>

### **2.1 Oil Discovery**

In 1974, Chevron was granted a licence to prospect for oil on 516,000km<sup>2</sup> of territory in the South and South-western Sudan. Four years later, it discovered oil in Abu Gabra and later made more discoveries. By 1981, it had sunk 24 wells, of which 12 were dry.<sup>9</sup> The most promising finds were in Unity field, Bentiu district. Chevron also explored for oil outside the area where the promising Unity field was situated in

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<sup>6</sup> Rosser, Andrew, 'Escaping the Resource Curse: The Case of Indonesia', *Journal of Contemporary Asia*, Vol.37, No.1, 2007, p.38-58.

<sup>7</sup> Ferguson, James, *Global Shadows: Africa in the Neoliberal World Order*, (Durham (N.C.), Duke University Press, 2006).

<sup>8</sup> Woodward, Peter, *The Horn of Africa: State Politics and International Relations*, (London, I.B.Tauris, 1996), p.49.

<sup>9</sup> Boulis, Nagi Saliem, 'Exploration goes on', *Sudanow*, Vol.5, No.9, September 1981.

an area south of Bahr al Ghazal River, close to Bentiu town. In 1981, it found oil in Adar Yel, located south of Melut town, which is about 120km northeast of Malakal town. By April 1982, Chevron was reported to have completed the drilling of three exploratory wells in the Melut area.<sup>10</sup>

Towards the end of 1980, the government awarded an area covering about 170,000km<sup>2</sup> in Blocks B and C lying south and adjacent to Chevron's concession to Total of France<sup>11</sup>. Other partners in the joint production-sharing concession were International Energy Development, Kuwait Foreign Exploration Company, and the Sudanese state-owned General Petroleum Corporation.

This progress in oil prospecting and development thrilled elites in the central government. However, the local Dinka and Nuer inhabitants of the oil areas were not fully informed about the intentions of the foreigners scouring their land for oil.

## **2.2 Chevron and local Dinka and Nuer**

Chevron mainly operated in the bush, paid compensation to people negatively affected by oil activities, and provided jobs to the local Dinka and Nuer eager to work. Nonetheless, some people were irritated by the fact that it did not fully consult with local people.

The local leader of the Nuer from Unity State in Malakal, Omda Makwac, explained the coming of Chevron people to his homeland:

*“People came from the North to look for oil in our land during Nimeiri’s time in power. Oil activities started in 1980 and went on up to 1984. They came to Ler, and then to Benet, Mankien and later to Rik. They never came to the town itself but operated in the khalla [bush]. These foreigners were white men and jallaba [Northerners]. There were no Southerners amongst them. It was good to know that we had oil but the white men and jallaba were taking it away. That time we did not fully understand what was happening. We had few educated people. Now we have many people with education. If strangers come to our land, they will be asked about their intentions.”<sup>12</sup>*

The taking of land and destruction of property by Chevron caused resentment, however. Apparently, the payment of compensation avoided the outbreak of organized dissent. A Nuer teacher in Malakal explained the stance of the local people toward the destruction of property:

*“They were destroying homes and luaks [cattle byres]. I know of the destruction of luaks in Kuol Nak and Kwach in Eastern Jikany Nuer land.*

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<sup>10</sup> ‘Sudan: Two New Discoveries in Southwest Sudan’, *Middle East Economic Survey*, Vol.25, No.26, 12 April 1982, p.6.

<sup>11</sup> A map showing oil concessions is accessible from the website of the European Coalition on Oil in Sudan. <http://www.ecosonline.org>.

<sup>12</sup> Interview with Omda Makwac in Malakal on 12 August 2006.

*People could not resist. How could we resist? The path or road would be constructed up to the edge of the homestead. Then they would tell the people that they needed to destroy the houses within it and that the people should take money as compensation. We had to take the money offered and relocate to other places.”<sup>13</sup>*

Most people, however, insisted that Chevron activities were beneficial for local people. For example, a Dok Nuer from Ler County narrated a popular story about a Chevron surveyor and a Nuer man called Kiuwok:

*“A Chevron surveyor found oil under Kiuwok’s luak. He asked Kiuwok, if something valuable is found fi sika sakit bi nadi sunu? [on road and belonged to one, what was it called?] Kiuwok replied that in Nuer such a thing would be called bang. The Chevron people renamed the place bang. Then the surveyor told Kiuwok that there was oil under his luak and he should tell the value of his property. Kiuwok said it was worth three million Sudanese pounds. Chevron paid the three million and an additional two million, totalling five million. Kiuwok used two million to buy cattle, one million to buy a house, and the rest he put aside for his children. He was very happy to leave his old luak.”<sup>14</sup>*

*Bang* became part of the present Block 5A, opened up for intensive oil development by a consortium led by the Swedish oil company Lundin Oil AB, which established its field base at Thar Jath.

Some local people particularly appreciated the fact that the Chevron workers did not interfere with traditional ritual sites, which the local people wanted to be preserved. Chabbany, a Dinka from Pariang, had this to say about Chevron workers who came to his village:

*“Chevron wanted to make a line/path through our shrine, which was situated close to the luak. They told our elders to either relocate or destroy the shrine and take money as compensation for the damage. Our elders rejected the demand of the oil workers. The Chevron people heeded the view of our elders and, instead, made the line/path to pass in a different location. This happened in 1982.”<sup>15</sup>*

Local people also benefited from employment opportunities. For example, a group of Eastern Jikany Nuer men, whom I met in Malakal, told me that young men from their villages worked with Chevron and used their income to acquire cattle.

While Chevron and the local people were generally enjoying peaceful relations, President Jaafar Nimeiri's ties with Southern elites were deteriorating. Nimeiri sought

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<sup>13</sup> Interview with Nuer teacher in Malakal on 5 February 2006.

<sup>14</sup> Interview with Dok Nuer man in Bentiu on 23 August 2006.

<sup>15</sup> Interview with Chabbany in Malakal on 10 June 2006.

to control the development of oil resources. Southern elites opposed this. Chevron sided with Nimeiri, raising the ire of the Southerners.<sup>16</sup>

### 2.3 Oil Disputes

The most serious disputes between President Nimeiri and Southern elites were over naming of oil wells and oil areas in the South, transparency in oil matters, the North-South border, and the location of a proposed oil refinery. This scramble over oil played a major role in the collapse of the Addis Ababa Agreement in 1983.

#### 2.3.1 Renaming of Oil Areas

Southerners wondered why ‘wells in Southern region [were] baptized with political names, such as “Unity Wells” and “Unity Field”, while those in the North carried local names’.<sup>17</sup> Many of them saw the selection of political names by leaders in the North as intended to undermine their control of oil areas in the South. A related disagreement concerned a proposal to create “Unity Region” - comprising Bentiu and Gogrial Area Councils from the South, and Abyei, Fulla, Kadugli and Dilling Area Councils in Southern Kordofan - to be controlled by the office of the presidency.<sup>18</sup> Southerners perceived this as a cynical attempt to remove oil-rich Southern areas from the control of the regional government in Juba, and opposed it strenuously.

Ultimately, Nimeiri decreed a new province called *Al Wihda* (Unity), and appointed himself as the governor of the ‘oil province’. By so doing, he ensured ‘the exclusion of Southern politicians and administrators from overseeing the oil industry; it had now become the special preserve of the president’.<sup>19</sup>

#### 2.3.2 Secrecy and Ambiguity

According to Peter Nyuot Kok, oil policy was formulated by a small group of elites ‘comprising the President, a few palace aides, the Minister of Energy and Mining, Chevron and a few expatriate mediators’.<sup>20</sup> Southern marginalization from oil matters was complicated by the vagueness of the Addis Ababa Agreement on economic

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<sup>16</sup> Alier, Abel, *Southern Sudan: Too Many Agreements Dishonoured* 2<sup>nd</sup> Edition, (Reading, Ithaca Press, 1992).

<sup>17</sup> Taban, Alfred Logune, ‘Where and How Much is the Oil?’, *Southern Sudan Magazine*, Vol.4, No.3, 1980, p. 24.

<sup>18</sup> Alier, Abel, *Southern Sudan: Many Agreements Dishonoured*, (Exeter, Ithaca, 1990), p.216.

<sup>19</sup> Khalid, Mansour, *War and Peace in Sudan: A Tale of Two Countries*, (London, Kegan Paul International, 2003), p. 147.

<sup>20</sup> Kok, Peter Nyuot, ‘Adding Fuel to the Conflict: Oil, War and Peace in the Sudan’, in Doornbos, M., Cliffe, L., Ahmed, A.G.M. and Markakis, J. (eds.) *Beyond Conflict in the Horn: The Prospects for Peace, Recovery & Development in Ethiopia, Somalia, Eritrea & Sudan*, (The Hague, The Institute of Social Studies, 1992), p.109.

allocations between the South and the North.<sup>21</sup> This loophole facilitated the intention of Nimeiri to monopolise oil activities.<sup>22</sup>

Southerners were also irritated with the central government elites and the mass media in Khartoum for repeatedly making dubious statements about the location of oil. Official statements and media reports repeatedly claimed that Unity 1, 2, and so forth were situated 450 miles southwest of Khartoum, and avoided mentioning that these locations were in Bentiu district. Instead of allaying the rising fears in the South, however, officials in the Ministry of Energy and Mining claimed that the complaints were unjustified since 'oil was a national commodity and would be used for the benefit of the whole country'.<sup>23</sup>

### 2.3.3 North-South Border

In December 1980, the Sudanese National Assembly passed a decentralization bill that included a map indicating 'obvious and even deliberate encroachment upon the territories that were ostensibly part of Southern Sudan'.<sup>24</sup> The territories slated for excision from the South and inclusion in the North comprised the copper- and uranium-rich area of Hufirat El Nahas, the oil-rich area of Bentiu, and the fertile area of Renk.

Hufirat El Nahas was annexed to Darfur in 1961 by President Ibrahim Aboud (1958-1964), who was engaged in a bloody confrontation with the secessionist Anyanya rebel group in the south of the country, when uranium was discovered in the area.<sup>25</sup> After the war ended in 1972, however, the area was returned to Southern Sudan as part of the implementation of the Addis Ababa Agreement. At the end of 1979, President Nimeiri secretly leased the area to Chevron for oil exploration.<sup>26</sup> The 1980 decentralization bill removed the area from the South and made it part of Southern Darfur. Many Southerners opposed the attempts to shift the border southwards, compelling Nimeiri to decree that the North-South border should remain as it was at independence on 1 January 1956.

Southerners were also annoyed with Nimeiri for continuing to keep Abyei - another contested area in the North-South border region - in the North. In 1905, British colonial administrators transferred the administration of the nine Ngok Dinka chiefdoms in Abyei from Bahr al Ghazal Province to Kordofan Province in the North. According to the Regional Self-Government Act of 1972, 'Southern Provinces of the

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<sup>21</sup> Dallalah, Salwa K., 'Foreign Capital in the Petroleum Sector: The Case of Chevron Sudan', Thesis for M.A., (Institute of African and Asian Studies, University of Khartoum, 1985).

<sup>22</sup> Article 11 of the Addis Ababa Agreement entitles the Regional Assembly to legislate on, among other things, 'Mining and quarrying without prejudice to the right of the Central Government in the event of the discovery of natural gas and minerals.'

<sup>23</sup> Taban, Alfred Logune, 'Where and How Much is the Oil?', *Southern Sudan Magazine*, Vol.4, No.3, 1980, p.24.

<sup>24</sup> Badal, Rafael K., 'Oil and Regional Sentiment in the South,' in Abd Al-Rahim, M., Badal, R.K., Hardallo, A. and Woodward, P. (eds) *Sudan Since Independence*, Aldershot, (Grower Publishing Company, 1986), p.144.

<sup>25</sup> Alier, Abel, *Southern Sudan: Many Agreements Dishonoured*, p.101.

<sup>26</sup> Alier, Abel, *Southern Sudan: Many Agreements Dishonoured* 2<sup>nd</sup> Edition, p.238.

Sudan means the Provinces of Bahr al Ghazal, Equatoria and Upper Nile in accordance with their boundaries as they stood on 1 January 1956, and any other areas that were culturally and geographically a part of the Southern complex, as may be decided by a referendum'.<sup>27</sup> Hence, the Ngok Dinka chiefdoms were supposed to decide in a referendum to rejoin fellow Dinka in Bahr al Ghazal or remain in Southern Kordofan. This did not happen, and the Dinka of Abyei remained in the North.

#### 2.3.4 Oil Refinery

Against the wishes of Southerners, Nimeiri informed the National Assembly on 10 November 1980 that a refinery would be constructed in Kosti.<sup>28</sup> Work on the refinery was expected to begin in March 1981 and be completed at the end of 1984. In August 1981, the government, the World Bank and Chevron set up the White Nile Petroleum Company (WNPC) to manage the proposed refinery.<sup>29</sup>

The Minister of Energy and Mining, Al Tuhami, claimed that 'Kosti had been selected as the refinery site in view of scientific, technical, and economic factors'.<sup>30</sup> Chevron officials also preferred Kosti for the same reasons. Kosti was well served by rail, road and river transportation; and well connected to productive areas in central Sudan, where major industries such as Hajar Assalaya and Kenana sugar factories were based.<sup>31</sup> Bentiu did not have the same significance as Kosti and was dismissed as being situated 'in the middle of nowhere'.<sup>32</sup>

Southern leaders argued that the refinery should be situated in Bentiu precisely because it was so underdeveloped.<sup>33</sup> 'Chevron would be required to build roads, schools, hospitals; employment would be generated in the depressed area; and the royalties and/or taxes would help free the South from dependence on Northern budgetary support'.<sup>34</sup> Nimeiri ignored these arguments and resolved to have the refinery built in Kosti.<sup>35</sup> Abel Alier, the then leader of the autonomous Southern region, was left in the unenviable position of selling the decision that *Sudanow* dubbed as '[a] bitter pill for the South'.<sup>36</sup>

As disputes over oil development continued, the security in the South worsened. Well-armed rebels attacked vehicles and government positions, inviting reprisals by government forces mostly against civilians. The violence bred mayhem in some parts of Upper Nile. For example, the oil-rich Bentiu district was being compared to Beirut

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<sup>27</sup> Chapter II, Article 3 (iii) of the Regional Self-Government Act of 1972.

<sup>28</sup> Taban, Alfred Logune, 'Fuelling Development? Oil: Troubled Waters,' *Sudanow* Vol.6, No.6, June 1981, p.17

<sup>29</sup> Phillips, Jeffery, 'Oil and Minerals Seminar: Sovereignty with Business,' *Sudanow* Vol.6, No.12, December 1981, p.19.

<sup>30</sup> Taban, Alfred Logune, 'Fuelling Development? Oil: Troubled Waters,' p.18.

<sup>31</sup> Phillips, Jeffery, 'New Refinery: On Troubled Waters,' *Sudanow*, Vol.6, No.6, January 1981, p.33.

<sup>32</sup> Phillips, Jeffery, 'Oil and Mineral Seminar: Sovereignty with Business,' 1981, p.19.

<sup>33</sup> Dallalah, Salwa K., 'Foreign Capital in the Petroleum Sector: The Case of Chevron Sudan,' p.84.

<sup>34</sup> Taban, Alfred Logune, 'Fuelling Development? Oil: Troubled Waters,' p.19.

<sup>35</sup> Ibid.

<sup>36</sup> Madut, Arop, 'Kosti Refinery: A Bitter Pill for the South,' *Sudanow* Vol.6, No.7, July 1981, p.22.

and Vietnam by 1983.<sup>37</sup> In order to contain this rising opposition, Nimeiri decreed the re-division of the South into three regions in June 1983, which effectively abrogated the Addis Ababa Agreement. Shortly after, the Sudan People's Liberation Movement/Army was founded. In September of the same year, Nimeiri imposed *shari'a* law on the country. The action compelled more Southerners to join the SPLM/A. Without doubt, contest over oil development between central government elites and Southerners had a big role in the return to war in 1983.

### 3. Wartime Oil Activities and Mass Displacement

The first attacks by the SPLA were directed at the oil and Jonglei Canal projects, which were brought to a standstill in 1984. During the Omer al Bashir regime (1989 - present), serious oil development resumed, culminating in the export of oil for the first time in 1999. Oil revenues were a blessing to the regime, but a curse to the civilians in the oil areas. Most of them were killed or forced to flee to Northern Sudan and other areas.

#### 3.1 *Chevron attacked and forced out*

In 1983, Chevron was producing an estimated 35,000 barrels per day from the Unity field and another 15,000 from Heglig; it was also planning to build a pipeline from the Unity field to Port Sudan.<sup>38</sup> The pipeline was expected to begin carrying 50,000 barrels per day in 1986, earning \$250 million annually in much needed hard currency.<sup>39</sup> However, violence thwarted the fulfilment of this hope.

The anger fuelled by the development of oil, as well as the digging of the Jonglei Canal, initially focused on the workers of Chevron and Compagnie de Constructions Internationales (CCI), as a report by a special correspondent of the Middle East Research and Information Project (MERIP) made clear:

*“On November 15, 1983, guerillas ambushed a Chevron camp near Bentiu and took two British workers hostage for two days. The same month, nine CCI hostages were held for three days and digging on Jonglei, already two-thirds complete, was suspended. In December, an American Chevron employee was shot and killed. During the first week of February, some 20 guerrillas launched an armed assault on Chevron’s main camp at Rubkona, near Bentiu, killing a Briton, a Kenyan and a Filipino, and critically wounding seven other people. Chevron shut down all operations in the South.”*<sup>40</sup>

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<sup>37</sup> Johnson, Douglas. H. and Prunier, Gerald, ‘The Founding and Expansion of the Sudan People's Liberation Army’, 117-141 in Daly, Martin W. and Sikainga Ahmad Alawad (eds.) *Civil War in the Sudan*, (London, British Academic Press, 1993).

<sup>38</sup> Burr, J. Millard and Collins, Robert. O., *Revolutionary Sudan: Hassan al-Turabi and the Islamist State 1989-2000*, (Leiden-Boston, Brill, 2003), p. 223

<sup>39</sup> ‘Report from the South: Khartoum's Greatest Challenge’, *Middle East Research and Information Project*, Vol.135, September 1985, p. 11.

<sup>40</sup> ‘Report from the South: Khartoum's Greatest Challenge’, p. 13

Nimeiri was humiliated, and turned to the Saudi Arabian arms dealer Adnan Khassoghi so as to put pressure on Chevron to resume work. In December 1984, Khashoggi's Triad Holding Corporation of Saudi Arabia announced 'that it had entered into an agreement with the Sudanese government for the formation of a 50-50 venture – The National Oil Company of Sudan – to finance and develop Sudanese oil and gas reserves'.<sup>41</sup> The new company had the right to acquire 'oil or oil related assets held by 3<sup>rd</sup> parties, such as Chevron, if the president decrees that contract under which the assets were acquired [was] not being fulfilled'.<sup>42</sup> Moreover, Nimeiri had a secret deal with Khassoghi concerning arming and training militias to counter the SPLA.<sup>43</sup> In October, Nimeiri had won over the Anyanya II militiamen led by William Abdallah Chuol with the promises of a cease-fire and political settlement.<sup>44</sup> Chevron agreed to resume oil development on 1 January of the following year.<sup>45</sup>

Nimeiri also recruited Arab nomads to help secure the oil areas, with some financial support from Chevron.<sup>46</sup> In the 1970s and 1980s, the expansion of mechanised farming in central Sudan forced the nomads to seek permanent grazing lands in the areas inhabited by the Dinka along the North-South border.<sup>47</sup> The nomads surrounded the oilfields in 1984 and displaced a large part of the local population.<sup>48</sup>

Paradoxically, the escalation of violence worked against the Nimeiri regime as more Southerners joined the SPLA. Moreover, the huge cost of waging the war - estimated at US\$400,000 a day - had negative repercussions for the economy, turning more people against the regime.<sup>49</sup> On 6 April 1985, the regime was ended by a civilian demonstration, supported by the army. The new regime, led by Major General Abdul Rahman Sawar-Dahab, also became bogged down in fighting. Nonetheless, in April 1986, it organized polls for the National Assembly which Sadiq al Mahdi's Umma Party won. In June, Sadiq was elected prime minister. Surprisingly, he intensified the arming and training of the Arab nomads responsible for some of the worst atrocities in the oil areas.

Sadiq's government encountered even tougher economic predicaments as it lacked the level of support the US lavished on Nimeiri. In 1987, according to Millard Burr and Robert Collins, 'Sudan's foreign debts were enormous; annual payments amounted to \$800 million, an obligation it could not possibly meet'.<sup>50</sup> The only way out of the economic quagmire was to force Chevron and other oil companies to restart oil

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<sup>41</sup> 'Sudan under Martial Law', *Middle East Economic Survey*, Vol.27, No.30, 7 May 1984, p. A10.

<sup>42</sup> Dallalah, Salwa K., 'Foreign Capital in the Petroleum Sector: The Case of Chevron Sudan', p. 91.

<sup>43</sup> Scroggins, Deborah, *Emma's War: Love, Betrayal, and Death in the Sudan*, (London, HarperCollins, 2002), p.88,

<sup>44</sup> De Waal, Alex, 'Some Comments on Militias in the Contemporary Sudan', in Daly, M.W. and Sikainga Ahmad Alawad (eds.) *Civil War in Sudan*, (London, British Academic Press, 1993), p.152

<sup>45</sup> 'Chevron and Snam Progetti Plan to Resume Operations in Sudan', *Middle East Economic Survey*, Vol.28, No.6, 19 November 1984, p. A6.

<sup>46</sup> Scroggins, Deborah, *Emma's War: Love, Betrayal, and Death in the Sudan*, p. 88.

<sup>47</sup> Keen, David, *The Benefits of Famine: A Political Economy of Famine and Relief in Southern Sudan 1983-89*, (Princeton, Princeton University Press, 1994), p.100.

<sup>48</sup> Field, S.L., 'The Civil War in Sudan: The Role of the Oil Industry', *IUD Occasional Paper*, (Braamfontein, South Africa, 2002), p. 20

<sup>49</sup> 'Report from the South: Khartoum's Greatest Challenge', p. 11.

<sup>50</sup> Burr, J. Millard and Collins, Robert O., *Requiem for Sudan: War, Drought & Disaster Relief on the Nile*, (Boulder, Westview, 1985), p. 87.

development. Adam Mousa Madibu, the Minister of Energy and Mining, announced in October that the government would review concession agreements the former regime had concluded with Chevron, Shell, Sun Oil and Total - all of which he claimed were not carrying out any exploration work.<sup>51</sup> At the end October 1987, Madibu declared that Chevron had agreed to resume operations in January of the coming year.<sup>52</sup>

Sadiq's cousin, Mubarak al Mahdi, who later became the Minister of Energy and Mining, insisted that the military threat against Chevron no longer existed, for the Anyanya II rebels under the command of William Abdallah Chuol were already on the government side.<sup>53</sup> William Abdallah Chuol died in fighting with the SPLA in 1986. His successor Gordon Kong joined the SPLA in 1988, taking along with him 70 percent of the Anyanya II fighters.<sup>54</sup> This defection dealt a blow to Sadiq's efforts to recruit tribal militias. Only the rump of Anyanya II, led by Paulino Matip, remained on the government side.<sup>55</sup>

With his hopes of restarting oil development frustrated, Sadiq's position was weakened. In June 1989, he was thrown out of power by a coup masterminded by the fundamentalist National Islamic Front (NIF). Omer al Bashir, the coup leader, was born in 1945 in a Ja'aliyin family. He attended the Sudan Military Academy with the assistance of the NIF, and also studied at the Malaysia Military Institute.<sup>56</sup> His rule was characterized by a renewed zeal to prosecute the war. The army and militias were given free rein to kill and commit other egregious abuses. However, the possibilities of resuming serious oil development remained elusive until the SPLM/A suffered a schism in 1991, when Riek Machar and Lam Akol tried to oust John Garang from the leadership of the insurgency. They later formed factions that the government co-opted in 1997 through a short-lived peace agreement.

### **3.2 Oil flow**

While containing the threat posed by the SPLA, Bashir was lining up companies to resume serious oil development. First, Chevron was eased out in 1992; second, small-sized Canadian and European companies were lured to participate in the oil project, but had to leave mainly because of an international outcry about human rights abuses; and thirdly, state-owned Chinese, Malaysian and Indian companies took control of the oil business. The following table shows the key companies that got involved in Sudan's oil sector.

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<sup>51</sup> 'Sudan to Review Oil Agreements with Foreign Firms', *Middle East Economic Survey*, Vol.30, No.2, 15 September 1986, p. A7.

<sup>52</sup> 'Sun Oil and Chevron to Resume Exploration Activities in the Sudan', *Middle East Economic Survey*, Vol.13, No.5, 9 November 1987, p. A8.

<sup>53</sup> Anderson, G. Norman, *Sudan in Crisis: The Failure of Democracy*, (Gainesville, University Press of Florida, 1999), p.142.

<sup>54</sup> Alier, Abel, *Southern Sudan: Many Agreements Dishonoured*, p. 254.

<sup>55</sup> De Waal, Alex, 'Some Comments on Militias in the Contemporary Sudan', p. 152.

<sup>56</sup> Burr, J. Millard and Collins, Robert O. *Revolutionary Sudan: Hassan al-Turabi and the Islamist State 1989-2000*, p. 3.

### **Major Oil Companies that became involved in Sudan**

China Petroleum National Company (CNPC)	1995 to present
Petronas (Malaysia)	1995 to present
ONGC Videsh (India)	2003 to present
Lundin Oil AB (Sweden)	2003 to present
Sudapet (Sudan National Petroleum Corporation)	1997 to present
Talisman (Canada)	1998 to 2003
OMV (Austria)	1997 to 2003
Arakis (Canada)	1994 to 1998
Concorp (Sudan)	1992
Chevron (USA)	1978 to 1992

The Asian companies played a crucial role in enabling Sudan to export oil for the first time in 1999 and subsequently expand exports. Oil revenues spurred an unprecedented economic recovery, as the figures in the following table illustrate. For example, the GDP growth rate rose rapidly as oil production and exports expanded.

### **Oil Industry Growth and its Impact on the Sudanese Economy (1999-2006)**

	1999	2000	2001	2002	2003	2004	2005	2006
Pop. (millions)	32.6	33.3	34.0	34.7	35.4	36.1	36.8	37.7
Oil production (thous. barrels p/d)	68.6	187	209	232	262	288	287	364
Oil export revenue (billions of US\$)	0.276	1.408	1.377	1.511	2.082	3.101	4.240	5.244
Total exports (billions of US \$)	0.78	1.808	1.698	1.949	2.542	3.778	4.824	5.656
Ratios of oil to total exports (%)	35	77.8	81	77.5	80.1	82	87.8	92.7
GDP (billions of US\$)	10.6	12.3	13.3	14.9	17.7	21.7	27.9	37.4
GDP growth (annual %)	3	8	6	5	7	5	9	12
Foreign direct investments (bill. of \$)	0.37	0.39	0.57	0.71	1.34	1.51	2.30	3.53

*Sources: Central Bank of Sudan <[www.bankofsudan.org](http://www.bankofsudan.org)>, IMF <[www.imf.org](http://www.imf.org)>, and World Bank <[www.worldbank.org](http://www.worldbank.org)>.*

The increase in oil revenues, however, meant that the regime had more money to spend on the army and militias. The figures in the following table show vividly the significant increase in defence and security spending made possible by oil wealth.

**Expenditure on Sectors of the Sudanese Economy (1998-2006)**

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total exports (billions of US \$)	0.5957	0.7801	1.808	1.698	1.949	2.577	3.778	4.824	5.656
Of which: Oil (\$)	00	0.276	1.408	1.377	1.511	2.082	3.101	4.240	5.244
Current expenditure (billions of Sudan dinars)	157.5	197.5	312.5	342.8	377	563.3	793.6	1,043.5	1,186.5
Expend. defence & security	52.2	108.5	151	100.4	127.6	103.9	320	283.8	235.5
Expend. economic services	5.8	9.9	9.7	12.7	7.6	12.7	273.3	301.1	--
Expend. social services	23.2	32.8	32.4	36.4	32.7	20.8	27.1	32.7	--
Expend. loan repayments	14.7	20.2	40.2	34.5	29.2	57.1	8.7	48.9	--
Expend. subnational govt.	9.9	12.8	24.2	25	38.9	51.4	84.2	43.0	57.5
Expend. Southern region	--	--	--	--	--	--	24.2	19.1	29.5
Expend. Northern states	--	--	--	--	--	--	60.0	23.9	28.0
Expend. others	51.7	13.3	55	133.8	141	330.1	80.3	13.2	--
Expend. ratios of defence to current expend. (%)	33.1	54.9	48.3	29.2	33.8	18.4	40	27.1	--

*Sources: Central Bank of Sudan <[www.bankofsudan.org](http://www.bankofsudan.org)>, IMF <[www.imf.org](http://www.imf.org)>, and World Bank <[www.worldbank.org](http://www.worldbank.org)>.*

The well-supplied army and militias devastated many areas, forcing the local people to flee. Some of the worst affected areas are Pariang, Heglig, and Rubkona in Unity State, and Melut in Upper Nile State.

### 3.2.1 Pariang

Pariang County (Ruweng) is situated in the northeast of Unity State, and shares borders with Southern Kordofan State in Northern Sudan. It is a part of Block 1. Before the outbreak of war, the local people, Panaru Dinka, generally had good relations with Arab nomads who graze their animals on their land during the dry season, or pass through their land to grazing areas along the Bahr al Ghazal River. The relationship between the two groups turned into a vicious one shortly after rebels attacked the Chevron base at Rubkona in February 1984. President Nimeiri used the Arab nomads to secure the oil areas. The Arab nomads launched deadly attacks on Dinka villages with the support of the government army. Pastor Mayuol explained the devastation of his home area in 1984:

*“The Arab nomads began shooting early one morning. Our people fought with spears. 37 people were killed. Then the army attacked our villages and killed more people. The following day, the Arab nomads burnt our villages. Then my family embarked on a dangerous flight to Northern Sudan, and finally settled in Kenana Sugar Scheme. The government planned the displacement of our people because of the oil in our land. Chevron worked in our villages in 1982 but did not cause any harm. But the companies which came in the 1990s inflicted much suffering on our people.”<sup>57</sup>*

Some of the displaced persons who remained in Pariang were rescued by SPLA forces, which reached Pariang in about 1986. Riek Machar, a Dok Nuer from Ler, was the commander of the SPLA forces in Unity State. These forces frustrated Chevron's hopes of resuming operations in Pariang.

The government's hopes of restarting oil operations were boosted by the split in the SPLA in 1991, which had catastrophic consequences for the Dinka in Pariang. They were considered natural allies of the SPLA faction led by John Garang, a Dinka from Bor, and came under sustained attack by Riek's faction. A Panaru Dinka described the precarious situation of the Panaru Dinka in the wake of the SPLA split:

*“Life was very bad after the split. Riek was responsible for the area. He was the commander of the area of Pariang, which was under Mayom. But our people were strong and resisted the Nuer. We believed that once you were initiated you could not run away from your enemies. We decided that we could not surrender to the followers of Riek. They killed many of our people.”<sup>58</sup>*

Riek's forces and the government army protected oil companies, enabling them to resume work. The 1,610-kilometre pipeline from the oilfields in Heglig to Port Sudan was completed in April 1999 but many local people were killed or forced to flee to other places. For example, the UN rapporteur, appointed to monitor the situation of human rights in Sudan, learned that in May 1999, ‘in a 10-day offensive, government

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<sup>57</sup> Interview with Pastor Mayuol in Malakal on 13 June 2006.

<sup>58</sup> Interview with Panaru Dinka man in Malakal on 13 June 2006.

forces swept through Ruweng county in Western Upper Nile, attacking and killing scores of civilians with Antonov bombers, helicopter gunships, tanks and artillery, abducting hundreds and burning over 6,000 homes, with a view to clearing a 100-km swath of territory around the oilfields'.<sup>59</sup> The attacks escalated from late 2001 to early 2002. As a result, Georgette Gagnon and John Ryle, who conducted an investigation in the area in 2001, were led to declare that 'Ruweng County [was], perhaps, the clearest example in the whole of Upper Nile of deliberate forced expulsion of local people from their homes by government forces in order to secure an area for oil development'.<sup>60</sup>

### 3.2.2 Heglig

The location of Heglig is contested by the government and Southern Sudanese alike, largely because of the oil reserves in the area. In the 1980s, Chevron discovered a large oilfield in Heglig (later called Block 2). The Dinka of Pariang insist that this area is their land, locally known as Aliny and renamed Heglig – from the Arabic name Igligi – by the government, so as to incorporate it into Northern Sudan.

Since the 1980s, Heglig has witnessed intense violence by Arab nomads, government soldiers and local militias. Oil companies were also to blame. In 2000, a Southern geologist who conducted gravity data acquisition between Muglad and Abyei, described the eviction of the local population from Heglig:

*"I was based at a Chinese camp in Heglig, which was located close to the main camp of Talisman. We (workers of the Chinese company) were guarded by Sudanese soldiers all the time. Every time we went to the field to conduct exploration activities, the soldiers went ahead and shot into the bush with big guns to cause the natives to flee. Then the soldiers informed the Chinese that it was safe. We moved into the area and did the required work. In some places, we found deserted villages and burnt houses. Also, we found human bodies in the exploration area and dead elephants. The Chinese behaved like mercenaries, and never cared for the well-being of local people."*<sup>61</sup>

Arab nomads allegedly settled in the depopulated area, with the support of the oil company Talisman, which developed water points, health facilities and schools.<sup>62</sup> Talisman came under intense criticism for facilitating government efforts to alter the demography of the area. However, it claimed that the area had 'never known permanent habitation, always being the scene of widespread flooding in the rainy season, and of cattle drives and nomad camps in the dry season'.<sup>63</sup>

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<sup>59</sup> Franco, Leonardo, *Interim Report on the Situation of Human Rights in Sudan*, (New York, UN General Assembly, 1999, A/54/467), p.10.

<sup>60</sup> Gagnon, Georgette and Ryle, John 'Report of an Investigation into Oil Development, Conflict and Displacement in Western Upper Nile', Sudan, (October 2001), p.24.

<sup>61</sup> Interview with the Southern Geologist in Khartoum on 5 June 2006.

<sup>62</sup> Franco, Leonardo, *Interim Report on the Situation of Human Rights in Sudan*, (New York, UN General Assembly, 2000, A/55/374), p.3.

<sup>63</sup> Harker, John, 'Human Security in Sudan: The Report of a Canadian Mission: Prepared for the Minister of Foreign Affairs', p. 47.

Heglig suffered the worst violence in 1998 and 1999. In May 1999, the Sudanese army burned down many villages on the eastern edge of Heglig, 'causing the displacement of some 1,000 - 2,000 civilians'.<sup>64</sup> Air and ground forces employed scorched earth tactics 'to clear oil-rich areas, chase people out of their villages and ensure that they would not return, including by planting anti-personnel landmines around watering points and along pathways to areas where wild food is available and in emptied villages'.<sup>65</sup> Georgette Gagnon and John Ryle said that the government increasingly used air power, in coordination with its ground troops and militias, to carry out more violent and territorially focused attacks on civilian settlements.<sup>66</sup>

The SPLA had also become more aggressive in the oil area following the defection of the field commander of Paulino Matip's militia to its ranks in 1999. For example, the SPLA announced that it had attacked the Heglig oilfields and brought oil flows to a complete halt in September 2001.<sup>67</sup> The SPLA claimed that the reason for the attack was to bring about 'a halt to development of the oil industry as oil exploration and development resulted in massive displacement of people'.<sup>68</sup> This attack was preceded by another significant SPLA assault on an oilfield close to Bentiu (Block 4) in January 2001.<sup>69</sup> Many people were displaced by the intensified fighting and sought security in Bentiu and Rubkona.

### 3.2.3 Rubkona

Rubkona County is the seat of the Unity State government based at Bentiu town. It is also a part of Unity 1 concession (Block 1). Rubkona is also a name of a town, situated about 7 km from Bentiu. It gained significance after oil was discovered by Chevron. Talisman and Lundin Oil AB later used the location as their base.

In 1999, relief organizations reported the population of the two towns as 15,622 and 7,659 respectively.<sup>70</sup> By 2002, the total number of displaced persons in Bentiu rose to 51,142; and in Rubkona to 39,932.<sup>71</sup> These displaced persons suffered grave abuses committed by local militia groups sustained by the government army. Bentiu town was the stronghold of Paulino Matip's militia, and most of Rubkona was controlled by militiamen loyal to his rival, Riek Machar. The two groups fought bloody battles over access to benefits from nearby oilfields, particularly Block 5A which was being

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<sup>64</sup> Franco, Leonardo, *Report on the Situation of Human Rights in Sudan*, (New York, UN General Assembly, 1999, A/54/467).

<sup>65</sup> Baum, Gerhart, *Situation of Human Rights in Sudan*, (New York, UN General Assembly, 2002, (A/57/326), p.6.

<sup>66</sup> Gagnon, Georgette and Ryle, John., *Report of an Investigation into Oil Development, Conflict and Displacement in Western Upper Nile, Sudan*.

<sup>67</sup> SPLM/A, 'SPLA Scores Major Victory in Oilfields', Press Release, 20 November 2001. <http://www.sudan.net>.

<sup>68</sup> Ibid.

<sup>69</sup> IRIN, 'Sudan: Oil Wells 'Burning'', 27 January 2001.

<sup>70</sup> *Action Contre la Faim, Nutrition Anthropometric Survey: Final Report: Rubkona, Unity State*, October 2001, p.6.

<sup>71</sup> WFP, *Rubkona Annual Needs Assessment 2004-2005*, (WFP Malakal Sub-office, Upper Nile State, 2004).

developed by Lundin Oil AB.<sup>72</sup> Many of the local people in Block 5A were killed or driven to other areas.<sup>73</sup>

### 3.2.4 Melut

Melut, one of the counties of Upper Nile State, is situated on the eastern banks of the White Nile. It shares borders with Manyo County in the west, Renk in the north, Mabaan in the east, Longechuk in the southeast, and Baliet in southwest. The local people are Dinka.

Melut formed parts of Blocks 3 and 7. Although Chevron found oil in the area in 1981, serious oil development began when the Chinese National Petroleum Company (CNPC) acquired development rights in the area. The CNPC, together with Petronas, China Petroleum & Chemical Corporation, Sudapet and the Al Thani Corporation formed the Petrodar Operating Company (PDOC) in 2000. The start of operations was announced in the following year.

The government army and allied militias targeted local people, so that they would flee.<sup>74</sup> The tactics used by the army in Melut were the same as those that applied in Unity State. Unya, who worked with a Chinese company in Heglig from 1989 to 1990 and in Paloich and Adar Yel from 2000 to 2003, makes this clear in his description of a typical day of work in Adar Yel:

*“After we [workers and army escorts] reached the place of work, the government soldiers and security fanned out into the bush such that the workers were encircled. The soldiers went into the bush in trucks mounted with big guns and attacked villages. Many civilians were often captured in these operations and brought to the muaskar [army base]. They were called qawarid [rebels]. Some of them were taken away to unknown places. Even small children were taken from Adar Yel.”<sup>75</sup>*

According to Bishop Daniel Bul, 48 villages were set ablaze in Adar Yel in 2000, causing the displacement of 55,000 people.<sup>76</sup> This violence was part of a broader government campaign, which began in 1996 and continued into 2004. About 80 Dinka villages were destroyed. Bul concluded that the motive of the campaign was to secure oil concessions.

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<sup>72</sup> Franco, Leonardo, *Report on the Situation of Human Rights in Sudan*, 1999, p.11.

<sup>73</sup> Christian Aid, *The Scorched Earth: Oil and War in Sudan*, (London, Christian Aid, 2001).

<sup>74</sup> Bul, Daniel Deng, ‘Oil Exploration and Exploitation in Northern Upper Nile: An Assessment of the long-Term Impact on the Area’, (Renk, ECS Church, 2005).

<sup>75</sup> Interview with Unya in Malakal on 20 June 2006.

<sup>76</sup> Bul, Daniel Deng, ‘Oil Exploration and Exploitation in Northern Upper Nile: An Assessment of the long-Term Impact on the Area’, p. 8.

## **4. Post-war Oil Activities and Ongoing Displacement**

The Comprehensive Peace Agreement (CPA) requires that the views of local communities on development of natural resources be considered.<sup>77</sup> Instead, oil companies have expanded their operations and continued to pressure local people to leave their areas, and to make resettlement of displaced people difficult. These problems are clearly illustrated by the experiences of the Dinka people in Paloich and Maker areas in Melut County and of the Shilluk people in Manyo County.

### **4.1 Land Expropriation at Paloich**

Paloich used to be an insignificant location along the Melut-Malakal road. The local people are Ager Dinka. During the war, the area was occupied by the government army and most of the local people fled to other areas. After fighting ended, displaced people gradually returned to the area. From July 2003, Petrodar Operating Company (PDOC), the operator of Blocks 3 and 7, pressured the residents of the Paloich town to leave the area.<sup>78</sup> The Ministry of Energy and Mining and PDOC claimed that Paloich town was situated 'above oil lakes'.<sup>79</sup> The inhabitants of the town were asked to relocate to a village located about five miles south of the town, but they refused.

The failure of the relocation was to be expected, for PDOC had not changed the way it conducted business. Indeed, the company continued to expropriate land with no compensation. For example, local people complained that 600 farms had been taken by oil companies in the Paloich area since peace returned.<sup>80</sup> PDOC failed to involve the local people in decisions pertaining to land, which contravened the CPA.

### **4.2 Property Destruction at Maker and Manyo**

The signing of the CPA marked a surge in seismic activity, putting strain on local communities. For example, the Dinka people of Maker, a small village on the banks of Khor Adar River in Melut County, and the Shilluk population of Manyo County suffered significant losses because of seismic activity.

Maker was under the SPLA during the war and hence out of reach of oil companies. Since fighting ended, PDOC extended the oil search to the outskirts of the village, triggering fear among local people. PDOC caused even more difficulties for the inhabitants of Manyo, a county separated from Melut by the Nile. The PDOC workers arrived in Manyo in March 2006 and began making many seismic lines, which destroyed acacia trees, the source of gum Arabic, and a few homes. The oil workers reportedly recorded the damaged trees, destroyed homes and other losses and

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<sup>77</sup> Chapter III section 3.1.5 of Comprehensive Peace Agreement (CPA) details consultation with local communities and section 3.1.6 compensation of local communities.

<sup>78</sup> ECOS (European Coalition on Oil in Sudan) (2006) *Oil Development in Northern Upper Nile, Sudan*, Utrecht, ECOS. <http://www.ecosonline.org>.

<sup>79</sup> Bul, D.D. (2005) 'Oil Exploration and Exploitation in Northern Upper Nile: An Assessment of the Long-term Impacts on the Area,' p.7.

<sup>80</sup> Willow, G., 'Faluj Residents Don't Want to be resettled,' *The Juba Post*, Vol.3, No.38, 28 September – 5 October, 2006.

promised to pay compensation. However, the promise was not fulfilled. The local people were left reeling with bitterness against the oil company.

### ***4.3 Worsening North-South Border Disputes***

The central government has continued to stealthily shift the border southwards in locations where there is oil, fuelling a scramble over the border areas. In certain areas, the scramble exploded into violence. For example, Abyei town was engulfed in a fierce fighting between SPLA and the army in May this year, displacing tens of thousands of the local Dinka.

Also oil-rich Heglig, where settlement of Arab nomads and displacement of the local Dinka have been actively pursued by the central government, has witnessed serious tensions. The Dinka people claim Heglig as part of their traditional homeland but central government elites allege that it is part of the North. By claiming that Heglig is located in the North, the central government elites deny the South a share of revenues from oil pumped out of the huge Heglig oilfield.

Kharasana, a small trading post not far from Heglig, from which oil companies collect soil and gravels for roadwork, has also witnessed tense confrontation. During the war, Southern Kordofan State collected taxes from this location. With return of peace, the SPLA-led administration of Pariang County, Unity State, posted administrators to the location to collect taxes from oil companies. This created a dispute, which prompted the intervention of the central government. According to Commissioner Mabek, the central government ordered all administrators to leave the location. The administration in Pariang complied with the order but Southern Kordofan State did not. Pariang then decided to send back its administrators to Kharasana. The tension has simmered on, exploding into sporadic fighting. For example, in 2008, heavily armed Arab tribesmen attacked SPLA positions, and early this year assaulted Dinka civilians.<sup>81</sup>

No doubt, the presence of oil in the North-South border areas has spawned serious conflicts, which have been exploited by leaders in the central government who are determined to maintain control over all oil areas.

### ***4.4 Environmental Pollution***

The local people in the oil areas have been complaining about unexplained deaths of animals and new human afflictions. Commissioner Mabek of Pariang County, for example, claims that animals in his county have been dying of mysterious diseases and a number of people are falling ill with heart problems, which used to be unknown before the arrival of oil companies.

The Ministry of Energy and Mining insists that the government is aware of the environmental problems associated with the oil sector and has adopted laws to deal

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<sup>81</sup> Interview with a government official in Pariang town on 29 February 2009.

with potential problems.<sup>82</sup> Furthermore, it claims that regulations regarding environmental protection have been incorporated into oil exploration, production and refining contracts and agreements.<sup>83</sup> Unfortunately, the contracts are secret.

However, investigations by the committees in the National Assembly and Southern Sudan Legislative Assembly (SSLA) have cast doubts about the accuracy of the claims of the Ministry of Energy and Mining.<sup>84</sup> These committees found significant environmental problems caused by unsafe dumping of water, mud and other wastes in the open. According to an ecologist, who conducted an environmental assessment in Heglig, 'produced water requires careful management because it contains harmful chemicals. Unfortunately, safety standards are not complied with because of the rampant corruption.'

## 5. Conclusion

The discovery of oil in Southern Sudan, at a time the region was recovering from 17 years of war, by Chevron Oil Company was both a curse and a blessing to the country. It played a big role in the return to war in 1983, and the subsequent displacement of most of the inhabitants of the oil areas. But it was also behind the recent spectacular economic recovery, which could help underpin the CPA reached by the SPLM/A and the government in 2005.

However, most of the benefits of oil development are as yet reaped by the politically dominant "Arab" and Muslim elites and their supporters in the central and northern parts of Sudan. The long marginalized Sudanese in the other parts of the country have not benefited significantly, if at all, from oil development. Instead, displacement linked to oil development remains a problem for some marginalized Sudanese, in particular the local people in the oil areas.

Although mass displacement of civilians from the oil areas was ended by the CPA, subtle displacement continues. Oil companies have rapidly expanded oil activities in 'peacetime', pressuring some people to leave their ancestral homelands with no compensation. Moreover, the burgeoning oil infrastructure has caused environmental problems, which disrupted livelihoods of some local people and hence generated more grievances against the government and oil companies. The grievances will likely worsen if the politically dominant elites and oil companies continue to ignore local interests in oil development, which is supposedly carried out in the 'national interest'.

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<sup>82</sup> *Sudan Vision* (2007) 'Ministry of Energy: Environmental Protection Priority'. Available from: <<http://www.sudanvisiondaily.com/>>

<sup>83</sup> *Sudan Vision* (2007) 'Ministry of Energy: Environmental Protection Priority'

<sup>84</sup> Interview with the Chairman of Energy and Mining Committee at the National Assembly on 11 July 2006, and with a member of the Industry and Mining Committee at the Southern Sudan Legislative Assembly on 4 October 2006.