



# SPACES FOR CHANGE

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## Conference report

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April 23 - 24, 2013

Host Communities and the Petroleum Industry Bill:  
Opportunities, Challenges and the Way Forward

Supported by

Open Society Initiative for West Africa (OSIWA)



## **Host Communities and the Petroleum Industry Bill (PIB):**

### **Opportunities, Challenges and the Way Forward**

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### **Spaces for Youth Development and Social Change (Spaces for Change)**

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### ***Host Communities & the PIB: Opportunities, Challenges and the Way Forward***

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The 2-day conference, ***Host Communities & the PIB: Opportunities, Challenges and the Way Forward*** held at Aldgate Hotel, Sani Abacha Road, Port Harcourt, Rivers State on April 23 - 24, 2013 was an outstanding conference bringing together 55 participants from various states in Nigeria's Niger Delta region, advocates and stakeholders in the oil and gas industry plus 12 speakers and panelists over the two days. Convened under the auspices of the Oil Sector Legislative Engagement and Accountability Project (OSLEAP) supported by the Open Society Initiative for West Africa (OSIWA), the conference aimed to campaign for the improved governance of the environment and to strengthen the structure for community participation in the Petroleum Industry Bill (PIB), Nigeria's latest legal regime for reforming its oil sector.

The conference was organized by Spaces for Youth Development and Social Change (Spaces for Change-S4C), a leading advocacy group on oil sector transparency famed for its track record in generating extensive publicly available data on oil and gas, energy and natural resource issues in Nigeria. The organization hosts an E-library: <http://issuu.com/spaces.for.change/docs/> where a wide range of online users have unrestrained access to materials, reports, analytical papers and documentation on oil and gas and natural resource governance issues. The site continues to offer a rich repository for policy makers, the media, non-governmental organizations, community associations, grassroot movements, with the sole aim of bolstering their capacity to contribute to making the Nigeria's oil sector reform processes more participatory, robustly transparent and effective.

The hallmark of the conference was the public presentation of S4C's latest publication, the ***PIB RESOURCE HANDBOOK*** which contains a detailed analysis of the PIB provisions relating to community participation and the environment (CPE). The Handbook forms part of a broader organizational strategy to promote awareness of the PIB, while expanding access to reliable energy-focused data and resources for building the capacity of industry stakeholders and ordinary citizens to monitor and engage meaningfully in the PIB passage architecture.

Spaces for Change is grateful to the Open Society Initiative for West Africa (OSIWA) for supporting its Oil Sector Legislative Engagement and Accountability Project (OSLEAP) under which this research was conducted. Many thanks to the entire staff of Spaces for Change, consultants, non-governmental organizations, community partners, government officials, comrades and many others we cannot mention here, whose insights, interviews and comments invaluable contributed to the successful completion of the Handbook, and the organization of this 2-day conference.

**DAY ONE****Opening Ceremony**

Elaborating on the conference objectives in her welcome remarks, Mrs. Victoria Ohaeri, S4C's Executive Director stated that, if passed into law, Nigeria's oil sector reform bill, the Petroleum Industry Bill (PIB) holds strong prospects for improving the governance of the environment and strengthening the structure for community participation in the oil and gas industry.

"Why is S4C organizing this conference at this time, and in the heart of the Niger Delta region?" Mrs. Ohaeri asked. "As the central point of oil production, the Niger Delta region is most gravely affected by oil prospecting and exploration activities in which the traditional means of subsistence, farming and fishing in the creeks, streams and mangroves are adversely affected by constant oil spills, gas flares, blow-outs and leaks, with spiraling effects on health, soil productivity, aquatic life and the environment. Further aggravating the situation is the Nigerian government's persistent failure to provide adequate regulatory oversight for the environment, compounded by the continuing exclusion of affected communities in the design and implementation of development solutions that affect them.

It is now imperative for stakeholders in Nigeria's oil industry, especially oil producing communities most affected by oil exploration and production to come together, to build sustainable consensus for realizing greater community participation and environmental protection in the PIB. In building consensus, stakeholders must conscientiously identify the key issues and provisions of the Bill that present a rallying point for building social capital and sustained engagement with the full range of potential duty bearers and rights-holders that are likely to be impacted by the ongoing oil sector reforms. This is what we would be doing over the next two days", she emphasized.



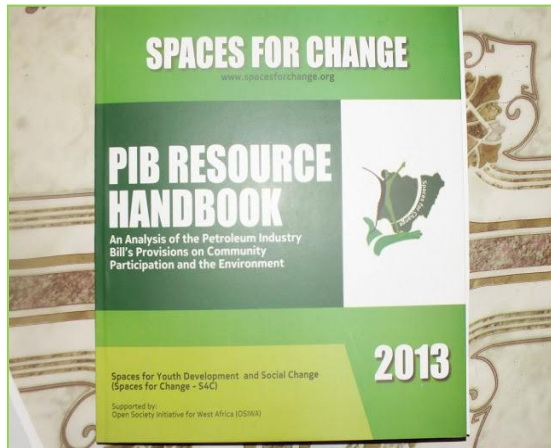
Dayo Olaide, who has spent two years building and supporting S4C to organize and host a range of online and offline actions critical to the achievement of transparent oil sector reforms, described the conference as 'wonderful', the keynote speakers as 'passionate and inspiring', and the networking opportunities as 'powerfully engaging'. According to him, "oil and gas is of interest to everyone ranging from oil companies who want profit to the land owners who want rent. Stakeholders are driven by different interests and as a result, sustainable development is ignored. Under-development has thus become one of the key drivers of violence in the Niger Delta region. Local communities in the oil producing areas suffer from oppressive levels of poverty, infrastructural decay, and environmental degradation, which have in turn precipitated rising ethnic tensions and escalating violence among competing militia groups.

The prevailing difficulty in regulating the oil sector effectively is not for lack of laws, but for lack of will to implement them. The PIB's emergence presents an opportunity for



those often excluded from oil sector governance, especially oil resource-rich communities who live with, and continually face the challenges of social and economic underdevelopment to make meaningful contribution to the proposed oil regime. The conference convened by S4C creates an opportunity to try and marry the various interests”.

## Public Presentation of the PIB RESOURCE HANDBOOK



Presenting the book: The **PIB Resource Handbook, An Analysis of the Petroleum Industry Bill's Provision on Community Participation and the Environment**, S4C's executive director Victoria Ohaeri started by explaining the methodology involved in the preparation of the Handbook. The four-pronged stream of research work involved an extensive examination of legal standards, policy frameworks relating to resource management, community participation and the environment by a team of researchers comprising lawyers, engineers, energy analysts and community advocates followed by the generation of reflections through social media, web sourcing and web based communication tools. S4c also organized stakeholder roundtables and consultative meetings and finally conducted field-based stakeholders consultation

across communities and with government officials.

Beyond analyzing and critically reviewing specific provisions of the PIB that could potentially undermine community participation and environment protection, the Handbook evaluates their coherence with global best practices and standards on environmental sustainability and participatory development. Strengthening these critical provisions is of utmost importance to secure maximum support for the proposed reforms and avoid unwanted consequences that stifle sustainable economic growth and social cohesion.

In essence, the Handbook lays the foundation for productive legislative engagement and facilitates informed debate amongst a broad range of agents – advocates, legislators, representatives of the oil and gas industry, different tiers of government, regulators, non-governmental organizations, oil producing communities and other stakeholders—supporting their contributions towards making the Bill's legislative processes more robust and effective.

The handbook has also been written for the purpose of building the capacity of oil producing communities to understand the PIB, and use its provisions to demand legal protection for their rights to a safe environment, and participation in oil industry operations. It offers a rich resource book for training community and youth leaders to manage information, communicate and conduct negotiations on issues of concern to their communities.

***Beyond analyzing and critically reviewing specific provisions that could potentially undermine community participation and environment protection, the handbook evaluates their coherence with global best practices and standards on environmental sustainability and participatory development.***

## Session One

The first panel session chaired by Dr. Bala Zakka, an independent energy expert had 3 speakers: Peter Esele, President, Trade Union Congress; Nnimmo Bassey, Chair Board of Trustees, Environmental Rights Action, Benin, Edo; *Dooter Malu*, Head of Information & Communication, National Human Rights Commission, Abuja.

### Why Inclusive Development Matters – Comrade Peter Esele



Peter Esele's presentation, "*PIB: Why Inclusive Development Matters*" seamlessly weaved a rich mix of personal experience-sharing and comparative analysis of economic progress between nations to highlight why development lags behind and what must be done to reverse the trend. He started by examining the protracted problems of the oil sector which linger due to the inability to define "development". As a young oil worker in the 90s working in both offshore and onshore locations stationed in the remotest parts of the Niger Delta, Esele witnessed firsthand, the oppressive levels of poverty, exclusion and under-development in Nigeria's oil-rich region. For instance, he found out that Philippines made his bed while foreigners carried out many other trifling, non-technical duties for which local capacity and human resources for them abound. In other oil-rich nations like USA and UK, certain jobs cannot be given to people living outside the oil producing area. The same big corporations exploring oil in those countries fully comply with those regulations, but disregard similar labour laws in Nigeria.

Furthermore, a comparison of the economic indices in Nigeria and Norway reveals a huge disparity in public spending and development priorities between the two nations. Whereas 35% of Norway's annual budget comes from oil revenues, the remaining sum is sourced from non-oil revenue streams. A huge chunk of the country's oil wealth is invested in the sovereign wealth account to ensure even

developmental progress across the country. In Nigeria, the proposal and efforts to establish the sovereign wealth fund (SWF) as a replacement for the current oil savings mechanism, excess crude account (ECA), was greeted with stiff opposition especially by the 36 state governors. Proceeds from SWF investments are often used to provide capital injections in times of financial crisis, and for ensuring that future generations benefit from the wealth of finite extractive resources. Till date, the bulk of Nigeria's oil revenue resources – as opposed to Norway - are shared between the federal, state and local governments, with minimal regard for a savings culture.

Fund embezzlement by local actors such as community leaders is another factor militating against inclusive development especially in the oil producing areas. Instances where community leaders cart away funds meant for community development for their own selfish interest is widespread. Such misappropriation also takes the form of oil company community liaison officers who put up for sale, jobs meant for indigenes, therefore, stalling the developmental benefits that accrue to such communities.

“Although the PIB will not solve all the developmental problems highlighted above, it represents a bold step towards reversing the many mistakes beleaguering the oil sector for several decades which have hindered sustainable development in the region in particular, and Nigeria at large”, says Esele.

### Pollution, Poverty and the Challenge of Progressive Legislation – Nnimmo Bassey



The next presentation by Nnimmo Bassey, *Pollution, Poverty and the Challenge of Progressive Legislation* began by correcting the impression that crude oil and gas are neither produced by oil companies or by communities that are sometimes erroneously labelled as oil producing communities. These fossil fuels have been produced by nature for over thousands of years, if not millions of years. A correct way to understand natural resources is to humbly see them as *Nature's Resources*. Oil companies merely extract oil/gas. They never produce any. The Nigerian government collects oil/gas rents. The poor communities are best described as oil companies-impacted communities.

Pointing out contentious provisions in the latest draft of the PIB, Bassey singled out gas flaring as one issue requiring dedicated legislative scrutiny. “Gas flaring is a wasteful treatment of nature's resource that harms the people, the locals as well as global environment”, he said. Further, such obnoxious act is a prime example of climate denial, therefore, the punishment for gas flaring should not be limited to fines, but should have

weightier consequences considering its criminal nature.



Section (33) of the Bill is another disturbing provision. He urged that the section empowering regulatory agencies to receive gifts should be expunged. Seeking gifts is an open door for corrupt activities. More so,

He stated that provisions for independently verifying the metering of extracted oil and gas should be stipulated in the PIB. A situation where the State does not know actual daily volumes of extracted crude oil and gas makes nonsense of any talks of transparency and feeds corrupt practices of players in the sector and their cohorts. In addition to being the bedrock of the oil thefts that has become a national refrain, it is also the reason we cannot know our oil reserves figures or even how much oil is dumped into the environment.

On the complex issues of ownership, control and criminalisation of communities, investing in the technological development of the sector is mandatory if true ownership and control of the resources is to be secured. There is no real ownership without operational control. Also, true ownership must include that of the communities living within the areas impacted by these activities. Community ownership should be positioned in a way that promotes adequate contribution to the national economy/purse as well as securing protection of the environment and investments. Sections 116-118 providing for Petroleum Host Communities Fund scratches the issue and requires deepening. For example, it is not acceptable that communities should bear cost of environmental restoration following incidents (including civil unrest!) in the oil field simply because a member of the community contributed to the incident. This sort of punishment criminalises communities and cannot be accepted.

Of great importance is section 294(4) which equally criminalises local and state governments for acts perceived to have been caused by sabotage. With these levels of government not controlling security outfits, it is objectionable that they should be punished for security lapses that may result in sabotage. Moreover, the deductions made before payment into the fund ensures that only tokens get paid as the oil operators are clearly in charge of determination of their production costs.

Stressing that the PIB is an opportunity to state unambiguously that every citizen has a right to seek redress for any act of environmental harm irrespective of whether the impact is direct or indirect. The enforcement of the rights of Nigerians to a safe environment has been difficult. Our adversarial legal system sometimes blocks the route to justice by claiming a lack of *locus standi*.

Further, the PIB should require periodic environmental audits and also prescribe mandatory remediation of impacted or damaged environment. When the United Nations Environmental Program (UNEP) report stated (in their report of August 2011) that it will require about 30 years to clean-up the pollution in the waters of Ogoni land and 5 years to clean up the land, it was a diplomatic way of saying that if the Nigerian state did not act with utmost seriousness right

***The discretionary powers of the President to award petroleum leases should not be condoned by the PIB. Such powers provide avenues for questionable practices that abort efforts at transparency and due process. Accordingly, Section 191 should be expunged outright!***

- Nnimmo Bassey

away, we may as well start to sing a dirge for the land and its people and for us all. Ogoni polluted, is everywhere polluted.

Sections 198 and 199 require that oil operators must not damage commercial trees or sacred sites/objects. Where there is damage, the operator would be required to pay "fair and adequate compensation." Going by the current compensation regimes, this is an opening for continued impunity, destruction and desecration. The PIB would serve a better purpose by simply saying there must be no petroleum prospecting or mining in such areas. Considering the extensive damage already inflicted on the Niger Delta environment, it is not too much to declare some places as no-go areas for oil/gas prospecting activities.

In conclusion, he defined the host community as a community that has oil installations and as well as those who suffer impacts of production. It is very pathetic to see communities suffering effects of oil spill receive bags of rice and indomie noodles instead of cleanup efforts. Among other recommendations, Bassey recommended that money derived from excess crude oil should not be shared, but used to fuel alternative means of energy production. And finally, he insists on the policy of *publish what you pump*.

### Oil vs. Human Rights: In Search of a Healthy Balance – Dooter Malu

*Oil Vs. Human Rights: In Search of a Healthy Balance*, a paper presented by Dooter Malu affirms that environmental rights are human rights! The right to a healthy environment includes the right to clean air, clean water, good soil and the right to a balanced and healthy economy.

The discovery and drilling of oil in commercial quantity in 1956 when shell BP hit oil in Oloibiri, Ogbia Local Government Area, signaled the oil boom era. Official incapacity to effectively manage the huge oil revenues opened the gate for unlimited corruption and financial embezzlement. Both official reports and public outcry show that sustained degradation evident in the region has deeply and dynamically affected the well-being of local communities. The situation is compounded by the Nigerian government's persistent failure to provide adequate regulatory oversight for the environment. In its absence, this region has been subjected to cynical operations and manipulative politics of oil companies, resulting in violent confrontations between host communities and oil companies'.



Various declarations, specifically the Stockholm Declaration of 1972, states that man's natural environment is essential to his well being and to the enjoyment of his basic human rights. The 1992 Rio Declaration emphasizes the need for environmental protection and sustainable development. The PIB complements efforts to upscale the country's compliance with the international

environmental regulations. For instance, the Environmental Management Plan provided for in section 200 of the PIB requires any licensee to submit an environmental plan or quality management plan to ensure that oil companies involved in oil exploration protect the environment and promote sustainable development in oil bearing communities.

## Plenary

The high calibre of the speakers and the indepth presentations setting out the environmental, economic and human challenges in the Nigerian oil and gas industry set the pace for high level of participants' engagement that ensued during the plenary. Warmate Jones<sup>1</sup> made a strong distinction between participation and involvement. Oil bearing communities should be given the opportunity to be involved in planning legislations that affect them, from the point of drafting to holding public hearings. An example of one way not to get communities involved in the legislative process is the House of Representatives' decision setting aside 2 days to hold public hearing within the geo-political zones in the country.



Prince Ukpene's intervention touches on budget and oil contract transparency. He expressed deep concerns about the discreets way in which oil deals are negotiated and contracts are awarded. Aligning with Nnimmo Bassey's views espoused in his presentation, Miriam Bassey decried the criminalization of oil producing communities in the PIB. She however observed that members of those communities make matters worse by going against each other and pinpointing people to the authorities in order to gain favor and share in the largesse. Related to that is whether communities, in pursuit of compensation for oil spills, have the wherewithal to fight and engage influential oil companies with their meager resources and man power.



Right there in the Aldgate Hotel Banquet Hall, the hallways, adjoining walkways and open spaces, participants and representatives of donor agencies seized the plenary period to network, learn more about their respective organizations' work, exploring ways of collaborating in the future on a number of projects. More specifically, an array of media executives from

<sup>1</sup> Director General, Yenagoa Chambers of Commerce and Industry



both the online and electronic media turned the plenary into a new-hunting arena. One after the other, they interviewed the high profile speakers and participants, taking photo and video shoots, including tape recording of both interview sessions and conference proceedings. .

## Session Two

The afternoon session, chaired by Dr. Mrs. Robito Ekpiken-Ekanem, Executive Director, Women in Action for Positive Development & Gender Enhancement Action, Calabar Cross Rivers State, was equally as loaded and inspiring as the morning panel. The lead paper presentations were made by Emem Okon, Executive Director KEBETKACHE, Women Development and Resource Centre, Port Harcourt, Rivers State; His Royal Highness, Chief ECD Abia, The Clan Head of Idua, Ibeno, Eket Local Government, Akwa Ibom State; Chief Eric Doe from Boyi community, Gokana Local Government Area, Ogoni, Rivers State.



### PIB: Mainstreaming Marginalized Perspectives in Oil Sector Reforms – Emem Okon

Speaking on *PIB: Mainstreaming Marginalized Perspectives in Oil Sector Reforms*, Emem Okon revealed how the marginalized of critical voices in oil policy development leads to, or perpetuates social stratification and insecurity in oil producing communities. She identified marginalized people to include women, physically challenged, the elderly; those living in rural communities; those who have no access to wealth; those who lack access to information; those who lack access to quality health; those who cannot afford to train their children in private schools; those who cannot access electricity and power supply; those who live in thatch houses; those who do not participate in decision-making. Relating it to the PIB, the marginalized know nothing about the PIB



and have not seen the PIB. The few that had seen don't understand the language used in framing the Bill's provisions.

Ms. Okon interrogated how the PIB speaks to the concerns and interests of the marginalized and how much awareness has been created by the government regarding the Bill. Furthermore, do the community leadership structures favour the marginalized such as women? The traditionally and socially created roles and responsibilities that continue to fall to women in households, communities and ecosystems throughout the world increase women's vulnerability to impacts of environmental devastation. Environmental degradation places a disproportionate burden on women largely because of their social and economic roles, which expose them to greater numbers of environmental hazards. For e.g. women take primary responsibility for obtaining water and washing the family's clothes, and for fetching fire wood which constantly require them to come in contact with contaminated water and environments. Adjustments need to be made so as to ensure that women and the marginalized groups are consulted in compensation processes and community development projects through community meetings, community development committees and village assemblies.

In most oil-impacted communities, women groups lack access to basic information about the impacts oil activities have on their lives, traditional livelihoods and environmental health. Lack of information leads to assumptions, insecurity, fears and conflicts. This should be addressed by providing access to vital information on oil and gas revenues and how it is distributed.

In conclusion, she stressed the need for advocates to continue prevail on elected representatives to take PIB bill to their political wards and constituencies in an effort to heighten awareness and deepen public understanding of the provisions of the PIB.

### **Towards Greater Community Participation in the Oil and Gas Industry - HRH ECD Abia**

Royal Highness, Chief ECD Abia's opening statements were full of gratitude and praises to Spaces for Change-S4C for giving him an opportunity to hear about and see the Petroleum Industry Bill (PIB) for the first time. "I am very grateful to Spaces for Change for making it possible for me to hear about, and read this very important Bill for the first time ever", he said.

Just as the title of his presentation - *Towards Greater Community Participation in the Oil and Gas Industry* - implies, Chief Abia's declaration does not just evince the signature lack of consultation of local people in public policy



decision-making, but also shows how those most directly impacted by policy decisions are never given a chance to get involved in the design and implementation of development policies and programs which bear directly on their welfare.

His paper chronicled how the exclusion of oil producing communities in oil sector governance has resulted in the development of the Niger Delta. Examples of the consequences of community exclusion can be seen in the failed attempts by the government to use the Oil Mineral Producing Areas Commission (OMPADEC) and Niger Delta Development Commission (NDDC) development interventions to respond to the needs of the Niger Deltans. In oil bearing communities like Ibeno, host community of Exxon Mobil Plc in Akwa Ibom State, the PIB is viewed as a golden opportunity to make a u-turn towards correcting past conflicts and mistakes.

The production of hydrocarbon in scale so as to be ranked number globally, should be regarded as a to mismanagement of resources, it The Niger Delta, home to Nigeria's abundant gas reserves, remains developed parts of the country. oppressive levels of poverty, environmental degradation, which ethnic tensions and escalating militia groups.

The establishment of the PHC important aspects of the PIB injustices and unfair treated from where the resources that fuel obtained. As the traditional ruler Akwa Ibom State, identifying from and how it will be distributed is critical information that targeted beneficiaries should be aware of. Noting that the Bill provides for a 10%monthly contribution of net profit by the operating companies, this could be quite cumbersome and uncertain to rely on since profits are not determined on a monthly basis. He proposes that the amount should be determined at the point of production, since production is usually calculated on a daily or monthly basis.

***I am very grateful  
to Spaces for  
Change for making  
it possible for me to  
hear about, and  
read this very  
important Bill (PIB)  
for the first time  
ever***

– HRH Chief ECD Abia

Nigeria in such a significant one in Nigeria and twelfth blessing to the country, but due has turned out to be a curse. mineral oil resources and one of the poorest and least-Local communities suffer from infrastructural decay, and have in turn precipitated rising violence among competing

Fund is one of the most because it seeks to reverse the meted on local communities the country's development are of an oil-bearing community in where the fund will be derived

“What is an oil producing community?”, he asked. This is one question that must be answered for sections 116 – 118 to be realizable and enforceable. Additionally, Chief ECD Abia agrees with S4C's recommendation for the establishment of *community development boards* in which the representatives of oil producing communities directly participate in the administration and utilization of the Fund.

Most importantly, while increasing community participation in the oil and gas industry is important, it is equally more important for the government to make their presence felt in these poor communities using the taxes paid by the international oil companies (IOCs). When this role is neglected, communities look up to the oil companies for provision of amenities and resort to violence when their expectations are unmet. This is wrong and the PIB opens a new window to change all that.

Eric Doe, from Boyi community, Gokana L.G.A. of Rivers State also decried the lack of information about the PIB. Just like Chief Abia, he has not seen a copy of the Bill not to talk of the rural inhabitants of his community. Without access to the Bill, community participation is difficult to achieve. Making information about petroleum operations, contract documents, concession agreements available to communities is important to citizen participation because in many ways, such disclosure stands as a commitment to engage the communities and in making sure that the project does not have adverse consequences on them.

Apart from issues related to lack of access to important information about oil industry affairs, there are certain retrogressive practices that need to be stopped to make the PIB practicable and meaningful to local communities. One of them is the granting of surveillance jobs to community leaders by IOCs. He argues that such jobs present a cover for IOCs to accuse the communities of sabotage. While it is true that some oil spills could be attributed to sabotage, experience has shown that oil companies greatly exaggerate the frequency of sabotage to avoid compensation payments for damage caused by spills resulting from corrosion or other preventable causes.



Commending the provision of the host community fund, Eric Doe expressed fears of elite capture of the initiative. In addition to that, undue influence from government actors and political interference into the activities of the fund administrators also pose real threats. One way of minimizing this influence is by allowing community people to elect those to manage the fund as opposed to “appointment” by government officials.

Will the PIB help nip oil bunkering in the bud? Eric Doe doesn’t think so. Bunkering goes beyond what the rupturing of pipelines, “cooking the oil”, or exporting stolen crude illegally through the maritime highways. It also encompasses “pen stealing of oil revenues” happening within official circles perpetuated by top guns in government. In his view, the PIB has not laid down stringent laws to checkmate this practice and put a stop to oil bunkering.





## DAY TWO

The day started with a recap of the previous day's event by Joy Fidelis, program coordinator of the Legal Resource and Research Documentation Center. The recap flagged the issues that dominated the previous day's discussion and the highlights of the lead paper presentations. This was immediately followed by the morning panel session, chaired by *Warmate Jones, Director General, and Yenagoa Chambers of Commerce, Mines and Agriculture*. The discussants in this session are: Mr. Chika Onuegbu, Chairman, PENGASSAN/NUPENG National Joint Committee on the PIB; PENGASSAN National Industrial Relations Officer Port Harcourt, Rivers State; Engineer Alexander Neyin, Ex-Senior Manager, Assets and Installations, Chevron Unlimited, Lagos.

### Escalating Crude Theft: Examining the Operability of Community Surveillance of Oil Installations



Mr. Chika Onuegbu's presentation, *Escalating Crude Theft: Examining the Operability of Community Surveillance of Oil Installations* traced the history of oil discovery in commercial quantity to South Eastern Nigeria in the 1950s. That discovery came with much joy and great expectations among the people closest to the sources of oil who hoped that these finds would translate into better urban and rural infrastructure; good road

networks, increased access to basic medicare, better schools to enhance education both quantitatively and qualitatively and generally an expanded socio-economic space for greater participation of the people both in governance processes and in the economy. Time has proved how illusory those expectations were resulting in serious disenchantment amongst the masses which has led to the people seeking help themselves through unjustifiable means.



***The NNPC/Shell Petroleum Development Company Joint Venture recently declared a force majeure on Bonny Crude due to persistent crude oil theft, resulting in the shutting in of 150,000bpd. Just across the 97-kilometre Nembe Creek Trunk line, 53 break points were discovered. Also Agip has suspended crude oil production activity in Bayelsa state where 60% of its production of about 90,000 kbpd is stolen. By government's own admission, what is lost to crude oil theft alone is about 10% of Nigeria's total crude oil production of about 2.5million barrels per day (MMbpd).***

Not only that, citizens are inundated with reports of massive and unprecedented corruption. They hear how billions and more recently trillions of Naira meant for the improvement in their welfare are brazenly stolen by those in power. They recall that these billions and now trillions that are brazenly stolen come from the oil that is in their community. These dashed hopes caused serious disenchantment amongst the masses and increasingly separated them from their resources and instead of the original joy that the resource was viewed with, it became an object of regret, disappointment and something that should be viewed with trepidation. Everything therefore associated with it; the flow stations, the pipelines and all manners of conceivable installations began to be seen as instruments of impoverishment and the furthering of misery amongst the populace.

Since then, both organised and unorganised destruction of oil installations have been on the increase. Most of these were done because of the economic benefits derivable from it while others were carried out as a mark of resistance and protest to the skewed nature of wealth creation and distribution in Nigeria especially as it affects the oil wealth and the communities. Most of the incidences were targeted at stealing products both crude and refined which are then sold internationally or refined locally into products.

Recently, the Nigerian National Petroleum Corporation (NNPC) and the Ministry of Petroleum Resources estimated that Nigeria is currently losing some 250,000 barrels of oil per day to oil thieves. Most of these thefts are carried out by the outright sabotage of oil facilities especially the pipelines and the flow stations from where products are taken for sale. Essentially, Nigeria loses between U\$6bln to U\$12bln per annum. These estimates are for just crude loss and nothing has been said about the loss from refined products when we consider the numerous blow outs and the Arepo persistent incident including the value of the equipment and lives lost in the process.

Not long ago, the NNPC/Shell Petroleum Development Company Joint Venture declared a force majeure on Bonny Crude due to persistent crude oil theft, resulting in the shutting in of 150,000bpd. Just across the 97-kilometre Nembe Creek Trunk line, 53 break points were discovered. Also Agip has suspended crude oil production activity in Bayelsa state where 60% of its production of about 90,000 kbpd is stolen. By government's own admission, what is lost to crude oil theft alone is about 10% of Nigeria's total crude oil production of about 2.5million barrels per day (MMbpd). This is almost two and a half times the total production of our neighbour, Ghana. This level of oil theft is a very serious threat to our national security and our democracy. Also the painful damage to the environment due to crude oil vandalism and oil theft cannot be over-emphasised. The eco-system of the Niger Delta has been greatly violated and unfortunately this aspect of the cost of crude oil theft has not been given sufficient attention!

Although the Section 8 of the Miscellaneous Offences Act provides for life imprisonment for anyone stealing crude oil or petroleum products or vandalizing the pipelines, hardly is anyone caught or prosecuted. It is obvious the oil thieves have powerful allies in government. It is also clear that the security agencies are complicit in this menace of our national resource and government needs to step up to the plate and summon the required will to fight this patent threat to our nation. The continued

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***We have therefore gathered here to ask ourselves whether the provision in the proposed PIB, which provides that petroleum host communities should ensure the safety of oil installations in their locality will be used to effectively stem the hemorrhaging of our national oil wealth; and whether this will be an effective mechanism considering the sophistication of the operations and the status of the people alleged to be involved in it, especially at the backdrop of last week's Wikileaks revelation that certain individuals high-up in government are actually the main culprits behind majority of the thefts.***

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– Chika Onuegbu

unabated theft of crude oil will obviously lead to divestment by the oil and gas companies and the attendant socio-economic crises and significant job losses as a result. For instance, no body, few years ago, could imagine that Shell could pull out its huge investments in Nigeria. The communities will also be negatively impacted.

“I want to clearly inform you that if nothing concrete is done to stop oil theft, the oil workers unions (PENGASSAN and NUPENG) may be forced to suspend production of crude oil and supply of petroleum products until appropriate action is taken. The impact of this ultimately on overall revenue from oil accruing to the Federation Account will be negative and severe”, he warned.

### **Can petroleum host communities help curb crude theft?**

Various solutions to tackling crude theft have been proposed and one of such is the involvement of Petroleum Host Communities as being proposed in the 2012 Petroleum Industry Bill. And to further ask ourselves whether it is justifiable for some of us who are workers of the industry to threaten industrial action if nothing is done to check this increasing menace.

### **What Does the PIB say?**

Section 118 (5) requires communities to safeguard oil installations in their various communities. The implication of this responsibility is that these communities may be held accountable in the event of any vandalism of oil installations in their localities. What then were in the minds of the sponsors of this Bill that made it imperative that this clause be inserted? We have tried to adduce the following reasons or assumptions for this insertion.

These assumptions are:

***Pipeline/installations' vandals are locals:*** One of the basic assumptions for this insertion is that most of the incidences of oil thefts are carried out by locals. This is however not entirely the truth as recent revelations have shown that while the several cases of small

breakages here and there may have been the handiwork of locals, the theft through these sources are not up to 30% of the entire heist. However the other 70% which is done with the active collaboration of those in authority and military top hierarchy is a highly sophisticated operation which most of the time do not require breakages but a breach of the major transport points. Assumption number one therefore has a huge challenge and would pose serious problems to the effectiveness of the provision in the PIB.

***Consequences of vandalism are immediately felt by the host community:*** This is very valid as both the direct acts of breaking pipelines to steal oil and other associated activities along the theft – chain have wrecked the immediate environments where these facilities are installed. It is not only in environmental degradation and its corollaries but also in the lives that were lost while such

activities were being executed. Communities therefore on the strength of this should take steps to protect themselves with or without the provisions of the PIB given the inability of the security agencies to contain the criminals.

***Installations are hosted by communities:*** A popular saying that it is the duty of the host to protect his guest holds true here. It is therefore the moral duty of the communities to protect these oil installations. However, herein lays one of the basic contradictions in the oil and gas equation in Nigeria; that oil equipment and installations that are supposed to belong to the people are classified as “GUESTS” given the implications of the definition of the term “host communities”. It is an aberration with deep consequences for the smooth operation of the industry.

***They know the terrain very well:*** Flowing from the above is the understanding that because these installations are established in places owned by some of these communities, they therefore know the terrain very well and can therefore provide better surveillance and protection to such installations. They know the dangerous zones and the flashpoints and would easily police the environment thus guaranteeing safety to the installations.

***Communities cooperate with vandals:*** Whether the communities collude with the vandals or not, fact remains that it is assumed that because some of the vandals mingle with the communities, they are therefore shielded from the law enforcement agents. They also assume that the communities point out the vulnerable portions of every installation and guide those interested in stealing products to the best place to attack. However, when vandals with sophisticated arms invade a community, hold them to ransom and move products from oil installations, the alternatives are slim.

***Some are because of community agitations:*** It is also believed that most of the locally driven thefts are actually signs of deeper malaise in the polity. This means that they were carried out as a sign of protest against the State and the continued degradation of their respective environments. Agitations against innate inequities, injustice and deprivations apparently made oil installations targets for the expressions of such feelings.

### **How Effective Will Community Policing Be?**

It will undoubtedly improve security of oil installations and contain the micro oil thieves but whether it will stern the organised and high-level stealing of the crude oil by organised syndicates with their powerful allies remains questionable. The strengths and weaknesses of the provision are:

#### ***Strengths***

***Sense of proprietary interest:*** The first thing this provision does is that it rebuilds the psychological disconnect between the communities and the oil installations. The people are given a sense of ownership no matter how vacuous it may be to the installations in their communities. This proprietary sense creates in them the necessary passion and drive needed to ensure the protection of such installations from both internal and external criminals. As the integrity of the installations is increasingly assured, it becomes difficult for crude theft to be carried out in those areas.

***Communal alert/watch is triggered:*** With the provision, a security consciousness is activated in the community increasing the awareness of the need for everybody in the community to make

contributions towards the safety of the installations. It would definitely lead to the creation of community vigilantes that would be charged with ensuring the safety of these installations.

***Civic responsibility and duty is built:*** The provision imbues in the communities a sense of responsibility as enshrined in the law. This sense of responsibility increases civic consciousness. With the building of communities with higher civic responsibilities, increasing civic action becomes the necessary outcome. This civic action is what will be channeled towards ensuring the safety of oil installations in the communities.

***Increases community commitment:*** When communities realise that the condition attached to accessing the community host fund is the safety of oil installations in their locality, commitment to ensuring success is increased. As commitment increases in the communities, oil installations become well-policed thus theft of products is reduced proportionally.

***Empowers the youth/community through job creation:*** A necessary flow from this is that communities would become more empowered as more funds for greater economic activities come into them through policing activities. Direct jobs for the youth are also created as those that would form the safety committees and actually police the installations would be employed full-time. This takes away more youth away from criminal activities and involvement in vandalism of the oil installations. Taking more people away from pipeline-breaking through job-creation and empowering the communities through fund injection means that there will be less participants involved in oil theft. Naturally, the communities will not treat kindly anyone that wants to take away their means of empowerment.

***Sabotages when carried out are easily and quickly contained:*** The communities know some of the vandals and could easily trace the culprits when a successful crude robbery operation succeeds. They can easily provide security for maintenance teams to access breakpoints and carry out maintenance activities quickly. This reduces loss of products thus revenue.

## Challenges

This provision may have been well-intended, it is actually based on some false assumptions. It also tends to deal with symptoms of a deeper issue than going deeper into the roots to solve the problem. However, it could be discerned that those who crafted the Bill never had any intention of the communities replacing the security agencies in the provision of security for the nation's oil installations. Rather, their role is designed to be complementary. In playing this complementary role, we anticipate the following challenges:

***Paucity of effective capacity by locals:*** The critical capacity to effectively guarantee the safety and security of oil installations in the communities is clearly insufficient in the communities. Since this entails the mounting of full security operations given the nature and character of crude theft operators, we are worried that the communities may lack the critical mass needed to effectively stop the organised operators.

***Capability to deliver surveillance and protection is low/skill gaps:*** The know-how or competence needed for intelligence gathering, technical monitoring of installations like pipelines that are not close to areas where community members live will pose a serious challenge to the operability of this provision. Anybody with the skills that are needed for these operations are already employed elsewhere and are therefore not available for use in the communities.



**Deployment of technology requires large capital outlay:** Needed technology to effectively carry out the mandate of this provision requires huge capital investment, which we know is beyond what the communities can provide. If the needed tools cannot be procured, communities cannot function effectively in this regards and that, poses a serious challenge to the effectiveness of safeguarding oil installations.

**Logistic and technical challenges:** There will surely be operational logistic problems that will arise in the course of the communities prosecuting such a mandate. Coordinating the exercise and creating effective platforms to interface with other communities and the larger security network will surely be daunting.

**Misuse of weapons:** We are worried about the weapons that would of necessity, be provided for the communities to be able to discharge their assignment as a result of this provision. Is it not possible that they may fall eventually or be used for than what they were supposed indeed frightening.

**May make squabbles violent because of the** have witnessed inter-oil-bearing communities and destructive they can be. Our introduce legitimate arms grievances that would have dialogue may become more

**May create local** creating local warlords will implementation of this individuals to carve out with personal ambition can only be imagined. Will hands of those whose tomorrow overshadow the intentions of peace and safety in those regions and turn them into warlords?

***The implementation of S. 118 (5) of the PIB may increase the militarisation of the region: This will surely make arms more preponderant in the communities, creating military enclaves all over the communities. This is not very healthy for socio-economic development and may in the long run create bigger problems not only for the communities, but for the entire region and nation.***

- Chika Onuegbu

into the wrong hands some other purposes other to do? These possibilities are

**over territory more introduction of arms:** We communal crises within the we have seen how deadly and concern is that when you into such environment, been settled amicably through violent.

**warlords:** The likelihood of increase with the provision. This will allow niches for themselves and coming in, what may happen this not put weapons in the ambitions may likely

## WAY FORWARD

**The disbandment of the Nigeria Security and Civil Defence Corp (NSCDC)** and the transfer of the yearly budget provisions for the NSCDC to increase in the Petroleum Host Community Host Fund: Given the obvious failure of the agency to address pipeline vandalism which is the main reason for their establishment, they should be disbanded with immediate effect and their budget provision used to increase the petroleum host communities fund.

**Head-on fight against corruption.** The increase in oil theft in Nigeria is directly proportional to the level of corruption in Nigeria. Corruption weakens the institutions of governance and makes it

difficult for government officials to do their job. The inability of the government of Nigeria and its security agencies to fight the menace of oil theft can be directly linked to the unprecedented level of corruption in Nigeria. The proceeds of oil theft are shared between the oil thieves and their government and security collaborators. That is why nothing concrete is done about oil theft in Nigeria. Painfully, the situation will not change until government shows the political will to fight corruption by severely punishing corrupt government officials and security agents.

The National Assembly should use the opportunity of the PIB to order the genetic **fingerprinting of Nigeria's Petroleum assets** so as to stop the big oil thieves. This will enable the identification of stolen crude oil from Nigeria in the international market.

**Complete review, overhaul and reorganisation of the security functions** in Nigeria so as to better position them to their constitutional duty of security of lives and property.

**Setting targets for the JTF and declaring War against oil theft:** The Federal Government must set clearly defined targets for the Joint Task Force for the purpose of ending oil theft. JTF unit commanders whose units cannot meet those targets should be investigated and disciplined accordingly. Disciplinary measures should include dismissal from service especially where their performance is far below target. The reduction and stoppage of oil theft must be taken as a war. And any officers who is found wanting should be treated as an enemy of the Nigerian state and punished accordingly.

**Further politicisation of "petroleum host community" should be stopped immediately:** To avoid being labelled a country of unserious people, it is important that we should stop this attempt to trivialise what represents "host community" in the provision. The NASS is therefore urged to clearly define what constitutes "*Petroleum Host Community*" so as to remove every ambiguity that may impede its implementation.

**Training of locals (security capability/use of technology):** If this is to work effectively, the need for training of the locals or the community to imbue them with the needed skills for protecting the installations becomes very urgent. It is important that they are brought to an appreciable level of knowledge of the relevant surveillance technology for such installations, dictating break points, intelligence gathering etc. Communities should also be supported logistically when the PIB becomes operational to ensure effectiveness.

**Increased and continuous targeted advocacy and education in the host communities:** The oil industry and the relevant governmental agencies should embark on continuous advocacy to educate the communities on the need to protect the installations against the vandals. Constant education of the people on the potential dangers of giving cover to the oil thieves as well the grave environment consequences that it brings to their respective communities will encourage the people to rise up to the challenges of safeguarding oil installations.

**Government need to purge itself of rogues sabotaging efforts from within:** To ensure the operability of this provision, we urge the Federal Government to purge itself of those colluding or financing oil theft in the country. When products are stolen at the point of loading by misrepresenting the actual figures, how will the host communities account for that? This version of the theft is the most virulent and the dimension actually responsible for a larger proportion of the on-going theft of the nation's oil.

***The allegation that by Wikileaks should be investigated:*** Finally, we strongly suggest that the allegation by Wikileaks that some dead former military men turned-politicians including active politicians and top security operatives in the country are the major sponsors running the cartel responsible for stealing the nation's oil be properly investigated. This is on the strength of the fact that majority of the information coming from this medium concerning Nigeria have turned out to be credible.

### **Improving Host Community-Oil Company Relations: Strategies that Work**

Engineer Alexander Neyin served as Assets and Installations Manager for Chevron PLC for over two decades working in various country offices of the oil multinational including Nigeria. His presentation acknowledged that the increasing hostile relationships between oil companies and their host communities have triggered huge disruptions in oil exploration and production. Sharing specific examples and experiences drawn from his extensive experience in the industry, especially in the Niger Delta, Mr. Neyin examined the causative factors of these protracted infractions, and recommended sustainable strategies for overcoming them.

For instance, communities on one hand, look up to oil companies to provide basic services, while companies on the other hand, often provide these services in the name development programmes. The lack of participatory mechanisms or opportunities for communities to play any meaningful role in the oil and gas industry forces them to perceive oil companies as the enemy. In other words, the agitations of oil producing communities in the Niger Delta are rooted in their exclusion from the administration of the oil and gas industry, and the blame is often put at the door of oil companies. Consequently, communities often regard oil companies' development programmes as a form of compensation for the deprivations they face. It is also viewed as reparation for extracting their resources, desecrating their venerated sites and substitutes for the remediation of the environment. There is a huge problem of misunderstanding of roles, resulting in frequent social tensions and hostilities.

The advocacy for the inclusion of Niger Delta communities in oil sector administration is long overdue. The PIB holds a strong potential to increase community participation in the oil and gas industry, and reduce the intensity and regularity of local discontent. However, there are certain hurdles that must be surmounted. One of such hurdles is the lack of technical knowledge of activities ongoing in the production terrain. This challenge poses a real threat to meaningful community participation in oil industry governance.

Most people living in the oil producing areas frantically seek opportunities to work in oil companies. Work in this sense comes in the form of direct employment by the IOCs or the award of contracts for both non-technical and community projects. The limited employment opportunities are another major source of strife. In terms of improving host-community-oil company relations, Mr. Neyin proposes that employment/contract transparency procedures and affirmative action are two key strategies for enhancing community participation and for overcoming the persistent disagreements between oil companies and communities.

Award of contracts should be fair and given to the best and credible bidders. Affirmative action creates a quota system that allows qualified job seekers from the oil producing areas to gain access to job opportunities in oil companies operating within their communities. Community development programmes should be designed in such a way that enhances the productive capacity of local youth. This is key to realizing the development of local content, and for bolstering community participation in oil and gas operations and decision-making.

The development of clear guidelines for job creation, complemented by effective social policies is required to abrogate the current practice of fielding foreign expatriates in non-technical services and departments whereby local skills and capacities abound e.g carpentry, electrical and mechanical works, thereby limiting opportunities for youth employment, with adverse impacts on the local economy. 70% of this cadre of employees of oil companies should come from localities where the companies are located.

In his concluding statements, Mr. Neyin advocates that no safety net can fully replace the legitimacy and security provided by the inclusion of the critical voices of women, the youth and local communities in natural resource management.

## COMMUNIQUÉ DRAFTING BREAKOUT SESSIONS

Group One chair, Innocent Adjenughure, Executive Director, Niger Delta Study Group on Extractive Industries, Warri, Delta State facilitated discussions around the session:

### ***Enhancing Community Participation in the PIB.***

Simultaneously, Mrs. Kaine Bob-Manuel, from Port Harcourt, Rivers State, presided over Group Two that discussed

### ***Strengthening Environmental Protection in the PIB.***

Participants actively proffered a range of recommendations for enhancing community participation in the oil and gas industry and for the protection of the environment. With renewed commitment, participants resolved to take urgent action to support the promotion of economically, socially and environmentally sustainable future for present and future generations, while enhancing youth and women's empowerment, and equal opportunities for all Nigerians.





## COMMUNIQUE

Participants further resolved and recommended as follows to different stakeholders:

### To the Nigerian Government:

1. Sustainable development in petroleum producing communities can only be achieved by: fostering equitable social development and inclusion; creating equal opportunities for all, raising basic standards of living; and promoting integrated and inclusive management of natural resources using rights-respecting strategies that support environmental conservation, regeneration and restoration.
2. The independence of the two regulatory agencies: Upstream Petroleum Inspectorate (UPI) and Downstream Petroleum Regulatory Agency (DPRA) must be guaranteed, and mechanisms put in place to enable them better inform citizens about policy decisions.
3. Oil theft, illegal refining, and gas flaring and the resulting environmental damage they cause portend great danger to oil-bearing communities, requiring an urgent action to bring them to an end, in accordance with the principles and provisions of the Nigerian Constitution, regional and international human rights treaties Nigeria voluntarily signed onto.
4. Multi-stakeholder collaboration between all tiers of government, including oil companies and their host communities is required in order to proactively address the continuing high levels of unemployment and underemployment, particularly among young people in petroleum producing communities. Tackling youth unemployment and poverty, as a matter of urgency, can make an important contribution towards tackling violence and restiveness in the region.
5. When there is any divestment, the first choice of take-over should be vested on indigenous oil companies, including qualified members of the community where the divestment company and facilities are located.
6. The Wikileaks revelations alleging that security chiefs, political party heavy-weights in connivance with state officials are benefactors of crude oil theft in the Niger Delta should be investigated.
7. Efforts to achieve lasting peace, environmental security and sustainable community development in the region should be reflected in national, state and local policies and plans.

### To the National Assembly:

1. We call for the adoption of all the detailed recommendations outlined in the PIB RESOURCE HANDBOOK publicly presented at the April 23 & 24, 2013 conference. Twenty copies of the said Handbook have been submitted to the PIB adhoc committee at the South-South Zonal public hearing held in Port Harcourt on April 22-23, 2013.

2. The 2-day Zonal public hearings on the PIB conducted across the country, especially in the South-south region was grossly inadequate, as it afforded scant opportunities to several oil producing communities' to participate and voice their concerns regarding the Bill.
3. The PIB passage processes must underscore access to information, broad public participation and the meaningful involvement of national, state and local-level legislatures and all major groups: women, children and youth, indigenous peoples, non-governmental organizations, local authorities, workers and trade unions, business and industry, the scientific and technological community, and farmers, as well as other stakeholders, including local communities, volunteer groups and donor agencies and persons with disabilities.
4. Oil producing communities welcome the establishment of a Petroleum Host Community Fund, and urge the government to establish a community-based participatory structure, known as the Community Development Board (CDB) for the effective administration of the Fund. In this regard, the CDB will serve as an independent body, without prescriptive interference from government agencies, state governors and traditional institutions, whose members are appointed for a fixed tenure by different interest groups – women, youth, traditional rulers, elders' council - within oil producing communities.
5. The term host community should be clearly defined for the purpose of determining the direct beneficiaries of the PHC Fund. Any proposed definition should include both oil-bearing and oil-impacted communities.
6. Contributions into the PHC Fund should be based on a minimum of 10% of crude oil sales rather than 10% of oil and gas companies' net profits because of the difficulty in determining the actual net profit of different operators.
7. The politicization of the PHC Fund is condemnable. All stakeholders are enjoined to contribute towards imparting new momentum to the implementation of all initiatives designed to address the surging local discontent in the oil-rich Niger Delta region.
8. Section 118 (5) of the Bill should be expunged as communities lack the capacity to contain the high-level bunkering operations. Deducting the repair costs of damaged installations from the PHC Fund foists collective punishment on communities for the vandalization of oil installations, and ostensibly outsources government's primary responsibility of securing lives and property to host communities.
9. Requiring oil companies and licensed operators to hold due consultations with oil producing communities in order to seek and obtain their consent before the commencement of oil production is consistent with the venerated principle of free, prior and informed consent. This requirement should be recognized and included as part of the obligations of licensee, lessee and contractors set out in S. 292 of the PIB.

10. The vagueness of certain provisions in the Bill, such as the obligation on oil companies to adopt and utilize “best practices” and “good oilfield practices” is vague, and must be clarified. Considering that the different operators and companies often employ standards set by their respective home countries, it is difficult to ascertain which of these standards rate as the best.
11. To check multiplicity of duties, the management of the remediation fund created by section 203 of the PIB should be vested in the National Oil Spill Detection and Remediation Agency (NOSDRA), responsible for cleaning up of oil spills and environmental remediation. This will not only guarantee the UPI’s and NOSDRA’s independence and effectiveness, but also, inject more clarity in institutional obligations and regulatory functionality in the oil industry.
12. The process for determining compensation sums for trees and venerated objects destroyed during petroleum operations, including disturbances on the surface of the land outlined in S. 198, 199 and 296 of the Bill should be clearly outlined, recognizing landowners, female-headed households and communal landholdings.

## **To the Oil Companies:**

1. We call for the adoption of all the detailed recommendations outlined in the Spaces for Change’s PIB RESOURCE HANDBOOK publicly presented at the conference, PIB & Host Communities between April 23 & 24, 2013.
2. Oil companies lag behind in implementing previous legislative commitments and social policies for the protection of the environment and community rights. The PIB ushers a new vista to adopt socially responsible business practices and move towards greater compliance with all regulations, state and federal legislations regarding the protection of the environment and development of local content.
3. All oil companies and licensed operators are obligated to support and respect national regulatory and policy frameworks, particularly in the areas of environmental safety, finance and technology transfer, innovation and entrepreneurship, capacity building, transparency and accountability.
4. Community development programmes designed to enhance productive capacity of local youth and indigenous oil companies is key to realizing the development of local content, and for bolstering community participation in oil and gas operations and decision-making.
5. The development of clear guidelines for job creation, complemented by effective social policies is required to abrogate the current practice of fielding foreign expatriates in non-technical services an departments whereby local skills and capacities abound e.g carpentry, electrical and mechanical works, thereby limiting opportunities for youth employment, with adverse impacts on the local economy. 70% of this cadre of employees of oil companies should come from localities where the companies are located.

6. All oil companies must take concrete steps to establish participatory structures for both engaging their host communities in culturally appropriate ways; and for facilitating full and effective community participation in oil and gas operations.
7. Oil companies should undertake and publish periodic audit of its personnel to determine the extent it is promoting full and productive employment and decent work for members of host communities, with a view to achieving poverty reduction and social cohesion in communities where they operate.
8. We call for the adoption of holistic and integrated approaches to sustainable development in a manner that facilitates harmonious existence with nature and lead to efforts to restore and remediate environmentally damaged areas.

### **To the petroleum producing communities:**

1. Petroleum producing communities, in close collaboration with the Nigerian government through the office of the petroleum minister should make concrete efforts to develop a participatory community-led structure for the effective administration of the PHC Fund.
2. Credible and responsive community leaderships should be put in charge of handling multinational and local community relationships and engagements.
3. Host communities must take ownership of development programmes which includes sustained monitoring and evaluation on environmental “Best Practices” applied by oil companies.
4. The criteria for the location of community development programs should be clearly spelt out before the initiation of such projects. In line with the DPRA’s mandate to review the impact of oil company development programmes and take stock of such development programmes in Sections 293 and 297, the reports of such reviews and stock-taking should be made public and accessible by oil producing communities.
5. Recognizing that communities lack the skills to contain high-level oil bunkering operations, community surveillance operations must be initiated across communities hosting oil installations, in order to complement the efforts of the national government and its security agencies.
6. Traditional rulers, non-governmental organizations and community-based organizations should encourage the active participation of oil-bearing and oil-impacted communities in processes that contribute to decision-making, planning and implementation of policies and programmes for sustainable development at all levels.

We acknowledge the role of civil society in strengthening access to information as well as an enabling environment - especially in the area of analysis, sharing of information and knowledge, promotion of dialogue - for an active citizen engagement in public decision-making, particularly in the passage of the PIB.



## WRAP UP SESSION

The conference came to a close with closing remarks by S4C's executive director thanking and appreciating the participants for their inputs and contributions to the intense two-day deliberations. The diversity of analysis and the rich depth of the presentations provided will not only enrich Spaces for Change's programme of sensitization across oil bearing communities, but will also consolidate the organization's knowledge-building initiatives designed to make voices of the marginalized heard in economic policymaking within the oil and gas sector. Together with the conference participants, their respective organizations and a broader spectrum of stakeholders, Spaces for Change will continue to demonstrate to the government and policymakers that oil sector reforms arrived at through open, transparent and participatory manner is cost-effective and socially, economically and politically advantageous.

## PARTICIPANTS LIST

Participants	Organisation
1. Idioko Warmate Jones	Yenogoa Chambers of Commerce, Bayelsa
2. Zakka Bala	Template Design, (Energy Solutions) Lagos
3. Josephine Ogoba	Rural Community Empowerment Network, Delta State
4. HRH Obong ECD Abia	Traditional Ruler, Eket, Akwa Ibom State
5. Lily B Dokubo	National Human Rights Commission Port, Rivers State
6. Imeabe Saviour Oscar	National Youth Liberation Movement Rivers State
7. Joy Fidelis	Legal Research and resource Centre, Lagos State.
8. Mariam Ororuha	Environmental Rights Action, Abuja
9. Adigun H.	FOSTER, DFID
10. Goddy Ikeh	Business Eye, Lagos
11. Emem Okon	KEBETKACHE, Rivers State
12. Dayo Olaide	NSRP, Abuja
13. Nkpordeed Basil	PAC, Bori, Rivers State
14. Dabesaki Ikemerjima	PAC, Bori, Rivers State
15. Innocent Adjenughure	NIDESGES, Warri, Delta State
16. Letam Nwibari	National Youth Liberation Movement Rivers State
17. Joy Ogugua	Gamo Village
18. Peter Esele	Trade Union Congress, Abuja
19. Prince Ekpere	NDCP
20. Prof. Etie B. Akpan	Eket Community
21. Nnimmo Bassey	Environmental Rights Action, Edo State
22. Emmanuel Onyekachi	Envision Africa

23.	<b>Tornwe Gibson</b>	National Youth Liberation Movement Rivers State
24.	<b>Fyneface D.</b>	Social Action, Port Harcourt
25.	<b>Elizabeth Onyedili</b>	Port Harcourt
26.	<b>Udeme Akpan</b>	National Mirror
27.	<b>Destiny Enebemelele</b>	Cradle of Black Civilization Initiative
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31.	<b>Magnus Nwanu</b>	News Master
32.	<b>Emeka Idika</b>	Rhythm F.M/Silverbird
33.	<b>Robito Ekpiken Ekanen</b>	WAPDAGE, Cross River
34.	<b>Julius Nu-ue</b>	OSF, Rivers
35.	<b>Alex Neyin</b>	GACM ORK NIG.Ltd
36.	<b>Ketenbe Ebiaridor</b>	Oil Watch, Port Harcourt
37.	<b>Kaine Bob - Manuel</b>	RUCONET
38.	<b>Maaneelebari felix</b>	PAC
39.	<b>Akpobari Celestine</b>	Social Action
40.	<b>Chika Onuegbu</b>	PENGASSAN
41.	<b>Letam Nwibari</b>	National Youth Liberation
42.	<b>Faruq Chukwumah</b>	Macwellff
43.	<b>Narumbari Kote</b>	Calm Nigeria Group
44.	<b>Chima Williams</b>	Environmental Rights Action, Edo State
45.	<b>Dr. Williams Abbey</b>	Bonny LGA
46.	<b>Orunari Soibi</b>	Wazobia
47.	<b>Anayo Onukumgua</b>	Nigerian Union of Journalists, Port Harcourt
48.	<b>Berry Leona</b>	Rhythm F.M
49.	<b>Tetam Jack</b>	OSF
50.	<b>Lagbara Efeeloo</b>	OSF
51.	<b>Ngeri C.J</b>	
52.	<b>Patrick hielare</b>	FOCONE
53.	<b>Funmi Fakeye</b>	Spaces for Change
54.	<b>Atim Uba</b>	Spaces for Change
55.	<b>Victoria Ohaeri</b>	Spaces for Change