

PETROLEUM IN NIGERIA 2004

1. NIGERIA: COMUNIQUE OF THE CIVIL SOCIETY CONSULTATIVE MEETING ON OIL AND GAS SECTOR POLICY REVIEW INTRODUCTION

From Tuesday, April 6 to Wednesday, April 7, 2004, representatives of civil society organisations, oil-bearing communities, academia and the media met in Lagos for a twoday consultative meeting on oil and gas sector policy review. The meeting was organized by the Environmental Rights Action/Friends of the Earth, Nigeria.

a) OBSERVATIONS

Participants observed as follows:

- 1) That the government on April 25, 2000 inaugurated the Oil and Gas Sector Reform Implementation Committee (OGIC) with the Vice President Alhaji Abubakar as Chairman. The duties of the Committee include 'legal and regulatory policy reform which entails reviewing the body of extant petroleum laws and establishing a statutory basis for comprehensive regulatory activity in the sector and balancing the interest of consumers, the environment and operators'. The OGIC is reportedly composed of 25 experts and has a British firm, Nextant Limited, as consultants while the peoples of the oil-bearing communities whose lives and livelihoods are at stake and concerned civil society organisations are not represented on the Committee. Nor have they been consulted so far in the process;
- 2) As yet, information about the work of the reform committee is scanty and the process non-inclusive and non-transparent;
- 3) That the oil and gas sector policy review is private sector driven and based on the philosophy of neo-liberalism which places profits before people;
- 4) That the plethora of environmental laws in Nigeria are yet to be codified in a single document and remain inhumane, undemocratic and non-justiceable;
- 5) That Nigeria does not have a record of its crude oil deposits, sales and revenue;
- 6) That there is a lack of political will on the part of government to put a decisive stop to the indiscriminate flaring of gas in the Niger Delta;
- 7) That since the return of civilian rule in 1999, the government has deliberately refused to appoint a substantive minister in charge of Petroleum Resources;

8) That contrary to popular belief that the controversy surrounding the onshore-offshore dichotomy in derivation revenue has been resolved, the littoral states are still being denied their entitlement to the continental shelf contiguous to them but are allowed a varying offshore that reaches a maximum of 200 metres depth in this day and age when most new offshore finds are in deep waters whose control has been vested exclusively on the central government;

b) RESOLUTIONS

Based on the foregoing observations, the meeting resolved as follows:

- 1) That the ongoing oil and gas sector policy reform process remains unacceptable until it meets the criteria of transparency, inclusiveness and popular participation;
- 2) That there is need for a clear legislation on community participation in the Nigerian oil and gas sector;
- 3) That we demand a moratorium on new oil field explorations and exploitations;
- 4) That there is need for research into alternative sources of renewable energy in Nigeria;
- 5) That we endorse the democratic resolutions of the people as contained in the Ogoni Bill of Rights, the Kaiama Declaration of the Ijaw, the Aklaka Declaration of the Egi, and others affirming the right of communities to control their resources;
- 6) That all unjust oil and gas laws like the Land Use Decree, the Petroleum Act and others be abrogated;
- 7) That a post-oil environmental security fund is desirable to ensure the remediation of the damaged Niger Delta ecosystem;
- 8) That the controversy surrounding the offshore-onshore dichotomy be democratically resolved in favour of the oil-bearing communities;
- 9) That the government should put an immediate end to gas flaring, ascertain the damage done to the environment and carry out appropriate remediation;
- 10) That a substantive Petroleum Resources Minister be appointed without further delay;
- 11) That the capacity of the state to regulate business be strengthened

Source: RESISTANCE Number 45 .-OILWATCH.- May 2004

2. SIX YEARS AFTER: THE DECLARATION OF KAIAMA (OPERATION CLIMATE CHANGE)

The declaration of Kaiama, launched in December of 1998, consequence of the struggle of more than 5000 young people of 500 Ijo communities, celebrates a hit in the fight of these peoples in Nigeria. Thought it was not the first time that the Government was called to the attention of the International community, since the declaration of the Republic of Boro of the Delta of Niger in 1966.

Another support by the declaration of Kaiama, from Operation Climate Change, the young people committed themselves to implement the resolutions of the declarations. For which reason the Ijo Counsel for Young people was formed (ICY), that looks to dismantle the 11 colonialism that reigns in this region. The ICY took a radical turn: to face climate change they have to protest, and put forward a moratorium as an ultimatum to the exploitation of oil in their territories of Ijo, among other things.

The events occurred were dramatic. The government manipulated the declaration as a sensation and a strong attack to the interest of the poor. An international group of human rights informed that two navel war ships with more than 15000 soldiers was being dispatched to Bayelsa. Since that moment, the region has been in a state of crisis. The military have gone against the communities; innocent people have been assassinated, including children and old people. Soldiers and police brutally attack people of the Niger Delta, in the name of peace. Though many reports have been made, the government has never carried out an investigation into this case. Six years later it is clear that the Kaiama declaration maintains its validity.

DECLARATION OF KAIAMA OF THE YOUNG PEOPLE OF IJAW

Official communication of the young peoples Conference of Ijaw celebrates in Kaiama on the 11 of December of 1998.

a) INTRODUCTION

We the young people of Ijaw, representing more than 500 communities of more than 40 clans that constitute the nation of Ijaw and representing 25 organizations meet today in Kaiama to reflect in a better form to secure the survival of the ethnic nationality of the people of Ijaw, within the state of Nigeria.

After exhaustive deliberations, the Conference observed:

- a. That from the end of the British colonization the Ijaw Nation accepted forming part of the Nigerian State
- b. That the economic interests of the imperialists, denied the Ijaw nation form evolving as a distinct sovereign nation, separated and enjoying a political, economic, social and cultural autonomy.

- c. That the division of the Protectorate of the south in the East and West in 1939 for the British marked the principal of the whiting of the traditional Ijaw territory and neighboring peoples. This tendency continues to divide administratively the Nation of Ijaw in six different States (Ondo, Edo, Delta, Bayelsa, Rivers and Akwa Ibom), which constitute the minorities that suffer limitations to their socio-political, economic, cultural and physiological rights.
- d. That the quality of life of the Ijaw People is deteriorating due to an absolute abandonment, suppression and marginalization that they are submitted to by the Nigerian State and oil multinationals.
- e. That the political crisis of Nigeria is principally the result of the struggles for the control of oil and mineral resources that constitute more than 80% of PIB, 95% of the national budget and 90% of its external commerce. And of these figures, 65%, 75% and 70% are obtained from the lands of the Ijaw Nation. However considering our enormous contribution we only obtain deaths due to the ecological devastation and military repression by the Nigerian State.
- f. That the damages caused to our natural fragile environment and our health is due to the out of control exploitation of oil and natural gas that has led to the deforestation of our forests, the disorganized canalization, the inundations, instability of the subsurface, coastal erosion, etc., without considering the limited resources, being constant the complete lack of attention for the ecological rehabilitation, in light of the Oloibiri, that is a sign of an imminent sentence for the people of Ijawland.
- g. That the environmental degradation of Ijawland due to the acts of oil multinationation in the Nigerian State is due to the principal that the Ijaw Nation has been robbed of their natural resources of their property and control of their territory and resources via the successive undemocratic laws of the Nigerian State, as is the Decree for Land Use of 1978, the Decree on oil of 1969 and 1991, Land Decree No 52 of 1993, Decree No 13 on Authority over National Interior Channels, etc.
- h. That the principal of Derivations of Credit Assignations has been conscious and systematically wiped by successive regimes of the Nigerian State. We highlight the drastic reduction of the Principal of Derivation of 100% (1953), 50% (1960), 45% (1970), 20% (1975) 2% (1982), 1.5% (1984) 3% (1992) and 13% by 1995 by the undemocratic and unconstitutional government of Abacha.
- i. That the violation in Ijawland and other parts of the Nigerian Delta, sometimes in the form of interethnic conflicts are propagandized by oil companies to maintain the communities of the Nigerian Delta divided, distracting them, weakening and distancing them of the causes of their problems.
- j. That the recent revelations of the robbing of the national treasury by the Abacha group are only signs of constant violations of the Nigerian State. We remember the more than 12 thousand million dollars that disappeared during the Gulf War by Babangida and cohorts.

Based on all these precedents, we the young people of Ijawland, reached the following resolutions which we name the Declaration of Kaiama:

1. All land and natural resources (including mineral resources) within the Ijaw territory belong to the Ijaw communities and are the bases for our survival.
2. We no longer recognize all the antidemocratic decrees that rob our communities of the right to the property and control of our lives and resources that promote without our participation and consent. These include the Decree over Land Use and the Decree on Oil.
3. We declare the immediate withdrawal of armed forces in occupation and repression of the Niger State. Any oil company that employs the services of the Nigerian State armed forces will be considered an enemy of the Ijaw people. The families military personnel stationed in Ijawland will have to abandon the territory.
4. The young people of Ijaw in all the communities and of all the Ijaw clan in the Delta of Niger will take measures to carry out these resolutions as from the 30th of December 1998 from the Ijaw territory until the problem of property and control of the resources of the Niger territory is resolved.
5. The youth of Ijaw will promote the principal of peaceful coexistence between the Ijaw communities with the neighboring populations, even in the light of provocative actions and divisions by the Nigerian State, the oil companies and their contractors. We offer our hand in friendship and comradeship to our neighbors: Itsekiri, Urhobo, Ilaje, Isoko, Edo, Ibibio, Ogoni, Ekpeye, Ikwerre, etc. We affirm our commitment to fight together with the other nationalities of the Niger Delta for our freedom.
6. We express our solidarity with all the organizations and peoples and nationalities of Niger and any other place that is fighting for justice and self-determination. In particular we highlight the fight of the Oodua (OPC), the Movement for the Survival of the Ogoni People (Mosop), the Women's movement of Egi, etc.
7. We extend our hand in solidarity with the Nigerian oil workers (NUPENG AND PENGASSAN) and we hope they will understand our struggle for freedom as a fight for humanity.
8. We reject the transition programmed of Abubakar government, in that does not precede a restructuring of the Nigerian Federation. We consider it necessary the holding of a National Sovereign Conference with representatives from the nationalities to discuss the nature of a democratic federation of Nigerian Nationalities. The conference denounces the violence and killings characteristic of the last local government elections in most of the Niger Delta region. The conference highlighted that these electoral conflicts are a characteristic of the antidemocratic and unjust nature of the military transition programmed. The conference consequently confirmed that the army is incapable of heading the development of a real democracy for Nigeria.
9. We call upon all Ijaws to be faithful to their nation and to work for the total liberation of our people.

10. We agree to stay as part of Nigeria but we demand and work for our own government, to control the resources of Ijaw people. The conference approved that the best form of government for Nigeria is a federation of nations, based on equality and social justice.

Finally, the young Ijaw people agreed to prepare an Ijaw Youth Council (IYC) to coordinate the struggle of the Ijaw people for the freedom of decision and justice.

14 Signed in representation of the Conference by:

Felix Tuodolo, Ogoriba, Timi Kaiser-Wilhelm.

Source: RESISTANCE No. 46.- OILWATCH NETWORK BULLETIN .- June 2004

3. ENVIRONMENTALISTS DENOUNCE AGREEMENTS FOR "CARBON FREE" PROJECTS

Last month, some organizations carried out some protests against British companies that have said that they want to make their products and services carbon free and therefore not affecting climate change via forest plantations and other such activities.

The environmentalists say that the proposals for Future Forests and Climate Care like those that try to impart a different image to plane flights, launching Coldplay CD's or organizing Glastonbury Festival and other "Carbon Free" or "Climate Neutral" activities cannot be verified and distract the general public of the real causes of Climate Change. As part of the campaign thousands of letters are being sent to company clients to that they may reconsider associating themselves.

"We are worried because these companies are directly blocking real solutions to global warming, which is to reduce and finally stop the burning of fuels", said Heidi Bachram from Carbon Trade Watch.

"We need to see constructive actions on how to stop subsidizing oil projects, rather than returning to the discredited scientific solutions that try to "compensate" to continue with oil development, that simply leave the problem for future generation".

"The idea that people can continue to burn fuels and then plant trees to clean up the carbon emitted is simply wrong. This false "solution" will lead to the continuation of searching for more oil, gas and carbon rather than developing clean energy", said Bachram.

Environmental and environmental justice groups, such as Carbon Trade Watch, SinksWatch, Soljuspax, Worldforests, and Clean Development Mechanism Watch, Rising Tide y The Corner House have signed letters to more than 200 clients of the Future Forest and Climate Care companies.

In the list are large contaminators such as BP, Volvo, Avis, Tetrapak and Amerada Hess, and other influential corporations such as Barclays, British Telecom and Warner Brothers and celebrities such as Atomic Kitten, Coldplay and Damien Hirst. According to Jutta Kill, director of SinksWatch, an organization that monitors forest plantations that try to “neutralize” green house gas emissions, “to try to pretend that a tone of stored carbon in trees is the same tone of hydrocarbons is to ignore the most basic of the earths carbon cycle.

These environmentalists agree in that the forests play an important role in climate regulation as carbon sinks, but insist that they should not be used to continue to use fossil 15 fuels.

“There is a difference between planting trees, that benefit the climate and planting trees that are part of a programmed which guarantees the future burning of fossil fuels”, stated the Worldforests representative. “It is the difference between and environmental action and a green makeover”.

Future Forests and Climate Care plans are to counter act their client’s emissions via the transfer of energy efficiency or through hydroelectric projects, also questioned by environmental organizations.

The accusers have also placed their complaints to British authorities in charge of Public Standards against the above-mentioned companies. For example, there are two publications of Future Forests, one in a shop in Tower Records, and another in Barclays Bank, and an advertisement in The Phone Co-Op in the Ecologist magazine quoting the Climate Care services. These advertisements are misinforming the general public, since they do not mention the fierce scientific controversy over the real capacity of the planted trees via these projects to counter act carbon emissions. The British code of conduct on advertisement requires that an advert reflect “the significant divergent opinions that exist” in the products.

Source: RESISTANCE No. 46.- OILWATCH NETWORK BULLETIN .- June 2004

3. LEGAL ACTION AGAINST WAGP

The execution of the West African Gas pipeline project (WAGP), valued at 500 million dollars has reached a critical point, after affected Nigerian locals and indigenous communities, placed a legal action in the Federal Courts of Lagos, Nigeria, against the project. The people of the communities of Badagry, in Lagos State and communities of the area of Escravos in the Delta State, are asking the courts to stop the project, that is being implemented not respecting Nigerian Laws and because the project is totally contravenes the forms of livelihood and the environment of local communities.

The plaintiffs are asking the court to cancel the projects Environmental Impact Study (EIA), including the public audiences, based on that the Company responsible for the project have not followed adequate consultation procedures with the local communities. The citizens argue that the EIA carried out by the company speaks only of the area that goes from Escravos and Alagbado, which has been selectively publicized and continues to be inaccessible to the majority of the population, contravening the mandatory regulations of Environment Impact Studies No. 86 1992 and is therefore illegal, illegitimate, unconstitutional, nullified, and to no effect.

The case has been placed in the name of Alhaji Alani Ajose and the leader Manua Kumuji (Lagos State) and Robinson Uroupa and Bello Oboko (Delta State) by the legal study Bamidele Aturu y Company, with the backing of Environmental Rights Action (ERA). The accused are Nigeria National Petroleum Corporation (NNPC), and the Federal Environment Ministry, ChevronTexaco Ltd., Shell Petroleum Development Company (Nigeria) and the West African Gas Pipeline consortium.

The other accused are the Federal Government, the director of Petroleum Resources (DPR) and the General Nigerian Attorney. With their petition, the claimants are hoping for a declaration to the authorization for the gaspipeline project, on behalf of the Executive Federal Nigerian Council, without prior consideration of the environmental effects and prior its construction, is a violation to Section No 2 of the Regulation of Environmental Impact Studies No. 86 1992 and Article 24 of the African Human Rights Card (ratified and in execution), Chp 10 of the Nigerian Laws and is therefore illegal, illegitimate, unconstitutional, null and void and without effect. The citizens declare the West African Gas pipeline should not have obtained its license by the national company National Petroleum Resources, nor from Petroleum Resources (DPR or any other federal government agency) for the construction of the pipeline. These will be of 30" onshore and 20" offshore for the transport of natural gas from Alagbado Tee to the VRA plant in Takoradi, Ghana, bordering the coasts of Benin and Togo, and are not in accordance with the provisions of the Oil Pipeline law, Chp 338, Nigerian Federation Laws of 1990 and Hydrocarbon Law, Chp 350, Nigerian law 1990.

The West African Gas Pipeline is registered in Bermudas, though its operations are carried out in West Africa. The citizens demand that the court stop the company from carry out its operations until it is not registered as a Nigerian company by the respective authorities. The citizens also argue, that the Nigerian Federal Government is incompetent to hand out the oil pipeline license and cannot assume the role of a Ministry of oil resources that is in practice inexistent. Nigerian civil society has been very critical of the project for in inability of the hosts such as ChevronTexaco to face the burning of gas in the Escravos field. "The transnational cooperation alludes to reducing gas emissions, but it does not have a program for the associated gas, since the WAGP is connected to the gaspipeline Esclavos Lagos, that was 17 constructed in 1980 to transport non associated gas and was constructed with no EIA", stated Environmental Rights Action (ERA). The companies of the consortium have faced issues of security in the face of the frequent explosions, which have caused the death of thousands of people in the

last few years. "Whilst the transnational cooperation's and the Nigerian government conclude its plans to pump gas to foreign buyers, the Nigerian communities suffer the impacts without even having electricity" said ERA.

The WAGP project, that will take the Nigerian gas to Ghana, via Togo and Benin, whose completion is expected around middle of 2005 or beginnings of 2006, is one of the key projects for the Nigerian government which is why the project promoters, Shell, ChevronTexaco, Nigerian National Petroleum Corporation (NNPC) and the Rio Volta Authority of Ghana, continue pressurizing in favor of the project. But according the calendar, the Final Investment Decision (FID) for the project, was postponed for the third semester 2004.

Ghana and Nigerian citizen groups and international organizations have been very skeptical of the project and deign that it will reduce gas emissions. Its critics say that the project is only to transport the existing crude oil in the gas deposits, rather than transporting the associated gas, since it is cheaper to extract it.

However the WAGP says that it is committed to accompany the affected communities through the project, which is why the gas company held a public audience to present its EIA to the Lagos community. Worries of the Civil Society: Civil Society organizations in the region of the gas pipeline, argument that the violence and instability in the communities around the oil the Niger Delta region, say that the best way to avoid burning gas, is to carry it out in the exact place of extraction and that the World Bank group should not finance this project. Additionally, the communities have other worries.

These refer to the way in which the project is being implemented, and that this does not solve the problem of burning gas, and not enough information has been provided to the local people, there has been a lack of a democratic process of consultation; also there has been errors in the elaboration of the EIA, that do not include the gas extraction phase in the Niger Delta, or the impacts of downstream phase industrial activities in Ghana; the exacerbation of the crisis has occurred in relation to the property of the resources and its control in the Niger Delta, the possibility of potential pipeline expositions and the disproportion benefits to the industrial sector more rather than the local communities. "We pray to god in this sacred morning, to ask him that oil may not be found in our communities. Truly, God, leave the oil hidden under our houses and farms, far away from us. God, have pity on us, take the pain, adversities and those that want our land away from us. Amen", Christian sermon in a congregation in the Niger Delta.

The social and environmental devastation caused by the oil cooperation in the Delta is known. The communities live in absolute poverty, and live with the constant burning of gas. The pipeline ruptures in the communities and accidents are frequent events. People live with a permanent contamination of water, air and noise from the trucks and tankers. The communities have illness associated with the exploitation of hydrocarbons. Also as if it were not enough they suffer lack of

gas and fuel due to the low refinery capacity of the country. The WAGP pipeline goes through swamps and mangrove ecosystems, which without a doubt will affect people's livelihoods. These are sufficient reasons so that the African organizations insist to the World Bank not to back the project, which will cause irreversible damage. The West African Gas Pipeline has its birth 21 years ago when the West African States proposed a gas pipeline to cross the region, as a key point of its economy. The World Bank prepared a viability report 11 years ago, which determined that, the gas pipeline originating in Nigeria passing through Benin and Togo and ending in Ghana would be viable.

But it is recently, that the World Bank and the consortium want to consult the local population when the project of close to 700 Km is close to finishing. Also the organizations that oppose the project claim that the gas will not be used for domestic use instead will be used by large mining cooperation in Ghana. The four countries involved have signed an Intergovernmental agreement to harmonize their laws.

The oil consortium composed of Chevron, Shell, Nigerian National Petroleum Corporation, Ghana National Petroleum Corporation, Society Beninoise de Gas and Society Togolaise de Gaz – now has signed agreements and expect to complete the project by 2005. The Bush administration, on its part is offering 400 million dollars to WAGP as one of the projects that will allow West Africa to become one of the main suppliers of hydrocarbons to the United States. The project has many unresolved accusations of violations to human rights.

In March of 2000, ERA Nigeria carried out a consultation with the local communities, experts and media from Nigeria, Ghana and Togo. Chevron and Nigerian National Petroleum Corporation were invited but did not attend. According to the World Bank, data from 1995 indicate that the Nigerian chimneys burn more gas than any other in the world. This causes acid rain, damage to crops, infrastructure and has serious health effects, such as respiratory problems.

However the person responsible for Nigerian National Petroleum Corporation (NNPC) Funsho Kupolokun, has stated that he expects work to be completed of the West African Pipeline millenary project by 2006. A news bulletin signed by the boss of the department for public relations, Dr Levy Ajunoma, says that it has been expressed with the President Olusegun Obasanjo, the consortium agreement to complete the project by the proposed dates. Kupolokun added that the consortium WAPCO aims to complete the strategic objectives of the presidency to finish the project as part of commercial agreements in relation to NEPAD (New Partnership 19 for African Development). The consortium is composed of Chevron Nigeria (36.7 %), NNPC (25 %), SPDC (18 %), Ghana National Petroleum (16.3 %), Dahomey Gas (2 %) y Togo Gas (2 %). Currently the project is in its second phase of development, having completed the 8 initial stages. At this moment, the agreement with the industrial users has already been signed.

Source: RESISTANCE No. 46.- OILWATCH NETWORK BULLETIN .- June 2004