



## IMPLEMENTATION OF NIGERIA NATURAL RESOURCE CHARTER: A FRAMEWORK FOR ADDRESSING OIL MINING COST IN THE NIGER DELTA<sup>1</sup>

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### Abstract

*Good governance of natural resources in resource-rich countries has always faced a huge challenge. Making natural resource governance more responsive to the needs of the people and their environment is a key concern among those who argue that sustainable extraction is crucial for development. In the case of oil and gas, regimes, - regulations, laws, policies and institutions-- have continued to evolve, as part of efforts by governments to manage these resources in affected countries. Yet, regime performance has persistently fallen below expectations, especially in the developing world. Failure has been noticed in many areas, including flawed extractive activities, violation of human rights and insensitivity to community and environmental wellbeing. Academics and practitioners of repute prepared the Natural Resource Charter (NRC) to serve as a framework for influencing governance of natural resources in the direction of development. Does the charter have prospects of helping to build a language of policy advocacy with governments, companies, civil society and host communities for the purpose of improving resource governance? Relying on secondary data and those derived from a roundtable on delayed impact of clean up of Ogoniland, held in Port Harcourt on 24 November, 2017, (where questions of socio-economic and environmental costs of oil mining were addressed from the perspectives of the Charter), this paper answers slightly affirmatively. This might happen because the precepts themselves proceed on the premise that, making natural resources beneficial to countries depends mainly on governance. It depends on the character of decisions or choices made by citizens, governments and other actors.*

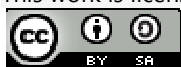
**Key words:** Nigeria, ResourceCharterFramework, Oil Mining Cost, NigerDelta.

### Introduction

Countries take pride in the production of goods and services, on which they depend for growth and development. However, many extractive economies, especially in the developing world tend to produce different effects. Many of them, rather than engender positive changes in the lives of majority of the citizens with revenues from these resources, are faced with numerous challenges, bordering on excruciating social, economic, environmental and political problems, directly or indirectly linked to the extractive economy. Many are even faced with complex violent conflicts with grave consequences. Threats posed by unstructured violent groups, demanding benefits from the resource economy in such countries, have contributed to regional economic and security concerns. Africa is looked at as a continent that has had too many wars, which oftenhavethier roots in the struggle for natural resource wealth. Whether in Liberia of

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many years ago, Angola, Sudan, Nigeria or Somalia, the issue of *resource-conflict*, being a sign of failed governance process is hardly discounted. Resource governance remains a key factor in any explanation of these crises. The inevitable assumption is that, resource-rich countries are hardly peaceful. They face high risk of violent conflict, especially in the developing world. The *rentier* character of resource-rich economies predisposes them to a number of issues for which only good governance can help address. For example, abundant oil money and dependence on it for economic planning, rather than on taxes paid by citizens, may have contributed immensely to corruption and lack of accountability in governance processes. Furthermore, such economies easily become conducive to illegal resource extraction for funding conflict. For this class of people, access to power means control of resources. But if the political system is a closed one, such that it is difficult for them to access and reach their goals, violence easily becomes an alternative. The point being made is that prosperity, in terms of welfare or economic benefits from natural resources to citizens and country as a whole, is a natural expectation in resource-rich countries, for which efforts must be made, to fully realize.

In the case of Nigeria, oil, rather than agriculture, which previously branded the country, has long become the signature product. As far back as the early 1930s, search for the commodity had commenced with a German company, Nigerian Bitumen Corporation. There were no success stories with this initial effort. Dutch Shell D' Archy—Shell BP (Shell Petroleum Development Company) would later receive license from the colonial state to explore for oil in the entire country in the post-world war. The Second World War interrupted the exploration, and the company had to suspend work until after the war.

SPDC recorded its initial breakthrough, when it discovered oil in commercial quantity in 1956, in Oloibiri (present Bayelsa State). Following closely was the first shipment of product overseas in 1958. Nigeria, from that time, was launched into the global energy market as an oil producing country. Since then, the industry has seen more multinational corporations involved in extractive activities, with the federal government increasingly concerned about how best to continue to appropriate the opportunity of being an oil producing country for economic growth. Performance of the industry in relation to economic growth is a noticeable concern on the part of the federal government. In 2000, the industry contributed 98% and 83% of the country's foreign exchange earnings and revenues respectively. In the same vein, annual budget allocations at the three levels of government—federal, state and local-- have mainly been driven by expectations of financial inflow from the industry. Even in times of product price depreciation at the global market, as has been the case in the last five years or so, Nigeria has continued to show signs of dependence on oil for the bulk of her national revenues and foreign exchange, to the detriment of the non-oil sector (Nwachukwu and Mbachu 2018:177).

Nigeria is a good case of *resource curse*. This has convincingly been argued to be the case in many quarters, especially since oil overtook agriculture as the main source of national revenue and foreign exchange in the country. The oil and gas discourse in this context, continually points to bad governance as a key issue, for which many other aspects of the *resource curse* thesis are linked. Despite a seemingly cultural theory driven (McEvoy, Gilbertz, Anderson, Ormerod and Bergmann 2017, p.2) interest in the assessment of performance of the oil industry and associated





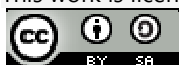
risks, new evidence continues to emerge regarding costs and benefits in the Nigeria case. For example, the problem of broken livelihoods noticed in the sector in relation to host communities' agitations, corruption, conflict, environmental despoliation, underdevelopment and so on, are linked to the performance of the industry.

Nigeria has a history of laws and policies and statutory bodies for managing oil and gas. They include: Petroleum Act of 1969 (as amended); Drilling and Production Regulation 1969, (as amended 1973, 1979, 1995 and 1996); Minerals Oil (Safety) Regulations 1963; Petroleum Profit Tax Act (PPTA) 1959 as amended in 1967, 1970, 1973 and 1979; Oil Pipelines Act 1956, as amended 1965; Associated Gas Re-injection Act 1979 (as amended 1985); Deep Offshore and Inland Basin Production Sharing Contract Act; Deep Water Block Allocation to Companies (Backing Rights) Regulations 2003; Nigeria National Petroleum Corporation (NNPC) Act 1977; Oil Prospecting Licenses (Conversion to Oil Mining Leases etc) Regulations 2004; Nigeria Extractive Industries Transparency Initiative (NEITI) Act 2007; Oil in Navigable Waters Act 1968; Environmental Impact Assessment Act 1992; National Oil Spills Detection and Response Agency (NOSDRA) Act 2006; and National Energy Policy as applicable to Oil and Gas 2003 (Okotie, Ogbon, Ogborode and Ikporo 2018, p.48, Coalition for Change, 2010).

This paper acknowledges the limited attention scholars have given to how initiatives by non-governmental organizations are contributing to governance of natural resources in Nigeria. Against this background, this paper examines the prospect of Natural Resource Charter (NRC) in helping to build a language of policy advocacy with governments, companies, the civil society and host communities for the purpose of improving resource governance. In addition, the paper examines the value of NRC and suggests it as a framework for advocacy by stakeholders handling policy issues in the oil and gas industry. Adopting this framework means that more groups can assess the performance of governance in this sector against applicable individual precepts, such as 5 and 11, which relate to local impact and role of extractive companies respectively, and utilize knowledge generated from the processes for advocacy.

## **Socio-Economic Impact of Oil Mining**

Oil mining has an indisputable wide-array of socio-economic impacts in the Niger Delta, with Ogoni as the most topical case. Table 1 provides a modest set of statistics on the role of oil spills in the pollution of communities in the region. The effects of such pollution remain huge for the wellbeing of locals. The table illuminates the fact that the region continues to face the challenge of effective response with policies and laws to tackle the threat of oil spills, which many resource-rich developed and middle-income countries have significantly done in comparison with those in the developing world. Between January and June 2016 alone, 26 cases were recorded in SPDC oil facilities. These statistics are outside those that were not reported.





**Table 1: SPDC oil Spills data January 2016-June 2016**

NOS	INCIDENT	DATE	TERRAIN	CASES	VOLUME OF OILSPILLED
1.	16 Non-River-Kolo Crack pipeline in Aguobiri	4/2/2016	Swamp	Sabotage	3
2.	28 Bomu-Bonny Pipelinje at K.Dere/Kpor	9/1/2016	Swamp	Sabotage	72
3.	28 Bomu-Bonny Pipeline at Oporo River Owokiri	8/1/2016	Swamp	Sabotage	0.1
4.	16 Non-River Kolo Creek Pipeline at Oporoma	7/2/2016	Swamp	Sabotage	2
5.	Kolo Crack Well 3 Flow line at Otuasega	19/1/2016	Land	Sabotage	0.2
6.	28 Bomu-Bonny Pipeline at Bodo City	11/2/2016	Swamp	Sabotage	0.1
7.	Ubie Well 5 S/L Flow line at Idu-Ekpeye	26/1/2016	Land	Sabotage	0.4
8.	6 Mininta-Ahia Bulk line at Akpabie	9/2/2016	Land	Accidental	1135
9.	28 Nkpoku-Bomu Pipeline at Kporghor/Gbam	18/2/2016	Land	Sabotage	24
10.	6 Seibou Bulkline-2 at Azegbene	18/2/2016	Swamp	Operational	50
11.	28 Bomu-Bonny Tran Niger Pipeline at Ayaminima-Oloma	23/2/2016	Swamp	Sabotage	35
12.	20 Opukuatira-Brass Creek at Tamogbene	21/4/16	Swamp	Sabotage	114
13.	4 Belema Well 1 L Flow Line at Belema	24/2/2016	Water	Sabotage	9





14.	Soku Well 21 L Wellhead at Soku	8/3/2016	Water	Sabotage	0.8
15.	36 Nkpogu-Bomu Trans Niger Pipeline at Rumuochiolu-Eneka	22/3/2016	Land	Sabotage	0.6
16.	Etalebou Flow Station at Ogboloma	17/3/2016	Land	Operational	72
17.	Soku Well 21 8/L Wellhead slot at Oluasiri	28/5/2016	Swamp	Sabotage	0.7
18.	12 Oguta-Egbema Pipeline at Eziorgu	26/3/2016	Land	Sabotage	83
19.	Oguta Well 17 L Flowline at Oporoma	10/4/2016	Land	Operational	0.6
20.	16 Non-River-Kolo Creek Pipeline at Oporoma	10/4/2016	Swamp	Sabotage	280
21.	20 Kolo Creek-Rumuekpe Trans Niger Pipeline at Ojau	4/4/2016	Land	Sabotage	348
22.	Obigbo North Well 38 L Flowline at OmuebuluObigbo	22/4/2016	Land	Operational	0.4
23.	Ibaa Manifold 8 Header at Ibaa	6/5/2016	Land	Operational	304
24.	12 Imo River-Ogale Pipeline at Owaza	17/5/2016	Land	Sabotage	330
25.	Obigbo Well 28 at Imeh	18/5/2016	Land	Sabotage	220
26.	16 Egbema-Assa Pipeline at Ekpeagah	5/6/2016	Land	Sabotage	10
<b>TOTAL</b>					<b>3094.5</b>

Source: Okotie, Ogbarode, and Ikporo, (2018, p.48).





Evidence exists of persistent negative impacts of oil and gas pollution on land, mangrove systems, plant growth and development, soil fertility and their socio-economic consequences (Orimoogunje, Ayanlade, Akinkuolie and Odiong 2010, p.188; Atuma 2013: p.1054 and Chukwuka, Alimba and Ataguba 2018: p.125). Pipeline rupture, sabotage, hose fracture, manifold hose failures, blow out, tankers and equipment failure are easily causes of oil spills. However, as shown in Table 1, recent oil spills cases in the Niger Delta have been blamed on sabotage. But it also raises questions on why sabotage is increasingly becoming the reason for oil spills.

Report on Ogoni released in 2011 remains one of the scientific explanations of the negative impacts of oil pollution on the host communities. Severe contamination of agricultural land, damage to fisheries and, contamination of drinking water is part of the findings that point seriously to socio-economic consequences of several years of oil mining activities by SPDC. The Ogoni case attracted huge international attention shortly after the death of the leader of the Movement for the Survival of Ogoni People (MOSOP), KenuleSaroWiwa and eight others, at the hands of the military government under late General Sani Abacha in 1995. They were killed by hanging, for their alleged role in the death of four of their prominent kinsmen, who became victims of Ogoni youth outrage during a protest session (Allen 2012/13, p.47).

The report found widespread contamination of the environment, which has affected locals' socio-economic life. SPDC stopped direct mining activities in Ogoniland after the death of SaroWiwa, but oil spills have continued to occur. The report found that clay layer has suffered depletion from oil pollution in Ogoni. Clay layer is said to be helpful in protecting groundwater from oil spills, but this is no longer the case in Ogoni. Hydrocarbon spills was found on surface and groundwater. Specifically, the report identified 49 cases with hydrocarbons in the soil at a depth nearly 5m. Community people in NisisiokenOgale were drinking water contaminated with benzene. This is a popular carcinogen found in excess of 900 times more than what the World Health Organization approves. In 28 wells where community people fetch water for drinking and other domestic chores, 10 were highly contaminated. UNEP acknowledged in its report shortcomings in the governance of the oil industry. The Department of Petroleum Resources (DPR) and the Oil Spill Detection and Respond Agency (NOSDRA) lack capacity to respond adequately to oil spills in the Niger Delta. Meanwhile, UNEP believes it will take 25-30 years to clean up Ogoniland.

UNEP report contains specific recommendations to government and SPDC on sets of actions that have to be taken to clean up Ogoniland. But progress has been slow. Shell specifically has continued to claim progress but critics point to delay in its obligations -- as clearly outlined in the recommendations for the clean-up-- and narratives that point to sabotage as the main cause of oil pollution in Ogoniland. Critics contrast this argument, pointing to the flawed investigation processes of oil spills and the risk of faulty conclusions about causes.

Based on the perspective of NNRC, the Ogoni cleanup is a good case for the application of the precepts, in which impact of the perceived delay, what the government, Shell and community people are doing can be explored with the aim to assist the process. Specifically, the policy





dialogue session provides an opportunity for a stakeholder analysis of the clean up on the basis of precepts 5 and 11.

Recently, precisely on 9 October 2017, the Steering Committee of MOSOP rose from a meeting at its Port Harcourt Secretariat, with a communiqué, among other related issues, condemning perceived unilateral decision of Nigeria Petroleum Development Company to award Oil Mining Lease 11 to a local company, RoboMicheal Nigeria Limited without consultation with Ogoni people. The communiqué advocated clean-up of the land and called on the entire people of Ogoni to reject the decision and an ongoing pipe laying which NPDC and Shell started two years ago, more than a decade, after the initial crisis of 1995. This recent outcry exposes further the issue of resource governance and the uncompromising position of Ogoni people on cleanup of the land.

### **The Natural Resource Charter as Framework for Addressing Oil Mining Cost**

Academics and practitioners from fair-minded background prepared this framework. It comprises 12 precepts, believed to be dispassionate enough to advise stakeholders in the management of natural resources across the world. The underlying idea is that natural resources can be of immense value. They are capable of promoting socio-economic advancement of resource-rich countries if the challenges of managing them are properly handled. A three-way structural framework defines the charter, namely: ‘domestic foundations for resource governance,’ ‘the chain of economic decisions required to manage resources for prosperity’ and ‘the international foundations for resource governance’. The Nigeria Natural Resource Charter (NNRC), which seeks implementation of the NRC suggests crucial wide-ranging decision chains across the precepts, to make oil and gas wealth beneficial to Nigeria. Precept 5 of the charter relates to local impacts of resource mining. Five questions underlie the precept: what are the social and environmental impacts of oil mining on local communities? How are they being impacted? What are governments and extractive companies doing to mitigate impact? How inclusive is decision-making process? How easy is it for one to access other resources such as land, rivers, soil, land, mangroves, and mitigation activities or mechanisms for doing so?

Precept 11 is about the role of companies when it comes to upholding finest yardsticks in handling environmental, social and human rights costs of mining. It also relates to the pursuit of sustainable development. This implies a number of useful questions in relation to determining environmental and social costs and what oil-mining companies are doing to curtail impact on local communities. In addition, it suggests ethical questions of what companies should be doing to tackle the problems. Three core areas of interest regarding this are: whether companies prevent corruption, underwrite sustainable development results and make relevant information available in their operations.

Experts at the Centre for Public Policy Alternatives conducted two benchmarking assessments of performance of governance of the petroleum industry in Nigeria, with oversight from expert board members of the Nigeria Natural Resource Charter (NNRC) in 2012 and 2014. The report placed the Nigerian case far below expectation, failing nearly in all the precepts. Questions were





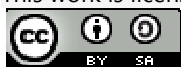
framed on the basis of the precepts. A key requirement for the implementation of NRC in Nigeria will be wider acceptance of the principles for methodical and systematic analysis/research into resource governance; identification of gaps and solutions or discourses and advocacy with stakeholders.

Five questions of relevance for immediate stakeholder intervention regarding impact of delayed clean of oil pollution in Ogoniland are: what is the impact of the delay? How effective are government and extractive companies' strategies for managing local impacts? What is the role of HYPREP and Shell in the Ogoni cleanup? How has oil mining affected the lifestyle of women? What are the effects of extraction on community access to property, clean water resources, livelihoods, etc? Regarding the state of the communities with and without effective remedial action, what will the future look like, 5 to 15 years from now? This paper does not attempt to answer any of these questions. They have only been posed to further reiterate the kind of questions that NRC precepts can be applied in context of policy dialogue.

These precepts and their underlining assumptions and theories of change as well as the questions that follow, are significant for engaging relevant policy makers and managers in matters of governance of natural resources. In this case, the Niger Delta has remained the key to any conversation on the nature of the petroleum sector in Nigeria. The Nigeria version of the Natural Resource Charter, Nigeria Natural Resource Charter (NNRC) is already seeking ways of making the precepts or the NRC approach acceptable for advocacy and policy work. As such, it assessed the governance of oil and gas in Nigeria against the precepts in 2012, 2014 and 2017 and generated useful data and analysis, which civil society, government and oil companies can appropriate for the purpose of improving governance of the resources, especially in the area of addressing local impacts in the Niger Delta. One of the good messages that have emerged from the framework provided by NNRC is the potential of serving as a method for gauging and promoting best practices in the governance of natural resources in Nigeria. In addition, the framework presents the idea of a knowledge-driven governance system from a participatory and informed viewpoint, in which participatory research is a key component. Accepting the recommendations therefore and being guided by them means the participatory research process that made all this possible would have been an important feature, previously undermined in the governance of natural resources. Finally, the discourse on the role of the petroleum industry in the development of Nigeria and management of conflict in the country's delta region has prospects of more systematic improvement with the application of the precepts in changing the language of change across a spectrum of stakeholders.

## Implications for Advocacy and Policy

As earlier noted, precepts have been framed to assist resource-rich countries manage their resources better in the interest of the public. This role can be played through wide-ranging advocacy opportunities with issue framing as a starting point. Each of the 12 precepts implies questions and issues that directly or indirectly point to what is critical to look for, think and expect from government, extractive companies and other stakeholders in the extractive economy. Precepts 5 specifically imply scrutiny for inclusiveness and sensitivity to needs of groups. The







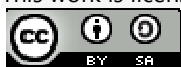
issue of what has to be done to mitigate externalities needs to be viewed from practical measurable actions and plans. Social and environmental cost of oil and gas mining is hardly a strange concept. However, the NRC policy framework, with companies, government and civil society, means new approaches different from the dismissive character of existing models.

The usefulness of this framework partly rests in the fact that it can be different from many globalization languages. As may be suspected so far, mention of neoliberal underpinnings has been avoided. Messages framed from many liberal notions of solutions to the dilemma of resource-governance and development in the developing world, are frugal with identifying the problems or linking them with domestic and international factors. The modernization school of thought looked inwards, into the domestic fronts to identify problems responsible for the underdevelopment of countries reeling from colonialism.

Applying precepts 5 and 11 in the case of Ogoniland points to discourses of reality of impact of oil mining on the people and their environment, mitigation and outcome, as well as challenges in the way of progress. It means addressing questions of what government and oil companies are doing in relation to implementation of the report of environmental assessment by United Nations Environment Programme (UNEP). Clean up of Ogoniland is a key recommendation in that report, which requires continuous discussion and advocacy on decision chains, expected to be participatory, conflict sensitive, economically empowering for community people and promising of future access to other natural resources such as rivers, creeks, mangroves, land, soil and so on, currently waiting for restoration after years of damage from extractive activities of companies and government.

Two assessments of oil and gas governance performance in Nigeria in 2012 and 2014 against the 12 precepts were mainly negative. As may already be known, these precepts are critical elements in any consideration of best practices in the governance of natural resources. They inform analysis and research on governance of the sector. These assessments can be seen as part of the implementation of the NRC in Nigeria. The reports play crucial roles of assisting governments with relevant basis for policy response. They are also meant to inform action with other stakeholders (Nigeria Natural Resource Charter Report 2014, p.2). In the area of governing local impact (positive and negative), the result of the assessments showed continued environmental cost, notwithstanding progress in local content of the industry. Local impacts were assessed on three key areas namely, economic, social and environmental. Regarding the economic and social aspects, government's local content policy created jobs and increased participation of citizens in the sector. The assessment showed that more than 65 percent of oil industry spending was made in Nigeria, suggesting improvements in the checking of capital flight. This means that about \$191 billion (3.3 trillion naira) was spent within Nigeria, against \$380 billion (6.6 trillion naira) previously. It means that, overall, local content policy cut capital flight to nearly \$168 billion (2.9 trillion naira) (Nigeria Natural Resource Charter 2014).

When it comes to environmental costs, the future remains mainly bleak. Oil spills linger in the face of weak response by government regulatory agencies and extractive companies. Policies and laws lack full implementation. Pipeline vandalism increased within the period, with severe





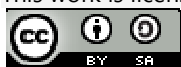
implications for the environment. The flip side, by way of emphasis for the purpose of this paper, is the cost on the ability of local community people to survive economically. The report says cost of 'oil spills has risen since 2011' in naira terms on the Nigerian economy. By inference, it means locals' economic wellbeing has further downgraded in terms of access to other resources in the environment, such as farm crops, fish and other aquatic resources, in context of ecosystem services. The real health cost is hardly known, as medical and laboratory facilities and services are hardly accessible by the poor locals, who face the daily consequences of drinking from contaminated water from wells, creeks and rivers. Unfortunately, the Nigeria judiciary remains essentially problematic for host community people seeking compensation and restoration of their environment, thereby forcing them to resort to the more costly and often unreachable route of getting justice from courts abroad.

On the whole, in the 2012 and 2014 assessments, assessors asked two key questions: 'are positive impacts of natural resource extraction on local communities enhanced, and the negative ones mitigated?' and 'are the potential economic, social and environmental impacts of extraction assessed and considered before resource extraction takes place?' The results were *red*, meaning the trend during the period did not experience meaningful change.

In the same vein, three key questions informed the assessment of the role of home governments of extractive companies: 'are home governments and the concerned state governments collaborating to demand, enforce and propagate best practices in a way that supports efforts at the host country level?' 'What is the role of international institutions?' and 'what are the non-tariff barriers and trade policy?' The result shows, there were no major improvements, even though modest changes have been noticed in a few areas. Home governments of extractive companies doing business in Nigeria are expected to play a crucial role in curbing the excesses of these companies and their impacts on the Nigerian economy. As part of the positive change during the period, the European Parliament passed a resolution compelling reports in the areas of taxes, trade and transparency by extractive companies. This means companies are now going to be reporting all payments exceeding 100,000 Euros (21.8 million naira) in any country where they do business. These payments relate to taxes on income, profits, etc.

One aspect of the value of the NNRC is the potential role it has in public scrutiny of resource governance through generation and utilization of knowledge in public decision-making processes. When such knowledge is generated from a background of dispassionate and objective scientific principles, and made accessible to stakeholders, positive outcome can be expected, in terms of discourses and policy change that generate progress when it comes to making natural resources less injurious to communities.

Four areas in which implementation of the NRC can be demonstrated in the case of oil and gas mining in Nigeria, are regular policy relevant to analysis/research; policy making and implementation processes; organizing and engagement with extractive companies and government agencies; and civil society platforms engage in resource governance issues. The Charter needs to be accepted now for the purpose of making governance more responsive to the needs of citizens, communities and environments trappings of the global extractive industry





continue to grow. One of such areas is the overwhelming unethical influence of extractive companies in economic and political process of governments. The science of climate change faces opposition from big business, in defense of profit and capitalism. This alone means a lot when it comes to the dispositions of the sensitivity of extractive companies in the fossil fuel industry to issues that severely undermine their prospects for continued economic prosperity. In any case, issues such as hunger or poverty, corruption, weak justice systems, violent conflict and so on, now common in many resource rich countries, must awaken stakeholders, especially civil society to the question of good governance of resources.

The cleanup of Ogoniland and similar cases in the Niger Delta or full implementation of the UNEP environmental assessment report, as well as concerns about making oil and gas more of a blessing than a curse, in terms of productive use of revenues and blocking of leakages in the interest of the country, through a comprehensive and inclusive petroleum policy making process can be tackled with the NRC precepts. It can be applied in any methodical or systematic identification of gaps and solutions in the governance of oil and gas.

As earlier noted, governance has been a key area with visible gaps. The NRC is a bold initiative. Benchmarking performance of natural resource-governance has suffered huge limitations due to embedded political, security, environmental and economic character of resource governance. The 12 precepts are capable of helping to generate policy and advocacy of relevant knowledge. Not only does it provide a huge resource for structured regular analysis, it has prospect for building a language that cuts across various interests in the extractive industry from an inter-agency peer-review perspective. This means that clarity of conceptualization can be enhanced in communication of issues and grievances if ideological infiltration is prevented from having its way in the most pressing areas of interest for communities.

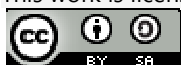
Overall, the NRC portends positive role in resource governance. Functional access to knowledge or information generated from regular assessment of the state of governance of oil mining has redeeming values. Access to knowledge, if properly utilized can inform advocacy and debates, pointing out gaps and areas needing intervention by stakeholders.

## Conclusion/Recommendations

The paper notes NRC's potential for influencing governance of the extractive industry in Nigeria. It has pointed out ways in which stakeholders can achieve this, especially through wide acceptance of the report as a methodical or systematic approach to identifying gaps, issues, and functional roles of stakeholders. In all, the framework highlights issues related to local impact and behaviour of home governments of extractive companies, usually downgraded in serious discussions of natural-resource-driven economic growth among politicians in the post-colonial era.

## Recommendations

Civil society organizations can adopt precepts for discussions and advocacy around governance of natural resources in Nigeria. In addition, they can scrutinize mitigation efforts by companies



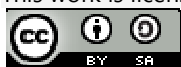


and government, such as the cleanup processes emerging from report of UNEP environmental assessment of Ogoniland and similar cases in other parts of the Niger Delta. Finally, civil society groups should make non-violent struggles against socio-economic and environmental negative change resulting from extractive activities meaningful in the Niger Delta by applying standard criteria in NRC evaluations and policy dialogues for improvements.

As for the government, there is the need for officials to utilize recommendations from precept-driven analysis of governance of natural resources dispassionately in the interest of making resource wealth people-oriented. Government needs to promote participatory governance process as a way of allowing more opportunities for useful ideas in the interest of peace, mutual benefits and proper handling of persisting debilitating social, environmental and economic costs of oil and gas mining in the country. Third, it has to approach the cleanup of Ogoniland and similar cases of oil and gas pollution in the Niger Delta with reports of NNRC 2012 and 2014 assessments of governance in mind. In addition, there is the need to be mindful of short and long term needs of environment and communities on the one hand, and companies, local, state and national governments on the other, in handling issues related to oil and gas wealth. Finally, government needs to be sensitive to gender and conflict components of governance of the extractive sector in order to save the country from threats of huge economic and environmental costs.

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