**SPEECH BY THE EXECUTIVE DIRECTOR OF THE CIVIL SOCIETY LEGISLATIVE ADVOCACY CENTER (CISLAC) AUWAL MUSA RAFSANJANI ON PUBLIC PRESENTATION OF THE RECENT OIL & GAS INDUSTRY REPORT OF THE NIGERIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE -NEITI AT THE FLOOR OF THE HOUSE OF REPRESENTATIVES.**

Abuja- Oct 30th, 2021.

PROTOCOLS!

I am very excited to welcome you to this press briefing. This press briefing is different in many respects as it is a departure from the times when we draw attention to certain ills in our society.

Today's briefing is to celebrate the second arm of the Federal Government, the National Assembly and specifically, the House of Representatives for carrying out for the first time since the enactment of the NEITI Act in 2007, requesting and causing to happen major legislative responsibility on the NEITI oil and gas industry reports.

CISLAC and our allies in the Civil Society movement working in close with NEITI to improve governance in the extractive industry in Nigeria, welcome with excitement the courage and determination demonstrated by the 10th House of Representatives last week when the House moved a motion, to receive and table for deliberations the recent NEITI oil and gas Industry Report during its plenary session held on the 25th October, 2023 in Abuja.

2. CISLAC and the coalition of civil society organisations working in the extractive industries in Nigeria are aware that although Section 4 (3) of the NEITI Act clearly provided that the NEITI oil, gas and solid minerals Industry Reports once concluded and published should be sent to the National Assembly for debate and follow up legislative actions, We are aware that unfortunately over the years and since the inception of the NEITI in 2004, not a single time has the House of Representatives tabled NEITI reports for the much needed debate as required by Law teven though NEITI has always forwarded its reports to the legislature for action.

3 We in CISLAC however, recall that it was only in 2016 that the Senate only invited NEITI to make a presentation on its report, set up a committee for further legislative action. But unfortunately, Nothing came out of that exercise.

4. The Civil Society Organisations wish to commend the Honorable Speaker of the 10th House of Representatives, Hon. Tajudeen Abbas, the Deputy Speaker, Hon. Benjamin Kalu, the movers of the motion Hon. Ugochinyere Ikeagwuonu (Ikenga Imo) who is the Chairman of the House Committee on Petroleum Resources Downstream and Hon. Alhassan Ado-Doguwa who is the chairman, House

Committee on Petroleum Resources (Upstream), the relevant House Committees in the petroleum sector and the entire House of Representatives for breaking an nearly 20 years old barrier.

5. The Steps so far taken by the House is a positive statement the recommendations of NEITI Report require the bold and decisive actions for the National Assembly to use optimally the crucial facts, information and data provided by NEITI to help recover huge sums of unremitted revenues due to government to the tune of $8.25 billion. 6. How can Nigeria be looking for money to fund its budget, when a report by NEITI a specialized agency of government is pointing to the fact that there are outstanding revenues due to government to be collected from oil , gas and mining companies and relevant revenues generating agencies and remitted to government coffers?

7. From CISLAC's careful study of the Report, NEITI carefully outlined with evidence outstanding remittances include the $8.25Billion royalty and associated payments due to the Nigerian Upstream Petroleum Regulatory Commission-NUPRC and $ 13.59 million due to the Federal Inland Revenue Service yet to collect $13.59Million during the same year covered by the Report.

8. CISLAC is deeply concerned that from NEITI's findings, over 80% of these outstanding financial liabilities were traced to the NNPC Ltd, a Nigerian state owned enterprise.

9. CISLAC and the civil society organisations are disappointed to note from NEITI Report that of the $23.046bn earned from the oil and gas sector in 2021, the available revenue for sharing by the federating units after the deductions and in accordance with the revenue allocation formula was a paltry US$13.2billion which represented 57.27% of the total revenue collected. This sum is lower than the 71.7% shared in 2020.

10. The same report also showed drew attention that over N200B was spent on repair of the nation’s refineries and yet no refinery is working in Nigeria and has never worked in the past five years. How can this kind of disclosure we ignored. We consider this unacceptable. These are just some of the findings only on revenues and for 2021 alone.

11. NEITI in the same Report made shocking disclosures on crude production, crude theft, cost of subsidy payments, process failures and sabotage and the huge cost to our national development. Please pick up that report and read and the rot exposed by NEITI and the recommendations for remedy.

12. The frustration of CISLAC and the CSO movement in Nigeria remain that in September, 2023, the Central Bank reported that government incurred a fiscal deficit of N3.7Trillion in the first five months of 2023. Similarly, N8.25 trillion has been proposed for debt servicing in 2024. The unremitted revenue of $8.256Billion at the exchange rate of N700 to $1 (N5.78Trillion) if collected and remitted would have cancelled the five months deficit of N3.7trillion or even taken care of over 70% of the projected debt servicing in 2024. Of the N7.78 trillion for Personnel and pension costs in 2024, the unremitted government revenue would have conveniently supported with about 75% of the cash needed to pay salaries and pensions of civil servants as projected by government for 2024 and free up resources for capital projects.

13. CISLAC is relieved that the House of Representatives has referried the NEITI 2021 report of the oil and gas sector to its Committees on Petroleum Resources (Upstream and Downstream) to carry out thorough investigations into unremitted and misappropriated oil revenues, shoddy contracts, extra-budgetary expenditure by Ministries, Departments and Agencies of the federal government.

14. Let me publicly declare that CISLAC and its allies in the CSO movement hereby offers to monitor the legislative engagements by the Reps on this Report as a major partner to NEITI. We also offer technical support to ensure that these revenues are recovered and remitted and individuals and groups involved tracked and prosecuted.

15. We join the Honourable members to acknowledges that this year's NEITI Oil and Gas Report presentation is coming at a time when the government needs to block all revenue leakages, grow its income generation opportunities and retrieve all debts owed to it by oil companies within the sector in other to revive our economy and ensure that our citizens benefit from the resources.

We call on the members of the 10th House of Representatives to truly prove their honour by ensuring that the presentation of this report does not end up as another show without results as witnessed with the 8th Senate presentation.

The CSOs wish to commend the Executive Secretary of NEITI Dr Orji Ogbonnaya Orji and all his team for the courage they demonstrated in producing quality reports that made groundbreaking disclosures.

It is a thing of pride that since its inception the The Nigeria Extractive Industries Transparency Initiative NEITI has continued to wax stronger as an island of excellence agency of skill, competences and integrity.

And that is why the CSOs including CISLAC will continue to remain partners to NEITI to continue to function courageously and independently.

We therefore use this opportunity to urge the Federal government to also raise a high ranking team to study and advise the government on measures to implement the findings and recommendations of NEITI Report especially on recovery of unremitted revenues. Of what use is a report if the findings and recommendations are not implemented as at when due and infractions sanctioned?

We are also using this opportunity to appeal to the federal government to do nothing to destabilize the leadership of NEITI including urgent steps to restore its the Agency's National Stakeholders Working Group (NSWG) wrongly and erroneously affected by dissolution of boards of federal agencies. The NEITI structure is globally established and that is why it is functioning differently and should please be sustained in Nigeria as it is done in other 57 member countries around the world.

NEITI is a multistakeholder group made up of companies, civil society and government. We are sad that the board of NEITI was dissolved and up till now has not been reconstituted. We therefore use this opportunity to renew our appeal to Mr. President to please restore the NEITI NSWG that was dissolved because it is not just a board, it is a National Stakeholders Working Group.