

Keynote Speech by the Executive Secretary of NEITI, Dr. Orji Ogbonnaya Orji, at the Civil Society Roundtable on EITI Framework Abuja, October 31st-2nd , 2024

Distinguished Colleagues on the NEITI Board,

My Sister, Dr. Erisa Danladi Sarki, CSO Representative on the NEITI Board and newly elected National Coordinator of PWYP,

Leaders and Representatives of Civil Society,

Esteemed Guests,

Ladies and Gentlemen,

I am deeply honored to address you today on a subject that lies at the core of NEITI's mission: the pivotal role of Civil Society Organizations (CSOs) in promoting transparency, accountability, and good governance within Nigeria's extractive sectors.

As we are all aware, NEITI's work is guided by both the global Extractive Industries Transparency Initiative (EITI) standards and the NEITI Act of 2007. These frameworks emphasize the crucial role of civil society in ensuring that Nigeria's wealth from natural resources is managed to benefit all citizens, not just a select few.

For this process to succeed, civil society must be fully equipped to play its institutional and industry-specific roles hence the Civil Society Roundtable was put together to achieve this purpose. CSOs are the watchdogs of democracy and governance. In the context of NEITI, they serve as intermediaries between the public and government, ensuring that transparency and accountability lead to tangible policy changes and public welfare improvements.

Key Roles of Civil Society in NEITI's Process

1. Public Awareness and Dissemination:

CSOs play a vital role in breaking down complex NEITI reports into comprehensible terms for public consumption. They ensure that critical information reaches the grassroots, thereby fostering public demand for good governance.

2. Advocacy for Policy Reform:

By analyzing NEITI reports, CSOs can identify gaps in governance, revenue management, and environmental protection. Their issue-based advocacy helps push for legislative reforms that address these challenges. A key priority is to ensure that NEITI's reports, particularly the 2022/2023 Oil and Gas Industry Reports, are used constructively to promote public debate and policy reform. While NEITI publishes the reports, it is the duty of civil society to ensure that the data leads to action.

3. Fostering Multi-Stakeholder Dialogue:

CSOs play a crucial role in creating forums that include government, private sector, and community groups, ensuring that the concerns of impacted communities, particularly regarding environmental and social issues, are considered in national resource management policies.

Key Issues in the 2022/2023 Oil and Gas Industry Report

I urge this Roundtable to focus on the significant findings in the recently released NEITI 2022/2023 Oil and Gas Industry Reports, where several critical issues call for civil society engagement:

- Crude Oil Theft:

In 2023, 7.68 million barrels of crude oil were either stolen or lost, a 79% drop compared to 2022. CSOs should monitor the government's strategies to combat oil theft and advocate for more robust environmental protections.

- Revenue Losses and Underreporting:

NEITI disclosed that outstanding collectible revenues due to the Federal Government amount to over \$6.071 billion and ₦66.4 billion. CSOs must push for improved revenue collection mechanisms to ensure that the full value of Nigeria's oil resources benefits the nation.

- Fuel Subsidy Removal and Deregulation:

The report also highlights the ongoing deregulation of the downstream sector. CSOs must ensure that the government's transition plan is transparent and that subsidy savings are channeled into development projects.

- Environmental Impact and Sustainability Concerns:

CSOs should use the report's environmental data to advocate for stronger protections and corporate accountability, particularly in the Niger Delta.

- Energy Transition and Climate Change:

As Nigeria navigates the energy transition, CSOs have a vital role in pushing for a just transition that does not disproportionately impact vulnerable communities.

Additionally, the NEITI House Dialogue, a platform for policymakers, CEOs, and civil society to engage in policy discussions held yesterday on October 30th, 2024, where the progress report of the EITI implementation in Nigeria was presented to the public and the 2022/2023 Solid Minerals Report was unveiled by the Minister of Works, Mr Dele Alake.

The public presentation of the 2022/2023 Solid Minerals Industry Report demonstrates NEITI's reporting is current and ready for stakeholder engagement.

The Highlights of the Solid Minerals Report include;

The 2023 Solid Minerals Audit Report, the 16th audit cycle, provides a comprehensive overview of the sector's contributions from 2007 to 2023, during which ₦1.137 trillion (about \$3.86 billion) in direct payments was made to various government levels. The report shows a substantial increase in government receipts from ₦7.59 billion in 2007 to ₦341.27 billion in 2022, a 44-fold rise, indicating solid sector growth.

The Report conducted by indigenous firm Haruna Yahaya and Co. covered the solid minerals industry's economic contributions, revenue streams, and exports, providing recommendations for sector reforms. The report disclosed that in 2022, the sector generated ₦345.41 billion, with a reconciled final revenue of ₦329.92 billion.

Company payments analysis indicated that total government revenue, including reconciled and unilaterally disclosed figures, reached ₦401.87 billion in 2023. Key revenue streams included VAT (₦128.32 billion), FIRS taxes (₦370.09 billion), Education Tax (38.64%), Company Income Tax (10.64%), and royalties (₦9.06 billion).

Discrepancies initially amounted to ₦301.6 billion but were reconciled down to ₦100 million, demonstrating NEITI's transparency commitment. Production and

export data showed 95.07 million tonnes of minerals produced in 2023, with a significant export volume of 4.32 million metric tonnes, valued at ₦117.29 billion.

The report highlighted top mineral-producing states, including Ogun, Kogi, and Rivers, with Ogun leading production. Revenue contributions were led by Osun, Ogun, and Kogi states.

The report also identified the solid minerals sector's GDP contribution at 0.83% in 2022, with incremental growth to 0.75% in 2023, underscoring untapped potential. It reiterated policy measures and reforms needed to unlock the sector's capacity to contribute more significantly to Nigeria's economic diversification.

NEITI's Ongoing Initiatives

We are excited to announce the near completion of the NEITI Data Center, which will serve as a one-stop shop for extractive sector information, housing all industry reports from 1999-2004 onwards. This center will facilitate public access to data and analysis, enhancing NEITI's compliance with the EITI Open Data Protocol.

Potential Risks for CSOs and Mitigation Measures

However, CSOs must be mindful of potential risks that could hinder their advocacy work:

1. Personal and Organizational Security:

Advocacy for transparency can attract threats. CSOs must invest in security training, establish support networks, and collaborate with international partners to ensure their safety.

2. Funding and Resource Constraints:

Limited access to funding can constrain CSOs' effectiveness. To mitigate this, CSOs should diversify their funding sources, including international partnerships, government grants, and private donations.

3. Government Pushback and Regulatory Barriers:

Civil society's scrutiny of government actions may face resistance. CSOs can mitigate this by framing their work as constructive advocacy and building strong relationships with policymakers.

4. Burnout and Capacity Gaps:

Long-term advocacy can lead to burnout, particularly for smaller or rural-based organizations. CSOs must invest in internal capacity building and knowledge-sharing platforms.

Closing the Dichotomy Between Urban and Rural-Based CSOs

A critical challenge we must address is the gap between urban and rural-based CSOs. Urban organizations often receive more attention and funding, leaving rural-based CSOs, who work directly with impacted communities, under-resourced. To close this divide, we must:

- Promote Inclusive Knowledge Sharing and Training:

Rural-based CSOs should have equal access to training and technical support.

- Fair and Equitable Allocation of International Aid:

Development agencies and international donors must consider rural-based CSOs in their funding allocations, ensuring they can contribute meaningfully to the NEITI process.

- Facilitate Networking and Collaboration:

Urban and rural CSOs must collaborate more actively, sharing resources and strategies to ensure the voices of all Nigerians are heard.

Conclusion

The future of Nigeria's extractive industries depends on the active engagement of civil society. With the 2022/2023 NEITI reports providing a roadmap, we stand at a critical juncture. Let us seize this opportunity to empower CSOs—urban and rural alike—to drive the change we seek.

Thank you.