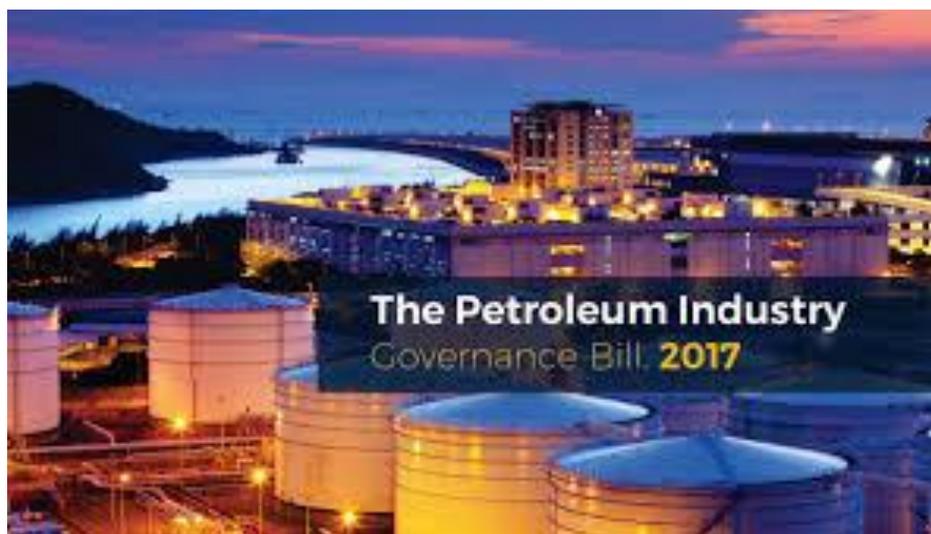


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SYMPOSIUM ON PIGB HOLDS MARCH 20

The Nigeria Extractive Industries Transparency Initiative (NEITI) is set to hold a symposium on the Petroleum Industry Governance Bill (PIGB) recently passed by the National Assembly.

The symposium, scheduled to hold in Abuja is designed to sensitize stakeholders on the provisions of the Bill. This is with a view to stimulating public interest ahead of presidential assent and implementation when it becomes law.

Besides, the symposium will explore implications of the PIGB on transparency and accountability in Nigeria's oil and gas industry and its impact on national development.

The event will also discuss the status of similar pending bills in the oil and gas industry expected to follow up the PIGB. These include: The Petroleum Industry Fiscal Bill, the Petroleum Host Communities Bill, and the Petroleum Industry Administration Bill.

The Honorable Minister of State for Petroleum Resources, Dr. Ibe Kachikwu is expected to deliver a keynote address at the event. The symposium will feature various presentations and panel discussions on the highlights of the bills and discuss the next steps.

Other participants invited to participate at the event are drawn from among industry experts, legislature, political class, public and private sector executives, investors, host communities, civil society, media, and development partners.



OBIANO SEEKS CITIZEN’S OWNERSHIP OF NEITI

The Executive Governor of Anambra State, Dr. Willie Obiano has commended NEITI for bringing its activities closer to the people of South East.

The Governor explained that this will provide the zone an opportunity to build strong partnership with NEITI. This is in efforts to exploit abundant minerals in the state and the South East Zone in general.

Speaking through his Chief of Staff, Prof. Joseph Asike, Gov. Obiano made this known during the South East Zonal Outreach and Town Hall Meeting organized by the Nigeria Extractive Industries Transparency Initiative (NEITI) in Awka, Anambra State.

Declaring the event open, Dr. Willie Obiano expressed satisfaction with the choice of Anambra State as venue for the outreach. He noted that the event was timely given the massive reforms embarked upon in various sectors by his administration.

Dr. Obiano stated that he has followed NEITI activities from a distance with keen interest and admiration. He remarked the efforts of the agency in drawing national and international attention to negative effects of corruption and fraud related issues, process lapses, transparency and accountability questions have resulted in the current efforts for reforms.

“I recognise NEITI as one of the few federal government agencies that have stood-out with courage, boldness and competence in leading the war against opaqueness and corruption especially in the oil, gas and mining sectors”, Dr. Obiano declared.

“Let me state that Anambra state government identifies strongly with the lofty mandates, objectives, and principles of NEITI, and will provide all necessary support for EITI implementation in Nigeria”, he further affirmed.

NEITI used the forum to reaffirmed its commitment to sub-national engagements in the implementation of the global EITI in Nigeria.

The Minister of Mines and Steel Development, Dr. Kayode Fayemi, who also doubles as the Chairman of NEITI Board gave the assurances.

Dr. Kayode Fayemi, represented at the event by a Board member, Professor Gbenga Okunola noted that NEITI has achieved much since it commenced implementation of the EITI. He however identified that an area that needed improvement was reaching out to subnational engagements at the grassroots. The Awka event for the South East was planned to narrow the information gap.

“The role of state and non-state actors at the sub-national level remained under-exploited and the governing board of NEITI believes that it needs to be fixed, and that until this initiative is embraced at the sub-national level, the benefits and opportunities that an implementing country derives from the EITI process cannot be fully felt”, he affirmed.

Explaining the reasons for embarking on zonal outreach programmes, Dr. Kayode Fayemi said “this outreach is very important to NEITI as it affords us the opportunity to broaden our stakeholders’ base and build synergy with critical stakeholders in the South East zone”.

In his remarks, the Honorable Commissioner of Mineral Resources Science and Technology, Mr Chinedu Emeka explained that oil and gas were identified as one of the four pillars of the administration in the state. The other pillars being: trade and commerce, agriculture and industrialization.

Mr Emeka disclosed that Anambra State Government is in the process of setting up an oil and gas development company and is in contact with various companies that have been allocated oil blocks in Anambra State.

He expressed concern on the threats over illegal mining activities in some parts of the state.

The Executive Secretary of NEITI, Waziri Adio remarked that Nigeria as a nation is wonderfully blessed with resources, but the resources have not translated to blessings. He explained that the overarching goal of NEITI is for the reversal of resource curse. He added that the work of NEITI is to empower the citizens with information and data to

promote knowledge and public debate to re-position the sector for the benefit of the citizens.

The South East Representative on the NEITI Board, Mrs Anne Onyekwena underlined the need to connect the wonderful work of NEITI on transparency and accountability in natural resource governance to the development programmes in Anambra, Abia, Enugu, Imo and Ebonyi States. She noted that this burden is even more when she realized that most states in the zone are endowed with minerals resource.

Mrs Onyekwena explained that from the knowledge and exposure gained so far working with NEITI, she is convinced that the government and people of the south east zone have numerous lessons to learn and gain if adequately enlightened and exposed to the principles of EITI.

Participants at the event were civil society organizations, traditional rulers, opinion leaders, community-based organizations and town union executives drawn from the five states in the zone. Others were representatives of state governments, state houses of assemblies, local governments, media, student union leaders and professional associations.



EITI MOVES TOWARDS ONLINE TRANSPARENCY:

The Extractive Industries Transparency Initiative (EITI) has commenced moves towards online transparency. The EITI sets 2018 as date for achieving this. The Executive Director of the EITI, Jonas Moberg, made this known at the end of the EITI International Board Meeting held in Oslo, Norway in February 2018.

Jonas explained that smarter use of technology provides opportunities to integrate reporting into government and company systems.

He stated that instead of collecting EITI data to put in a standalone EITI report, the default for countries implementing the EITI would be to disclose information on government and company systems noting that the result will be more timely data, more efficiently collected.

“The EITI multi-stakeholder platforms in the future will spend less time on data collection and more time on analysis and policy recommendations. Mindsets are shifting from producing transparency to using open data”.

The international EITI board therefore tasked all implementing countries to produce workplans to map out how they would move from standalone EITI reports in the next five years.

The EITI Board reviewed the status of some implementing countries. Mongolia and Timor-Leste were adjudged to have made satisfactory progress while Albania, Burkina Faso and Kazakhstan have made meaningful progress.



REVENUE RECOVERY: FALANA MAKES CASE FOR NEITI

A constitutional lawyer, Mr. Femi Falana, has advised the Nigeria Extractive Industries Transparency Initiative, NEITI, on ways to recover unremitted revenues due to the federation as highlighted in its oil and gas audit reports.

Mr. Falana, a Senior Advocate of Nigeria, said the transparency and accountability agency could report indicted companies and groups to the Economic and Financial Crimes Commission, EFCC, for criminal diversion of public funds.

On the alternative, he said, NEITI could invoke its powers of prosecution and institute civil proceedings in appropriate courts against the affected companies and groups for the recovery of the funds.

The constitutional lawyer identified Section 3(f) of the NEITI Act 2007, as a tool to carry out its duties. The section imposes a duty to monitor and ensure that all payments due to the federal government from all extractive industries, including taxes, royalties, dividends, etc are duly made.”

A policy brief earlier released by NEITI had focused on “Unremitted Funds”. Other series of NEITI oil and gas sector audits showed that NNPC and its upstream subsidiary, the Nigerian Petroleum Development Company (NPDC) failed to remit over \$21.78 billion and N316.1 billion to the Federation Account.

In that policy brief, the unremitted funds included \$1.7 billion as outstanding revenue from a total of \$1.8 billion as a result of the transfer of eight oil mining leases from Shell Petroleum Development Corporation.

Another \$2.2 million was not remitted from four other oil leases from the Joint Venture managed by the Nigerian Agip Oil Company to the NPDC.

Other unremitted revenues included about \$148.3 million paid as cash calls on the transferred oil leases, in addition to about \$1.5 billion legacy liabilities as well as about \$15.8 billion that accrued as Nigeria LNG dividends between 2000 and 2014.

NEITI had urged the government to take steps to recover the unremitted oil revenue from the NNPC and other companies.



SANCTION ERRING COMPANIES:

-STAKEHOLDERS ADVICE FGN

A non-governmental organization, Publish What You Pay (PWYP) in Nigeria organized multi-stakeholders' workshop in Enugu and Kano.

The workshops are in its efforts to ensure that Nigeria attains high level of compliance

in the implementation of the EITI.

The Enugu workshop is for the South-East and Kano for the North West geo-political zones .These workshops focused on finding innovative ways of engaging stakeholders on remediation issues contained in NEITI audit reports.

At the workshop, participants observed that the poor level of implementation of remedial issues in NEITI Reports was a major setback for the desired reforms. Participants therefore urged the federal government to take firm actions to bring erring companies and agencies to book.

The workshop also noted that erring officials should be sanctioned for their actions directly resulting in revenue losses to government as identified in successive NEITI reports.

The Enugu workshop on its part called on revenue collection agencies to expedite action on collection of outstanding debts with interests, payments and other liabilities owed to the federation by covered entities. It also urged all parties involved to commence action to amend NEITI Act 2007 in-line with the latest EITI Standard and current realities in the sector.

In Kano, discussions focused on ways to improve multi-stakeholders' involvement in the EITI process, successes and challenges. The issue of implementation of EITI process to sub-national entities also dominated deliberations in view of its implications to linking the EITI to the people at the grassroot.

Other areas discussed include transparency and accountability for all transactions, data accessibility, contract transparency, beneficial ownership of extractive companies

operating in the sector. The Kano workshop rose with a call to the government to put in place adequate metering infrastructure to ensure efficient crude measurement.

Participants for the two events were drawn from members of the Civil Society Steering Committee of NEITI, the media, academia, professional bodies, NEITI Secretariat, and PWYP members across Nigeria.



NASS APPLAUDS EXTRACTIVE SECTOR REFORMS

The Chairman, Senate Committee on Federal Character and Inter-Governmental Affairs Senator Tijjani Yahaya Kaura has applauded NEITI's intervention in the management of Nigeria's extractive sector revenues.

Senator Tijjani Yahaya Kaura stated this in Abuja when NEITI appeared before the Committee to defend its 2018 budget proposal.

Senator Kaura explained that the monumental corruption that characterized the oil and gas industry since inception has resulted in a situation where these natural resources appear to be curses rather than blessings to the citizens.

"We are aware of the courageous work that NEITI has done and the sanity that its intervention has brought to the sector in spite of mounting challenges. NEITI's bold and courageous disclosures have drawn attention and beamed the torch light on the sector that is the lifeline of the nation", Senator Kaura stated.

He expressed his Committee's delight and satisfaction over the excellent work done so far by NEITI especially in the last two years and promised to support the agency in ensuring that it gets the required resources to enable it fulfill its mandate.

"We have very high regards for you and your agency because we know you are transparent," Senator Kaura added. "I personally commend the Executive Secretary and his able team in NEITI for walking the talk."

Senator Kaura called on other agencies of government to emulate the competence, professionalism and integrity exhibited by NEITI in the discharge of its duties.

Presenting the budget, the Executive Secretary of NEITI, Mr. Waziri Adio appealed to the committee for support in ensuring adequate appropriation so that the agency will continue to deliver on its mandate.

He told the committee that the driving philosophy of NEITI remains the promotion of a culture of learning and achieving much with less and commended the government for

supporting the operations of NEITI even when the pronouncements of the agency appear to challenge the status quo.

The Executive Secretary reaffirmed the commitment of NEITI to remain focused, professional, bold and courageous in confronting institutional, governance and man-made obstacles that often frustrate transparency and accountability in the extractive sector, especially the oil and gas industry.

Mr. Adio identified the “automation of NEITI audit process, timely and regular reporting, and multi-stakeholders’ mobilization towards using the EITI framework for reforms” as key priorities of the agency.

He used the forum to renew his appeal to the National Assembly to see its relationship with NEITI as that of critical partners in the monitoring and oversight functions. One way to achieving this, he added, is for the National Assembly to “ensure that NEITI reports are debated at plenary, pay attention to the recommendations contained in the report and ensure that remediation occurs. This will guarantee that the on-going reforms in the sector championed by NEITI’s advocacy impact the citizenry. This is not what we can do all alone by ourselves. We need you and others to play their parts”.



NEITI COMMENDS NATIONAL ASSEMBLY ON PIGB

The Nigeria Extractive Industries Transparency Initiative (NEITI) has welcomed with excitement, the bold step by both chambers of the National Assembly to pass the Petroleum Industry Governance Bill (PIGB).

The Senate of the Federal Republic of Nigeria (FRN), on Thursday 25 May 2017, passed the Petroleum Industry Governance Bill (PIGB or the Bill) while the House of Representatives also passed the important bill on Wednesday 17th January 2018, about eight months after the senate passed its own version.

The Bill, which still needs to be assented to by the President of the FRN before it becomes law, seeks to establish a framework for the creation of commercially-oriented and profit driven petroleum entities, to ensure value addition and competitiveness of the petroleum industry, through the creation of efficient and effective governing institutions with clear and separate roles for the petroleum industry.

The decision of the Senate and the House of Representatives to consider the Bill as priority resulting in its eventual passage is bold, courageous and progressive. This is given the challenges the bill has passed through in its legislative journey for about two decades.

NEITI as an agency set up to enthrone transparency and accountability in the management of extractive industries in Nigeria has legitimate interest in the PIGB.

NEITI's interest is in view of the urgency and strategic importance of a new law to replace the existing archaic legislations that have aided huge revenue losses, impeded transparency, accountability and investment opportunities in the nation's oil and gas industry.

NEITI recalls that as an anti-corruption agency in the sector, it boldly alerted the nation last year through a special Policy Brief *"The urgency of a new petroleum sector law"* that the current stagnation of investment opportunities in the Petroleum Industry was as a result of the absence of a new law for the sector. This has led to huge revenue losses to the tune of over \$200billion. In that publication which was widely circulated, NEITI argued that the "revenue losses were as a result of investments withheld or diverted by investors

to other (more predictable) jurisdictions.” The publication added that “The hedging by investors stems from the expectation that the old rules would no longer apply, but not knowing when the new ones would materialise.”

In addition, NEITI Reports in the sector had also disclosed that over \$10.4bn and N378.7bn were lost through under-remittances, inefficiencies, theft or absence of a clear governance framework for the oil and gas industry. The total cost to the nation in 2013 alone was N1.74 trillion largely as a result of the absence of a new law.

NEITI is optimistic that with the new governance law for the industry, these huge revenue losses to the nation as a result of process lapses and outright stealing will be strictly checked if not eliminated.

Furthermore, NEITI notes that the implementation of the global Extractive Industries Transparency Initiative which Nigeria is a key signatory, have over the years been frustrated by the absence of a dynamic law that suits modern business modules and trends in the ever evolving oil and gas industry.

NEITI remains convinced that the PIGB when assented to by the President will provide a dynamic governance framework required to re-position the Petroleum industry to fully embrace competition, openness, accountability, professionalism and better profit returns on investments to both companies and government.

NEITI is encouraged that the National Assembly in this particular instance threw politics aside and dealt with the PIGB issue with the attention it deserves. The PIGB now passed and ready for possible Presidential assent is a product of this creative initiative.

NEITI also commends the media, the civil society, development partners, industry, stakeholders and experts who have followed the bill in the National Assembly for their valued contributions to what has been achieved so far.

While hoping for early Presidential consideration and assent to the Bill, NEITI hopes to work with multi-stakeholders, development partners and the industry to set the stage for informed stakeholders’ engagements to ensure effective implementation when the Bill becomes law.

Finally, we call on the media, civil society and above all the National Assembly to show similar coordinated attention to commence legislative process on the remaining legal frameworks in the industry especially the Petroleum Industry Fiscal Bill and the Host Communities Bill. These two key pending legislations will help complement and strengthen the provisions of the PIGB.



NEITI SEEKS NASS SUPPORT ON REMEDIATION

The Nigeria Extractive Industries Transparency Initiative (NEITI) has expressed concerns over the slow pace of implementation of the recommendations

of its reports.

The NEITI Executive Secretary, Waziri Adio, made this known in Abuja while receiving members of the House of Representatives' Committee on Petroleum Upstream who were on a monitoring and oversight visit to the NEITI Secretariat.

Mr. Adio stated that several reports with far-reaching recommendations have been placed in the public domain with clear challenges of implementation.

He urged the National Assembly to study the reports as important documents that would aid their oversight representative and law-making responsibilities.

Mr. Adio explained that NEITI reports contain detailed information and data on company payments and government receipts as well as the process lapses and remedial actions required in the industry.

"We see the parliament as important partners not just because we are answerable to you and we need you to approve our budget but because our reports can and should be inputs to your important work", the Executive Secretary noted.

He commended the National Assembly for the passage of the Petroleum Industry Governance Bill, noting that the development is in support of the mandate of NEITI, fundamental to strengthening reforms in the industry and key to promoting investments and better revenue generation.

The Executive Secretary told the legislators that NEITI's decision to develop a new strategic plan to cover the period 2017 to 2021 was to deepen openness and shape positively the overall governance of the sector through policy engagement, thought leadership and inter agency collaboration. He identified funding, manual data collection and human capacity development as major challenges.

The Chairman of the House Committee and leader of the NASS delegation, Hon (Barr.) Victor Nwokolo expressed satisfaction over the impact of NEITI's intervention in pushing for reforms in the extractive industries.

Hon. Nwokolo commended NEITI for the professionalism in the discharge of its mandate and advised the Executive Secretary to consider as a priority the need for NEITI to work more closely with the National Assembly to advance transparency and accountability in the sector.

He explained that the visit was to review NEITI's level of implementation of the 2017 Budget and appraise the implementation of Extractive Industries Transparency Initiative (EITI) in Nigeria in the last one year.

Hon Nwokolo reaffirmed the commitment of his Committee to support NEITI in the discharge of its mandate.

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