

COMMUNIQUE
of
Civil Society Stakeholder Forum on Oil Licensing Round
Department of Petroleum Resources, DPR
And
Nigeria Extractive Industries Transparency Initiative NEITI
Port Harcourt, July 21, 2006

The Department of Petroleum Resources and the Nigeria Extractive Industries Transparency Initiative (NEITI) organized a Civil Society Stakeholders Forum with the theme: Strengthening Transparency, Increasing Investment. This was a follow up to a similar event held in Lagos on Friday, 9th June 2006.

One hundred and fifty delegates drawn from various civil society organizations from the South-South, South East along with representatives from other geopolitical zones participated at the event that held on Friday, July 21, 2006 at the Protea Garden City Hotel, Port Harcourt.

The occasion was chaired by Dr Bright Okogu, Acting Executive Secretary NEITI. In his opening remarks he commended the DPR for convening the meeting which offered an opportunity to conduct a detailed analysis of how we have fared so far in the bid rounds particularly the 2005 edition. This is because it offered an opportunity to collectively chart the way forward with civil society. He noted that the communiqué issued at the end of the Lagos event was available on the NEITI

website and he enjoined participants to take up the opportunity offered by the forum to express their views on Oil licensing processes and other issues relating to the extractive industries.

Obiageli Ezekwesili, Minister of Education and Chairperson NEITI, in her welcome remarks noted that the primary objective of holding the event in Port Harcourt was to give the people of the Niger Delta an opportunity to understand and constructively engage the DPR on issues bordering on oil bloc licensing.

The Minister stated that hitherto, there was no formal medium of communication between civil society groups and the oil industry. She reiterated the fact that NEITI is currently implementing a communications strategy that has a strong emphasis on mainstreaming the voice of civil society.

She emphasized that the NEITI model adopted by the present administration goes beyond scrutinizing and reconciling revenue receipts and payments but to develop a model of system integrity which is completely devoid of discretionary powers. Within the context of governance systems and processes, she called upon the civil society groups to use the information available to them to engage any sector of the society objectively and constructively.

The Director of the DPR Mr. Tony Chukwueke in his presentation reviewed the allocation of acreages in Nigeria offering insight on how the sector developed to its present stage. He observed that the road to completely open up the oil sector

is a process but that it had started in earnest. After contributions from Professor Okey Ibeanu from the University of Nsukka, Mr. George Hill Anthony, National Coordinator, Common Wealth of Niger Delta Youths and Stan Rerri, Acting Director of Services, NEITI Secretariat, the Forum and its dialogue agreed on the following points:

- Participants saw the event as a unique opportunity to engage in a constructive dialogue with the Department of Petroleum Resources.
- Participants confirmed that the opening up of the licensing round to full public scrutiny has increased investor confidence in our country towards fostering sustainable development.
- Participants agreed that increased transparency and reforms enable citizens to hold Government accountable for its actions. Equipping civil society with the right information is imperative for constructive debates and informed contributions.
- Participants called for the complete abolition of discretionary oil prospecting license allocation in Nigeria.
- Participants commended the NEITI for the completion of the audit of the sector and speedy completion of the remedial action consistent with the recommendations of the auditors.

- Participants emphasized that there is a need to improve on the shortcomings of the 2005 bid round during the 2006 bid round, as highlighted in the post-mortem exercise held between DPR and stakeholders.
- Participants collectively demanded for the institutionalization of the transparency template currently used by DPR so as to make it sustainable.
- Participants observed the need for cooperation and the building of partnerships between the civil society, government agencies and the private sector for the protection and management of change.
- Participants welcomed the fact that Government agencies are now better engaged with civil society and the media as partners in the quest for greater transparency in the oil and gas sector.
- Participants stressed the need to review and update the 1969 Petroleum Act so as to reflect recent developments, including gas regulation, and the process of conversion of OPL to OML in accordance with international best practice.

- Participants demanded that genuine local participation should be given a higher profile in the allocation of oil and gas licenses, and that this should be strictly monitored to ensure their effectiveness.
- Participants stressed that the respective roles of NNPC and DPR be streamlined in order that they can better focus on their core areas of operation and responsibilities.
- Participants demanded that the DPR should tighten any loopholes in the collection of royalties, signature bonuses, concession rentals, etc. in compliance with the NEITI template.
- Participants demanded that enabling laws (e.g. NEITI Bill, Freedom of Information Bill, etc.) now before the National Assembly be speedily passed into law in order to underpin the reforms currently ongoing in the oil and gas sector.
- Participants stressed the need for oil companies to do more in the area of corporate social responsibility.
- Participants demanded that states and local governments in the Niger Delta region as well as NDDC, being the principal agents of development in the area, should utilize the resources available to them judiciously for the benefit of their citizens.

- Participants thanked the organizers of the event for the opportunity to voice their concerns and demand answers to their questions and called upon DPR/ NEITI to make it a regular event.

Signed:

Mr George Hill Anthony
Common Wealth of Niger Delta Youths

Prof Okey Ibeanu
University of Nigeria Nsukka

Mr. Tony Chukwueke
Director, DPR

Dr. Bright Okogu
Ag. Executive Secretary,
NEITI

Mrs. Obiageli Ezekwesili
Cabinet Minister and
NEITI Chairperson