

COMMUNIQUE

Of the DPR/ NEITI Civil Society Stakeholder Forum on Oil Block Licensing

Lagos June 9th, 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.**

A cross section of one hundred and fifty participants drawn from various civil society organizations across the six geopolitical zones attended the event which held on June 9, 2006 at the Eko Hotel Victoria Island, Lagos.

The occasion was Chaired by Dr Bright Okogu, Acting Executive Secretary NEITI. In his remarks, he commended the DPR for convening the meeting which offers an opportunity to conduct a surgical analysis on the journey so far and offers an opportunity to collectively chart the way forward with civil society. He enjoined participants to take up the challenge offered by the forum to make concrete suggestions on increasing transparency and accountability in the Extractive Industries.

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 complete opening up of the oil sector is a process but that it had started in earnest.

The Forum and its dialogue agreed on the following points:

- Participants saw the event as a unique opportunity to engage in constructive dialogue with the DPR.
- Participants confirmed that the opening up of the Licensing Rounds to the widest spectrum of public scrutiny will increase investor confidence in our Country and foster 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 allocations in Nigeria.
- Participants commended the NEITI for the completion of the audits of the sector and demanded for remedial action consistent with the recommendations of the auditors.
- Participants emphasized that there is a need to improve on the shortcomings of the 2005 Oil Block Licensing Round, during the 2006 Oil

Block Licensing Round, as highlighted in the post-mortem exercise held between DPR and Stakeholders.

- Participants 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 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 stressed the need for oil companies to do more in the area of Corporate Social Responsibility.

- Participants thanked the organizers of the event for the opportunity, and called upon them to make it a regular event.

Signed:

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