



OUT DC: deny laughing DWTTRD: dominant minus drink in parallel gutters DWTBDRK: but what the heck do I know G&D: chuckle & grin CID: crying in disgrace CUL: see you later **YOU DON'T KNOW WHAT YOUR KIDS ARE SAYING ONLINE.** CYO: see you online DBA: doing business as usual DL: dead link DLTBBB: don't let the bed bugs bite DIKU: do I know you? EMFBI: excuse me for butting in F2F: face to face FC: fingers crossed FISH: first in, still here FMTYEWTK: far more than you ever wanted to know FOMCI: falling off my chair laughing FTR0MH: from the bottom of my heart FUID:

## Sanitising the Extractive Industries Sector

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### EDITORIAL

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Lagos

Not many people know anything about the Nigerian Extractive Industries Transparency Initiative (NEITI), yet it is supposed to be the most important industry watchdog in existence in the country today.

A subset of the global Extractive Industries Transparency Initiative (EITI), it is mandated by law to ensure transparency and accountability (due process) in payments to governments by Extractive Industry (EI) companies, that is, companies operating in the oil, gas and solid minerals mining sectors.

Former President Olusegun Obasanjo inaugurated NEITI in 2004 through the setting up of the National Stakeholders Working Group (NSWG), made up of representatives of government, the extractive companies and the civil society, as the body that oversees the activities of NEITI.

The bill to give the initiative legal backing was sent to the National Assembly the same year, 2004. It was eventually passed and signed into law by Obasanjo on May 28, 2007, a day before he vacated the Aso Rock seat of power.

True to its mandate, the initiative has commissioned the first ever comprehensive audit of the country's petroleum industry for the period 1999 to 2004 and is in the process of building the capacity of civil society organizations, government officials, legislators and the media to understand and monitor extractive revenue transparency in the country.

It is also in the process of forging national consensus on the need for such transparency through outreach and advocacy activities such as town-hall meetings, consultative fora and road shows, the last in the series of which, is the North East zone road show which is expected to end today in Bauchi, the Bauchi State capital.

NEITI is the most important industry watch-dog because, literally speaking, it monitors the activities of the most strategic sector of the nation's economy. The oil and gas sector accounts for more than 90 per cent of the nation's revenue and any organization set up to promote due process and transparency in revenues paid to and received by government from this sector and which ensures transparency and accountability in the application of such extractive revenues must be the most important organization as far as every Nigerian is concerned.

The fact is that the oil and gas sector as well as the solid minerals industry were the least monitored before the coming of NEITI. It is still commonly said that the government and people of Nigeria do not know exactly how much crude oil the multinational companies take out of the country daily. The belief is that what they declare is what is adopted as the official figures.

The solid minerals sector was even worse as illegal miners were, before the tenure of Dr. Oby Ezekwesili as Minister of Solid Minerals, more active than the legal ones. Mrs. Ezekwesili was also the pioneer head of the NSWG, which is the governing body of NEITI. What this portrays is a picture of unending haemorrhage in the extractive industries sector which NEITI can stop if given the full support of a government that is itself committed to transparency and accountability, and if it enjoys the unrestrained co-operation of the civil society organizations, especially those operating in the areas where extractive activities take place.

Full disclosure of revenues derived by the extractive companies must be enforced, full disclosure of revenues paid by them to government must be the order of the day while close monitoring of the transparent use of such revenues for sustainable development must be the rule rather than the exception.

Fortunately, President Umaru Musa Yar'Adua, his vice, Jonathan Goodluck and his Finance ministers have blazed the trail of public declaration of their assets and liabilities, which is indication that they are committed to promoting an era of transparency and accountability in government. Once the operators in the extractive industries sector read this handwriting on the wall, they would have no option but to shape up or ship out.

The same would go for government officials who had, in the past, been known to collude with some of these multinational oil companies to shortchange the country, especially in the area of underpayment of taxes. NEITI and other relevant agencies, including the Economic and Financial Crimes Commission (EFCC), must flash such individuals the red card to stop or be stopped. Indeed, those of them that had caused the country economic losses should still be ferreted out for appropriate sanctions, to serve as deterrent to others who may be minded towards such acts of economic sabotage.

NEITI's road shows in the six geo-political zones of the country must have gone some way towards sensitizing people on the necessity for supporting the initiative.

However, a lot more must be done to drum home the reality that such an initiative has come to stay, to sanitise the extractive industries sector.

The members of the NSWG must also play their own roles to show that, indeed, they are beyond compromise.

For them to play their roles properly, government must ensure that they lack nothing which would enhance the performance of their duties, including finances, materials and manpower.

The security agencies must also give them adequate cover, considering that some of the players in the industry with criminal tendencies could get vicious and violent when they are not, as in the past, having it their way.

As they round up the North East road show, they must not retreat to spend time basking in the glory of their successes but must forge ahead with other strategies that would further popularize the initiative and attract more support and co-operation from the generality of the people towards actualizing their mandate. Indeed, much work still lies ahead of them and they must not rest on their oars.

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