

Report of information trip to Nigeria - October 31st to November 4th, 2006

"...as though it were two countries"

This trip was taken at the invitation of the Catholic Bishops' Conference of Nigeria (CBCN) to the "**Nigeria: Making Oil and Gas Wealth Serve the Common Good**" conference held from 1 to 4 November 2006.



Ute Koczy speaking at the conference

Several tours and briefings took place on the sidelines of this meeting, addressing the work of the Heinrich Böll Foundation and a women's project run by GTZ (German Agency for Technical Cooperation) in BornoState in northern Nigeria, among other things.

Following the conference, I was able to make a trip to Port Harcourt, which gave me the opportunity to take a quick tour of a ceramics factory being established in Abia and to see an oil well blazing out of control, the Shell production station, and the village of Umuechem in the Niger Delta.



Shell oil well on fire in Umuechem (photo: Ute Koczy)

Summary

I set off for Nigeria looking for answers to the question of why the country has been unable to use its abundant natural resources to improve the lives of the population. My conclusion is that there are deep divisions in the country between rich and poor. In fact, it seemed to me as though Nigeria were actually two countries.

Even in the oil-producing regions of the Niger Delta, the country's **infrastructure** is catastrophic. The roads are often in a dire state of disrepair, while "waste disposal" consists of garbage dumped along the roadside and modern-day highwaymen demand tribute from the local motorists. Domestic air services conforming to international standards are the rare exception, health care is available only on the lowest of levels, and the authorities systematically ignore their responsibilities. Education and training are in short supply, people are left to fend for themselves, and their survival in spite of it all verges on the miraculous.



A gas station in the Niger Delta. Photo: Ute Koczy

Oil was discovered in the **Niger Delta** (Oloibiri) for the first time in 1958, a development that has been to the disadvantage of the majority of the population so far. Despite annual oil revenues of between \$38 and 52 billion, oil companies like Shell and Chevron disregard environmental standards in running their operations. For decades now, for instance, gas has been burned off continuously and on a massive scale without filters, oil spills are cleaned up inadequately or not at all, leaks are more or less ignored, and both the soil and the groundwater experience constant contamination. The contrast between the poverty here and the millions being reaped in profits literally stinks to high heaven. Corruption on the highest levels ensures that funds intended for the population are usually siphoned off into the pockets of a few instead. No control is exercised by democratic institutions, and the judiciary is powerless. Despite noble words and courageous efforts to initiate change – e.g., by launching a Nigerian transparency initiative, NEITI (Nigerian Extractive Industries Transparency Initiative) – little has actually changed.

The situation in the Niger Delta is currently escalating. Militant groups have been attempting for some time now to expand their own sources of income by kidnapping and extorting money primarily from oil company employees. State policy is thus leading to an increase in violence.

The Catholic Bishops' Conference of Nigeria organized its meeting with the aim of calling attention to the blatant contrasts between the country's oil and gas wealth and its poverty and of seeking solutions to the crisis. Conference speakers were outspoken in accusing the government of theft and calling on it to put an end to the looting of the country's assets. Unfortunately, neither the government nor Shell and Chevron took advantage of this opportunity for dialogue: high-ranking representatives sent their regrets, mostly at the last minute.

Brief overview of the trip:

- 31 Oct. 06 Arrived in Lagos; stayed at the Sheraton; dinner with Dr Ralf Teepe, German Embassy in Lagos.
- 1 Nov. 06 Flew from Lagos to Enugu with AeroContractors; conference participants picked up at the

airport and driven to the conference centre in Emene; briefing by Adewale Agbojo, Heinrich Böll Foundation.

2 Nov. 06 Conference began; discussion with representatives of GTZ.

3 Nov. 06 Conference ended; saw the orphanage of the "Sisters of Divine Love" and visited young mothers and orphans at the order's former seat.

4 Nov. 06 Drove with Father Kevin O'Hara (Center for Social and Corporate Responsibility) and Sister Denise Boyle (St. Patrick's Missionary Society) towards Port Harcourt. Invitation from Bishop Lucius Ugorji in Umuahia, AbaState; discussed the establishment of micro-loans and toured the premises of a planned ceramics factory. Continued on to the Umuechem oil field; toured a pump station; saw both an oil well that has been burning out of control for decades and a functioning oil well; took a look at a hospital built by Shell that was never opened. Visited the village of Umuechem and saw a wrestling competition there. Spent the night in Port Harcourt.

5 Nov. 06 Drove across the Delta to the Warri airport. Flew to Lagos and from there to Frankfurt.



Wrestling competition in Umuechem. Photo: Ute Koczy

Nigeria:

Long before 1500 B.C., the territory of what is now Nigeria was home to individual nations of the various groups who still live there today: the Yoruba, Hausa, and Nupe, followed later by the Fulbe and Igbo. Today Nigeria is Africa's most populous country; recent estimates suggest that the population has grown to around 150 million, 50% of whom are Muslim, 40% Christian, and 10% adherents of traditional religions.

The country can be roughly divided into the politically and militarily powerful north, the Anglican southwest, rich in natural resources, of the Yoruba around Lagos, and the Catholic oil-producing regions of the Igbo in the southeast. Along with these, however, there are another 400 or so smaller ethnic groups. The country's women are far from enjoying anything like equal rights, and are almost non-existent in the upper levels of business, politics, and science and academics so far.

With its population of roughly 15 million, Lagos is the world's second-largest city (after Mexico City); at the same time, it suffers from a catastrophic transportation infrastructure. Although Nigeria has earned around \$280 billion over the last thirty years from oil production, according to official figures, two-thirds of the country's population subsists on less than a dollar a day. The inequality is mounting, and politically motivated violence is increasing especially in the oil-producing regions.

President Olusegun Obasanjo's announcement that he might seek a third term created an uproar. The constitution limits Nigeria's presidents to two terms, and a referendum failed to give him enough votes for a constitutional amendment.

For years, Obasanjo pushed for debt relief and in the end managed to convince the Paris Club to waive 60% of Nigeria's debts; the country was to repay the other 40%. In April 2006, Nigeria was in fact able to finally pay off the last of its public debt. Germany waived debt owed by Nigeria in the amount of €1.4 billion in 2005, which had a positive impact on German ODA figures for 2006. However, at the moment I cannot confirm that Nigeria has put this debt relief to good use for the benefit of the population.

"The business of business is business" (Father O'Hara)

Shady deals with oil from Nigeria

There is a huge discrepancy between what *could* be done with the **wealth produced by oil and gas** in Nigeria and what is actually taking place. The almost 50-year history of oil production there, which has involved industry giants like Shell, ExxonMobil, Chevron Texaco, British Petroleum, Agip, and Elf, has in fact contributed only to making the social and environmental situation worse.

This conclusion may seem harsh, but despite some progress in terms of transparency and attempts to alleviate the situation, so little has been achieved for the majority of the people that the population can be said to be losing, rather than gaining, ground.

Little is being done, for instance, to end the practice of gas flaring. More gas is burned off in Nigeria than in any other country in the world. As recently as last year, 75% of all the gas produced there was simply released into the atmosphere and burned. That has since dropped to 43%, while the target for 2008 is 10%. Even now, the amount of gas being burned off in Nigeria each day is equivalent to 40% of the gas consumed in Africa. This practice has produced more greenhouse gases than all of sub-Saharan Africa together. The toxins that have been raining down on both the people and the soil for decades have caused serious health and environmental problems, for the remedying of which no one feels responsible. Estimates put the costs generated for health care alone at \$2.5 billion a year.

Nigeria possesses vast oil reserves – an alleged total of 35 billion barrels (1 barrel equals 159 litres) – and an oil infrastructure that includes more than 600 oil fields and pumping stations. These, however, are often located on rough terrain or offshore in the Atlantic Ocean. While the annual oil income is estimated at \$38 to 53 billion, rampant corruption prevents this wealth from being distributed fairly and for the greater good of society. More than two-thirds of the population lives in extreme poverty (on less than \$1 a day), while an estimated \$380 billion has been plundered since the country gained independence in 1960. Nigeria is 152nd on the Transparency International index ranking freedom from corruption, putting it ahead of only Chad, Bangladesh, Turkmenistan, Myanmar, and Haiti.

The fight against **corruption** gained a great deal of momentum under President Olesugun Obansanjo, and a comprehensive report on the flow of funds, compiled by the Nigeria Extractive Industries Transparency Initiative, was submitted in April 2006. It audited the distribution of the country's oil riches – but it is still unclear whether anything will change. That would require considerable effort on the part of oil companies and the government, but the situation right now has more or less come to a standstill. President Obansanjo cannot be re-elected, and a successor has not yet emerged.

"Oil and gas wealth should be made to serve the common good"

Information about the conference

Several months before the conference, the CBCN "Justice, Development and Peace Commission" published a compelling 187-page brochure entitled "Nigeria: The Travesty of Oil and Gas Wealth." Its conclusions on the result of almost 50 years of oil production are severe:

"Since its discovery and commercial production in 1958, oil has been at the root of catastrophic national problems; manifesting, firstly, in ferocious rivalries within the ruling class to acquire and maintain control over a greater share of oil surplus, and/of secondly, a steep rise in violence between the ruling class and other subordinate classes on the aftermath effects of crude oil production, particularly the latter's exclusion from reaping the pecuniary rewards from oil" (p. 17).

This indictment could not be plainer. The authors call for justice, the liberation of the oppressed, the upholding of human dignity, and support for those who have been deprived of their rights. While they have not abandoned their hopes for change, they are harsh in their assessment of all previous efforts to improve the situation:

"Till date, efforts in these various areas have failed woefully because government (and multinational oil companies) never truly showed the requisite political will and commitments towards alleviating the plights of the inhabitants of oil communities in the NigerDelta."

This brochure was put together by a special team working on "Justice and Environmental Issues in the Extractive Industries in Nigeria" and is distinguished by its many details, facts, and insider insights, since several of the experts involved had been long-time employees of the oil industry. Still more important is the fact that this publication not only serves the purpose of analysis, but also calls for change and makes concrete suggestions on how to achieve it.

Two days before I left Germany, Nigeria made international headlines with an airplane crash. For the third time in just a year, a plane on a domestic flight had crashed, killing around 140 people and highlighting once again the issue of inadequate safety measures. This tragedy was the subject of much discussion and outrage in the media, where the reactions to conditions in the country alternated between grief, anger, and resignation. Interestingly enough, the airlines that meet international standards and whose flights are now booked-out were originally started by oil companies.

For security reasons (e.g., kidnapping of oil company employees, brutal attacks), the conference itself took place not in one of the oil-producing states in the Niger Delta, but 200 km to the north in Emene, a suburb of Enugu, the capital of Enugu State. There the more than 60 participants, including attendees from the United States and Germany, gathered at the "Divine Love Retreat and ConferenceCenter."



Despite an invitation from the Nigerian Bishops' Conference and the presence of four archbishops, no members of the government or state governors attended (both sent only their deputies). Shell and Chevron Texaco declined any participation, while NNPC, the national oil company, at least had the decency to send a representative to make a statement. These cancellations initially seemed to put a damper on the conference, but the various reports and statements ended up sparking lively discussions, making the conference a success in terms of content.

The following papers were part of the conference program:

- *The promotion of corporate governance and social responsibility by operating and participating oil and gas companies in host communities.*
- *Enhancement of transparency and accountability issues in the oil and gas sector in the nation.*
- *The social teachings of the Church and the management of oil and gas wealth.*
- *Reversion of the 'resource curse' through the promotion of sustainable community developments in Nigeria.*
- *The need to nurture public wealth for sustainable family and community prosperity.*
- *The need to employ micro-credit & wealth creation in host oil and gas community as one of the ways to alleviate poverty.*
- *Enhanced response strategies in community peace building and practice.*
- *Mitigation and remediation of degraded environment.*
- *One paper on the review of oil and gas policies and employment of best practices in the Industry.*

Along with these papers, Father Kevin O'Hara showed a very powerful film (*A Fence Too High*) about the charged situation in areas where oil production has devastated the environment and led to conflict. The

people of the Niger Delta are angry that none of the promises made to them – with regard to sanitation, for instance, the drinking water supply, or health care – have been kept, and that the oil companies have responded with intimidation tactics to their attempts to demand their rights. Father O'Hara, who has lived in Nigeria for more than 20 years, is a member of the "Center for Social and Corporate Responsibility," an organization dedicated to strengthening the community and fighting the all-pervasive corruption. The organization has also been working for years to make the shareholders of Shell and Chevron Texaco aware of company policies.

A resolution based on the conference was published already on 4 November. This is to be sent on to the European Bishops' Conference with the idea of enlisting its support.

As soon as I returned to Germany, I sent letters to the two multinational oil companies Shell and Chevron Texaco to express my astonishment at their unwillingness to enter into a dialogue with the Nigerian Church, despite the personal invitation. In my view, they passed up an important opportunity to start talks, an especially critical issue considering the current increase in violence. If this reflects their corporate communications strategy, further conflicts are inevitable.

Information about specific projects:

"A government without women is like a pot sitting on one stone"

The GTZ women's project in Borno State

Professor Patricia Donli, a member of the "Gender, Environment, and Rural Development" initiative and a GTZ consultant, and Boloji Aina, a GTZ staff member, had a fourteen-hour drive behind them when they arrived at the conference centre. Both of them work in BornoState in northern Nigeria on a project intended to "help women achieve their rights" (project timeframe: 2006 – 2009). In this predominantly Muslim region – albeit one in which the social climate has so far proven to be more liberal than in the neighbouring states – a project of this kind is both remarkable and deserving of recognition.

The GTZ project aims at encouraging women and giving them the skills they need to take on responsibility also in political bodies. The idea behind this mentoring programme is: "We are ready to work to empower people, to be able to participate for good governance." Women learn about their rights and about how to draw up a political programme, start fundraising projects, and speak in public (leadership training). Instead of the anticipated 150 participants, more than 260 women showed up on the day the project started – clear proof of regional women's great interest in political education and acceptance of the project concept.



GTZ calendar in Borno State, Nigeria

The legal counselling being organized for women is also crucial, since women have no other opportunity to obtain advice on legal issues like the right to child support payments, for instance, when paternity can be proven. GTZ staff members are additionally working to get people to question existing "laws" that allow girls to be married off at 10 or 11 or that abandon street children to their fate.

Projects in the city of Umuahia, Abia State

At the invitation of Bishop Lucius Iwejuru Ugorji in Umuahia, we had the opportunity on the way to the Niger Delta to find out more about two projects he had initiated. One consists of micro-loans provided by the local bank (start-up capital was around 20 million naira, which has since risen to 50 million naira), and the other is a ceramics factory being constructed on the abandoned premises of a former brewery. The factory buildings are ready for the installation of the machinery. Once the equipment has been delivered a few months from now, all of Nigeria is to be supplied with roof and other tiles, and other ceramics products made here, starting in June 2007, thus creating local jobs. With these projects, Bishop Ugorji is putting into practice something he has also called for in his publication on "Collaboration between Africa and Europe":

"Within an unjust world economic system marked by significant structural inequalities and injustice, the Church cannot afford to be indifferent or self complacent. She is to show profound concern for the defence of the rights of the poor and weak to live in dignity and freedom.... On the one hand, the Church in Europe could serve as an advocate, pressing their home governments to give more opportunities to countries in the developing world to have a place in the international community. On the other hand, the Church in Africa should press their home governments to ensure that such opportunities are properly utilised by ensuring political and economic stability and the drastic reduction of corruption and waste."



This ceramics factory will make a concrete contribution to improving the economy and the lives of the people in this region. I am eager to see whether the factory starts operating in mid-2007 as planned and is thus able to actually create the hoped-for jobs.



Closing photo of the conference in Nigeria, 3 Nov. 2006

In conclusion, I would like to express my sincere thanks to the Catholic Bishops' Conference for the opportunity I was given to find out more about the situation in Nigeria on-site and thus to hear first-hand reports on what is actually happening. Perhaps this report will be able to make a small contribution to helping people understand the hardships and problems being experienced by the Nigerian population and to increasing the pressure on both the companies and the government, with the goal of substantially improving the lives of the people of Nigeria.