

Curbing Violence in Nigeria (III): Revisiting the Niger Delta

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Executive Summary

Violence in the Niger Delta may soon increase unless the Nigerian government acts quickly and decisively to address long-simmering grievances. With the costly Presidential Amnesty Program for ex-insurgents due to end in a few months, there are increasingly bitter complaints in the region that chronic poverty and catastrophic oil pollution, which fuelled the earlier rebellion, remain largely unaddressed. Since Goodluck Jonathan, the first president from the Delta, lost re-election in March, some activists have resumed agitation for greater resource control and self-determination, and a number of ex-militant leaders are threatening to resume fighting (“return to the creeks”). While the Boko Haram insurgency in the North East is the paramount security challenge, President Muhammadu Buhari rightly identifies the Delta as a priority. He needs to act firmly but carefully to wind down the amnesty program gradually, re-vamp development and environmental programs, facilitate passage of the long-stalled Petroleum Industry Bill (PIB) and improve security and rule of law across the region.

The Technical Committee on the Niger Delta, a special body mandated in 2008 to advance solutions to the region’s multiple problems, proposed the amnesty program, whose implementation since 2009, coupled with concessions to former militant leaders, brought a semblance of peace and enabled oil production to regain pre-insurgency levels. However, the government has largely failed to carry out other recommendations that addressed the insurgency’s root causes, including inadequate infrastructure, environmental pollution, local demands for a bigger share of oil revenues, widespread poverty and youth unemployment.

Two agencies established to drive development, the Niger Delta Development Commission (NDDC) and the Ministry of Niger Delta Affairs (MNDA), have floundered. Two others mandated to restore the oil-polluted environment (particularly in Ogoni Land) and curb or manage hundreds of oil spills yearly, the Hydrocarbon Pollution Restoration Project (HYPREP) and the National Oil Spills Detection and Response Agency (NOSDRA), have been largely ineffective. The PIB, intended to improve oil and gas industry governance and possibly also create special funds for communities in petroleum-producing areas, has been stuck in the National Assembly (federal parliament) since 2009. In sum, seven years after the technical committee’s report, the conditions that sparked the insurgency could easily trigger a new phase of violent conflict.

The outcome of the presidential election has also heightened tensions. While most people in the region acknowledge that Jonathan lost, some former militant leaders and groups accept Buhari only conditionally. For instance, the Niger Delta People’s Salvation Front (NDPSF), the civil successor to the militant Niger Delta People’s Volunteer Force (NDPVF), claims Jonathan’s ouster was the product of a conspiracy by northerners and the Yoruba from the South West against the Delta peoples and the South East. Apparently influenced by that view, some groups are resuming old demands, hardly heard during the Jonathan presidency, for regional autonomy or “self-determination”.

Local tensions generated by the polls also pose risks, particularly in Rivers state, where Governor Nyesom Wike (of ex-President Jonathan’s People’s Democratic Party, PDP) and ex-Governor Rotimi Amaechi (of President Buhari’s All Progressives Con-

gress, APC) are bitter foes. With many guns in unauthorised hands, politically motivated assassinations and kidnappings for ransom, already common, could increase.

Policy and institutional changes are necessary but, if not prepared and implemented inclusively and transparently, could themselves trigger conflict. Buhari has declared that the amnesty program, which costs over \$500 million per year, is due to end in December. He has terminated petroleum pipeline protection contracts that Jonathan awarded to companies owned by ex-militant leaders and the Yoruba ethnic militia, O'odua People's Congress (OPC), and may streamline the Delta's inefficient development-intervention agencies. He may also withdraw the PIB from parliament for revision. Some of this is desirable, even inevitable, but a number of former militant leaders and other entrenched interests threaten resistance and a possible return to violence. A perception that the government's actions are reversing the Delta's gains could aggravate local grievances and precipitate armed violence.

At its peak in 2009, the insurgency in the Niger Delta was claiming an estimated 1,000 lives a year, had cut Nigeria's oil output by over 50 per cent and was costing the government close to four billion naira (nearly \$19 million) per day in counter-insurgency operations. A resurgence of violence and increased oil-related crime in the Delta could seriously undermine national security and economic stability, which is already weighed down by the Boko Haram insurgency and dwindling oil revenues.

Recommendations

To prevent a relapse to conflict and to build durable peace in the Niger Delta

To President Muhammadu Buhari:

1. Visit the Delta at the earliest opportunity to underscore commitment to the region and lay out a comprehensive plan for its security and development.

To the federal government of Nigeria:

2. Wind down the amnesty program gradually, while ensuring that ex-militants already registered complete promised training, but also demand greater transparency and accountability in the program's management.
3. Align ex-militant training with available employment opportunities.
4. Streamline regional development responsibilities, particularly by winding down the Ministry of Niger Delta Affairs (MNDA) and reforming the Niger Delta Development Commission (NDDC) to make it a more accountable and effective agency and thereafter ensuring it is well-resourced.
5. Take urgent steps to stop environmental degradation by:
 - a) reviving the Hydrocarbon Pollution Restoration Project (HYPREP) as a statutory entity, independent from the petroleum ministry, and directing it to commence clean-up arrangements and operations in Ogoni Land and other adversely affected areas quickly;
 - b) strengthening the ability of the National Oil Spills Detection and Response Agency (NOSDRA) to respond to oil spills rapidly and effectively; and
 - c) discouraging the environmentally damaging proliferation of artisanal refineries by improving the availability of properly-refined petroleum products and creating long-proposed modular refineries across the region.
6. Strengthen security and rule of law, including by encouraging partnerships between security agencies and local communities in place of the pipeline protection contracts awarded to ex-militant leaders and ethnic militia groups.
7. Work closely with the National Assembly to ensure speedy passage of the long-stalled Petroleum Industry Bill (PIB) this legislative year, on the basis of compromise between Delta interests and those of other areas.
8. Prosecute those responsible for electoral violence and fraud, but also encourage communal and inter-party reconciliation, especially in Rivers state.

To the international community, particularly the European Union and the U.S. and UK governments:

9. Sustain and where possible increase support of existing programs, including those of civil society organisations, for conflict prevention, peace building, good governance, rule of law and development in the Niger Delta.

10. Offer technical, logistical and other capacity-building assistance to agencies promoting development, safeguarding and restoring the environment and curbing corruption, particularly the NDDC, HYPREP, NOSDRA and the Economic and Financial Crimes Commission (EFCC).
11. Strengthen collaboration with the government and other international partners in fighting oil theft, including by tracking proceeds of illicit enterprises.

To major oil companies, including Shell and ENI (NAOC):

12. Intensify efforts to curb pollution by upgrading or replacing aging infrastructure more regularly, installing more sensors for early detection of pipeline breaches, and giving greater support to NOSDRA and grassroots campaigns against artisanal refineries.
13. Intensify efforts to create jobs for local youth by increasingly outsourcing marginal jobs to local companies and utilising local materials and expertise in compliance with the Nigerian Oil and Gas Industry Content Development Act.
14. Honour financial obligations more conscientiously, particularly to the NDDC, Nigeria Content Development Fund and Ogoni Environmental Restoration Fund.
15. Contribute more actively to fighting oil theft, particularly by instituting better metering at production points and more transparent oil-loading arrangements.

Abuja/Dakar/Brussels, 29 September 2015

Curbing Violence in Nigeria (III): Revisiting the Niger Delta

I. Introduction

The Niger Delta, in southern Nigeria, is a paradox, rich in resources but poor and racked by insecurity.¹ A combination of local grievances over oil and gas pollution, infrastructure, poverty, unemployment, the region's share of oil revenues and its marginalisation in national politics led to protests that evolved into a full-blown insurgency in 2006. That rebellion, waged by the Movement for the Emancipation of the Niger Delta (MEND), severely disrupted Nigeria's oil industry, slashing earnings from its exports, the country's major revenue source.²

A June 2009 presidential amnesty for the militants ended the insurgency, restored some stability and created an opportunity for the government to address the multiple grievances and demands at their roots. That opportunity was lost to political inertia and bad governance. Many issues that triggered the conflict remain largely unaddressed.

The presidency of Goodluck Jonathan (2010-2015), the first national leader from the region, stipends and training for the former militants and arrangements with insurgency leaders kept a lid on local agitation and conflict. With Jonathan's defeat in the March 2015 elections, the amnesty program's likely end in December and patronage to former militant leaders terminated, local discontent is deepening, and the region risks eventually relapsing into violence.

This report, the third in a series on curbing violence in Nigeria, reviews key developments since Crisis Group's last briefing on the Delta in 2009.³ Given the new administration, it focuses mostly on federal programs and policies, not state, local or civil society interventions that are also important for reducing tensions, addressing grievances and preventing conflict. It is based on extensive field research, including interviews with local militant leaders, politicians, security officers, civil society leaders and youth in the Delta, as well as federal government officials in the capital, Abuja. It analyses the limitations and failures of various government initiatives, highlights the risks of renewed conflict and recommends key actions President Muhammadu Buhari's government must take to prevent a new insurgency.

¹ For background on Nigeria and analysis of the Niger Delta crisis, see Crisis Group Africa Reports N°s 113, *Nigeria: Want in the Midst of Plenty*, 19 July 2006; 115, *The Swamps of Insurgency: Nigeria's Delta Unrest*, 3 August 2006; 118, *Fueling the Niger Delta Crisis*, 28 September 2006; and 135, *Nigeria: Ending Unrest in the Niger Delta*, 5 December 2007; and Briefings N°s 54, *Nigeria: Ogoni Land after Shell*, 18 September 2008; and *Nigeria: Seizing the Moment in the Niger Delta*, 30 April 2009.

² MEND was an umbrella organisation of the Delta's major militant groups. Most affiliate groups' leaders accepted the government's 2009 amnesty, disarmed and demobilised, but a few shadowy elements continued to threaten violence until April 2015, when they formally congratulated Buhari on his election as president and expressed confidence in his leadership. For more on the group, see Judith Burdin Asuni, "Understanding the Armed Groups of the Niger Delta", Council on Foreign Relations, September 2009.

³ The earlier reports in the *Curbing Violence in Nigeria* series are Africa Reports N°196, *The Jos Crisis*, 17 December 2012; and N°216, *The Boko Haram Insurgency*, 3 April 2014.

II. Buying Time to Build Peace

A. *The Presidential Amnesty Program*

The amnesty program, a key recommendation of the Technical Committee on the Niger Delta, was inaugurated by President Umaru Yar'Adua on 25 June 2009.⁴ The amnesty offer and retraining and reintegration opportunities encouraged the insurgent groups to disarm; over 30,000 purported members signed up between October 2009 and May 2011. Since then, the amnesty office has worked to reintegrate them into productive society, primarily by placing (and sponsoring) them in vocational and higher education courses in Nigeria and abroad.⁵ As of March 2015, 15,451 had graduated, while 3,482 were still in training.⁶ About 11,200 (37 per cent of those who registered) were awaiting placement in academic or vocational training facilities and receiving a 65,000 naira (about \$350) monthly stipend.⁷

Judged by its primary objective of disarming the insurgents and stabilising the security situation in the Delta, the program has achieved significant results. Kidnappings and armed attacks against expatriates have fallen,⁸ and improved security has enabled petroleum production and exports to increase from about 700,000 barrels per day (bpd) in mid-2009 to between 2.2 and 2.4 million bpd since 2011.⁹ It has also saved the country the estimated 3.74 billion naira (about \$18.7 million) daily that it

⁴ Established on 8 September 2008 with broad and credible membership including scholars, thought leaders and civil society activists from the Delta, the committee was mandated to collate, review and distil all previous reports, memorandums and submissions on the region's crisis and recommend urgent government measures. It submitted its report to President Yar'Adua on 1 December 2008.

⁵ The study destinations have been the U.S., UK, Canada, Australia, Russia, United Arab Emirates, Malaysia, the Philippines, South Africa and Ghana. Courses have included oil- and gas- related skills (pipeline and underwater welding, ocean diving, crane operation and oil drilling), aviation, technical and entrepreneurial training (automobile technology, fish farming and business management), and formal academic training. Kingsley Kuku, *Remaking the Niger Delta: Challenges and Opportunities*, (Jacksonville, AR, 2012); I. Margaret Abazie-Humphrey, "Engaging the Nigerian Niger Delta Ex-Agitators: The Impacts of the Presidential Amnesty Program to Economic Development", presentation at the fourteenth European Association of Development Research and Training Institutes (EADI) General Conference, Bonn, 23-26 June 2014; Oluwatoyin O. Oluwaniyi, "Post-Amnesty Programme in the Niger Delta: Challenges and Prospects", *Conflict Trends*, no. 4, 2011; and Charles Chidi Achodo, "Nigeria's Amnesty Programme: An Overview of Successes, Failures and Lessons", *Leadership* (Abuja), 19 June 2015.

⁶ Crisis Group interview, official, Office of the Special Adviser to the President on Niger Delta, Abuja, 16 April 2015.

⁷ Constraints include lack of in-country specialised vocational training centres and limited resources for sending trainees abroad; the slow pace at which some embassies process student-visa applications for ex-militants and Nigerian government delays in transferring funds to foreign schools. Crisis Group interview, official at the amnesty program office, Abuja, 11 April 2015.

⁸ Kidnappings fell after the amnesty but have gradually resumed. There are no accurate statistics on expatriate kidnappings in the Niger Delta (many ransom demands are handled quietly), but the International Maritime Bureau's annual reports on the wider Gulf of Guinea and analyses by independent maritime security experts provide credible indications. For examples, see Stephen Starr, "Maritime Piracy on the Rise in West Africa", Combating Terrorism Center, 28 April 2014; and James Bridger, "Kidnapping Resurgent in Gulf of Guinea Piracy", US Naval Institute News, 22 December 2014. Kidnappings of Nigerians, though not always fully reported in the local press, have also apparently increased. "Return of Militancy, Kidnapping and Politics in Niger Delta", *The Guardian* (Lagos), 30 November 2014; "Why Bunkering, Kidnappings Are Back in Niger Delta – Security Agencies", *Vanguard* (Lagos), 30 March 2013.

⁹ Crisis Group interview, Kingsley Kuku, Chairman, amnesty program, 13 August 2013.

formerly spent fighting the insurgency.¹⁰ By providing more sophisticated education rather than the artisanal training delivered by most other disarmament, demobilisation and reintegration (DDR) programs, it offers better prospects that thousands of ex-militants will find meaningful jobs and renounce violence permanently.

Nevertheless, the very expensive program has drawn criticism and still faces several challenges. First, the initial arrangement whereby ex-militant commanders collected the monthly stipends for all fighters who were in their camps, then paid the “boys”, reinforced bonds that in some cases remain unbroken, giving the former commanders the ability to rally their fighters to any new cause.¹¹

Secondly, as the 65,000 naira monthly stipend paid to the ex-militants is well above the 18,000 naira (\$90.50) national minimum wage and most entry-level salaries, many recipients would rather receive that payment than accept a job. Ending those stipends could create new security problems.¹²

Thirdly, there is a serious mismatch between the training the former militants receive and the job market.¹³ At the end of March 2015, reportedly only 151 of the 15,451 graduates from the training programs had found jobs with credible organisations in the country.¹⁴ Many currently being trained have high expectations of positions in oil, gas and aviation companies, but industry sources insist there presently is limited room to absorb many job-seekers. Frustrated graduates may be tempted to return to militancy or violent crime, only now better educated and more likely capable of extracting new concessions from the federal government.

B. *Taking Care of Former Militant Leaders*

Besides retraining militants, the government also sought to work with their old leaders. In 2012, the Nigerian Maritime Administration and Safety Agency (NIMASA) awarded a 16.8 billion naira (\$103 million) contract to Global West Vessel Specialists Limited (GWVSL), a company reportedly owned by prominent ex-militant leader Government Ekpemupolo, widely known as Tompolo. Patrick Akpobolokemi, then NIMASA’s director general, said it was for GWVSL to procure twenty vessels and gather intelligence for fighting maritime crime.¹⁵ The Nigerian National Petroleum

¹⁰ “Nigeria loses N3.74bn per day to N/Delta war”, *Sunday Vanguard* (Lagos), 7 June 2009.

¹¹ The term “boys” is widely used in the Delta context to refer to all military members of the insurgency, irrespective of gender. While women had no significant combat-related roles, some spied on government forces or had relationships with militant leaders. Most observers agree the measures that ended the insurgency should have included a rehabilitation program for girls and women who survived sexual violence or were widowed in the conflict.

¹² Crisis Group interview, Ledum Mitee, chairman, National Stakeholders Working Group for the Nigerian Extractive Industries Transparency Initiative, Abuja, 14 October 2014.

¹³ Crisis Group telephone interview, Professor Sofiri Joab-Peterside, Port Harcourt, 18 May 2015.

¹⁴ “Strides of the Presidential Amnesty Programme”, document made available to Crisis Group by the Office of the Special Adviser to the President on Niger Delta, Abuja.

¹⁵ Presidential memo, PRES/99/MT/61, 9 November 2011; approved by Federal Executive Council, 5 January 2012; “NIMASA: Why We’re Partnering Global West on Maritime Security”, 9 March 2012; “NLNG-NIMASA Face-off: A Culture of Impunity”, *Thisday* (Lagos) 14 May 2013; Crisis Group interview, Patrick Akpobolokemi, Lagos, 15 August 2013; “Nigeria: Norway Regrets Selling Warships to Ex-Niger Delta Militant, Tompolo”, *Premium Times* (Abuja), 2 May 2015. Akpobolokemi was recently arrested by the Economic and Financial Crimes Commission (EFCC). “Why Buhari Fired Controversial NIMASA DG”, op. cit. “Exclusive: EFCC arrests sacked NIMASA boss over alleged multibillion naira fraud”, *Premium Times*, 30 July 2015.

Corporation (NNPC) reportedly contracted with ex-militant leaders to secure pipelines in Bayelsa, Delta and Rivers states.¹⁶

Government spokesmen have justified such arrangements on the grounds that the ex-militants have good local knowledge of the waters so can better secure the pipelines, repel pirates and apprehend oil thieves than government forces. This could also mean jobs, they said, for thousands of youths not covered by the amnesty program and who might otherwise turn to crime. Citing the increase in crude oil production as evidence, for example, Doyin Okupe, President Jonathan's special assistant for public affairs, said in 2012 that the country had benefited immensely. NIMASA's Akpobolokemi said the ex-militant leaders' contributions had reduced oil theft by 70 per cent.¹⁷ Other observers, however, assert that oil theft has increased.¹⁸

The contracts have generated controversy, however, in particular concerns that they diverted resources from security agencies. The then-opposition All Nigeria Peoples Party (ANPP) objected that the arrangements were putting "the apparatus of national security ... into the hands of ex-militants with no proven background in oil-facility security".¹⁹ The actual effect on oil-related crime is uncertain, as the operators never presented public accounts of their operations, such as numbers of illegal vessels intercepted or criminals apprehended.²⁰ In 2014, a prominent Ijaw, Chief Edwin Clark, urged the government to revoke the contracts, arguing oil theft had increased "astronomically since the pipeline and maritime protection contracts were awarded to the former militant leaders".²¹

Government patronage has made some former militant leaders powerful figures in their constituencies and across the region. Others have done well economically and live in comfort in Port Harcourt, Lagos and Abuja.²² Examples that wealth and

¹⁶ Crisis Group interview, former NNPC official, Port Harcourt, 16 October 2014.

¹⁷ "Presidency defends billions paid to ex-militant 'generals'", *The Punch* (Lagos), 27 August 2012. "Tompolo tackles security of Nigerian waters", *Vanguard*, 4 September 2012.

¹⁸ Odalonu Happy Boris, "The Upsurge of Oil Theft and Illegal Bunkering in the Niger Delta Region of Nigeria: Is There a Way Out?", *Mediterranean Journal of Social Sciences*, vol. 6, no. 3, May 2015; "Nigeria loses 400,000 barrels daily to crude oil theft-Senate", *Leadership*, 14 November 2013; "Nigeria's crude oil theft reaches industrial scale", *Thisday*, 22 November 2013.

¹⁹ "Payment to Tompolo, others, threat to national security – ANPP". *Daily Trust* (Abuja), 29 August 2012.

²⁰ Military and civil defence corps authorities have periodically claimed credit for reducing oil theft and other crimes without citing any contribution by the former militants. See, for instance, "JTF Winning War Against Crude Oil Theft in Niger Delta – Commander", *Premium Times*, 25 December 2013; "Oil theft has reduced drastically in the Niger Delta – Nigerian Navy", *Sweetcrude Reports* (Lagos), 27 October 2014.

²¹ "Edwin Clark seeks revocation of Tompolo, Asari Dokubo's security contracts", *Premium Times*, 4 June 2014.

²² Crisis Group interviews, ex-militants, Port Harcourt, Yenagoa, 2-8 October 2014; ex-militant leaders, Yenagoa, 9 October 2014; Delta state politician, Abuja, 2 June 2015. Tompolo, wealthy before the amnesty, has grown richer and more influential. In November 2012, when he established the non-profit Tompolo Foundation focusing on community health and education, the event was inaugurated by Vice President Namadi Sambo, and federal Education Minister Nyesom Wike, now Rivers state governor, took part. Its executive secretary, Paul Bebenimibo, has said the foundation spent over 130 million naira (\$653,000) on free health care and education support in Gbaramatu kingdom, Delta state. "Delta Community Hospital Performs 400 Surgeries", *Thisday* (Lagos), 17 April 2014. In 2013, the leader of the defunct Niger Delta People's Volunteer Force (NDPVF), Muhajid Asari-Dokubo, established the King Amachree African University (KAAU) in neighbouring Benin; it was accredited in September 2014. "Asari-Dokubo establishes own university, names it after King Amachree", *Premium Times*, 11 October 2013. Ex-MEND commander Ebikabowei Vic-

political power can flow from demonstrated capacity for violence could have consequences for the region's security in the near future. Onengiya Erekosima, president of the Foundation for Peace and Non-violence in Nigeria (FOPNVIN), noted:

The "boys" have been watching the phenomenal transformation of their former leaders; many will want to become like those leaders. We could be having a new generation of youth seeking to extract fortunes from the government, the way their predecessors have done.²³

tor-Ben (alias Boyloaf) was appointed head of a special anti-piracy task force in Bayelsa state in August 2014 but resigned in November, apparently to focus on Jonathan's re-election campaign. "Why ex-militant leader, Boyloaf, resigned from Dickson's cabinet", *Leadership*, 29 November 2014. For the 2015 Rivers state elections, Wike courted ex-militant leaders Ateke Tom, Soboma Jackrich and Solomon Ndigbara, who helped swing the polls in his favour. "Rivers: Knocks, kudos greet Wike's romance with ex-militants", *The Punch*, Lagos, 28 May 2014. Three other ex-militant leaders – Dagogogo Farah, Adoki Tonye Smart and Chisom Promise Dike – were elected to the Rivers state House of Assembly. "Ex-militants among newly elected lawmakers in Rivers Assembly", *Premium Times*, 15 April 2015.

²³ Crisis Group interview, 5 April 2015.

III. Peacebuilding Deficits: Unaddressed Grievances

While the amnesty program was implemented with some vigour, the Jonathan administration showed far less commitment to the crucial tasks of improving infrastructure, restoring the environment and enhancing livelihoods. In spite of promises and substantial appropriations, little progress has been made.

A. *Development and Infrastructure*

Two agencies – the Niger Delta Development Commission (NDDC) and the Ministry of Niger Delta Affairs (MNDA) – are primarily mandated to drive development in the region. Both have performed far short of citizens' expectations.

1. The Niger Delta Development Commission

NDDC was established in 2000, well before the amnesty program, to facilitate “the rapid, even and sustainable development of the Niger Delta into a region that is economically prosperous, socially stable, ecologically regenerative and politically peaceful”.²⁴ After the 25-year Niger Delta Regional Development Master Plan (NDRDMP) was launched in 2007, NDDC was designated lead agency for its implementation. That it was to be based in the Rivers state capital, Port Harcourt, and led by Niger Delta indigenes, raised expectations. The overwhelming verdict across the region, however, is that it has not met those expectations.²⁵ In October 2013, then acting managing director Christy Atako reported that it had completed only 37 per cent (2,328 of 6,349) of projects launched since 2000.²⁶ That December, President Jonathan lamented that little on the ground justified the large federal appropriations for the commission.²⁷

Its officials say projects are not completed due to inadequate funding and stress that they have never received their entire annual statutory budgets.²⁸ While funds are apparently duly appropriated, the commission is often short-changed within the opaque federal bureaucracy; it is still owed more than 700 billion naira (about \$3.5 billion) from the Obasanjo and Yar'Adua administrations (1999-2010).²⁹ Projects are further impaired by the irregular manner in which contributing partners sometimes

²⁴ “About us”, NDDC, at www.nddc.gov.ng.

²⁵ Crisis Group interviews, politicians, civil society leaders and local citizens, Port Harcourt, Yenagoa, October 2014; Port Harcourt, April 2015.

²⁶ “Our Journey to Greatness”, NDDC News (monthly newsletter), October 2013.

²⁷ Jonathan said, “the Niger Delta people feel that the NDDC is not really doing what they are supposed to do There are just too many ongoing projects and we believe that you don't even have enough manpower to manage the ongoing projects If you aggregate the total amount of money the Federal Government has spent on this agency, it is enormous and I don't believe on ground that we have something to show very clearly”. “Jonathan stops NDDC from awarding new contracts”, *The Guardian* (Lagos), 16 December 2013.

²⁸ Crisis Group interviews, former and serving commission staff, Port Harcourt, Yenagoa, October 2014; Port Harcourt, April 2015.

²⁹ NDDC is funded from three main sources: federal government, Niger Delta state governments and oil companies. In most years, it has received no more than a tenth of the 15 per cent of its revenue expected from the federal government and nothing from state governments. Most state governors say publicly that funding should be solely federal; privately they are said to be reluctant to contribute state money to an agency they fear could out-perform them and also empower some of their local rivals. Crisis Group interviews, former NDDC staff, 9 April 2015.

release funds without regard to legal requirements. The NNDC has also been plagued by “recurrent internal power struggles and distrust among principal officers, compounded by board-management politics” that have stultified its performance and delivery.³⁰

The most serious problem, however, may be corruption. There is concern the commission may in effect have become more a conduit through which funds are pumped into the pockets of politically connected individuals than a vehicle for the region’s development. Some politicians, especially in the federal legislative committees on Niger Delta development, and also in the Delta states assemblies, are alleged to view and manipulate it as their cash cow.³¹ Funds that do reach the commission have also been the subject of charges of corruption and outright theft involving some governing board members and senior management.³²

In 2009, a diagnostic review of the commission by Accenture Management Consultants reported that: “A critical look at NDDC’s operating model/structure reveals a misalignment between purpose and structure, as the mandates of a number of directorates are not clear”.³³ A more recent report by the public service reform bureau concluded that “virtually everything that could be wrong with an organisation is wrong with NDDC [It is constrained by] poor leadership, weak institutional systems and a culture of impunity ... [and] the development interests of the Niger Delta region do not appear to be the primary concern of many in the Commission”.³⁴

2. The Ministry of Niger Delta Affairs

Created in 2008, the ministry was conceived as a federal mechanism to formulate and execute programs and projects for development and security in nine oil-producing states.³⁵ Its priorities are road construction; establishment of skills acquisition centres; water supply and electrification projects; housing schemes; environmental pro-

³⁰ Crisis Group interview, ex-NDDC board member, Port Harcourt, 6 April 2015.

³¹ Crisis Group interviews, former NDDC staff, 9 April 2015; aide to member, House of Representatives, Abuja, 7 June 2015.

³² In a widely-publicised case, the then-NDDC chairman, Sam Edem, was suspended by President Yar’Adua and charged in July 2009, following revelations he had paid 715 million naira (then about \$6.1 million) to a sorcerer to help eliminate a rival. On 26 June 2012, the court exonerated Edem of any wrongdoing, ruled he had been “defrauded”, jailed the sorcerer for seven years and declined to order Edem to remit recovered money to the commission. “Herbalist jailed 7 years for defrauding NDDC ex-chairman”, *Vanguard*, 27 June 2012. In 2013, the NDDC Contractors’ Forum, an indigenous business body, complained that: “Contractors registered with the NDDC [have to] buy jobs from members of the board, because the contracts are awarded to them [board members] and not to the contractors”. “President and NDDC contracts”, *The Guardian*, 9 January 2014. On 27 April 2015, a former Akwa Ibom state representative on the NDDC’s board, Pastor Godwin Moffat Eyo, was convicted and sentenced to three years imprisonment for stealing transformers, valued at 220 million naira (about \$1.1 million), purchased for oil-producing communities in the state. “Pastor gets three years jail for stealing 56 transformers”, *Vanguard*, 28 April 2015.

³³ Cited in Joe Adia, “Presentation by Bureau of Public Service Reform at a retreat for ... NDDC’s board and management”, Le Meridien Hotel, Uyo, Akwa Ibom state, 12 March 2014.

³⁴ *Ibid.*

³⁵ These are Abia, Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Imo, Ondo and Rivers states. The ministry was also mandated to coordinate the activities of all agencies, donor organisations, communities and other stakeholders involved in development of the region. Crisis Group interview, Ledum Mitee, chairman, National Stakeholders Working Group for the Nigerian Extractive Industries Transparency Initiative, Abuja, 14 October 2014.

tection and remediation initiatives; agricultural and industrial development programs; and public safety and security.³⁶

Nevertheless, the ministry has had little impact. Many of its projects are incomplete or long abandoned. Its flagship effort, the 338km east-west highway that initially ran from Warri in Delta state to Oron in Akwa Ibom state and is being extended to Calabar in Cross River state is significantly over budget and still under construction, despite repeated assurances of imminent completion.³⁷

Public confidence has diminished. In April 2013, Ondo state oil-producing communities demanded it be disbanded. In March 2014, Senator James Manager, chairman of the Senate committee on the Niger Delta, observed that it had “failed to commission a single project since its creation”.³⁸ Donors have failed to finance a proposed \$10 billion multi-stakeholder trust fund for a ten-year Niger Delta Development Action Plan, unveiled in 2013.³⁹

Performance is hampered in several ways, beginning with dwindling budgets. Of the 456 billion naira (about \$2.8 billion) the ministry received over six years, 2009-2014, 349 billion naira (\$2.1 billion) went to the east-west highway. Like the NDDC, it has not received all its appropriations. In 2013, a year in which, Senator Manager observed, it was “terribly underfunded”, the finance ministry released only 49 per cent of what it was due.⁴⁰ In July 2015, the ministry’s permanent secretary reported that since 2012, it had received from finance between 48 per cent and 50 per cent of appropriated funds.⁴¹ From August 2014 until July 2015, she added, nothing had been received for capital projects.

The ministry also faces organisational and operational challenges. A UNDP governance expert observed: “The MNDA is a regional ministry, but is configured like a technical line ministry. The result is that it lacks the essential regional focus and presence to address and respond to the development challenges in the region”.⁴² The terrain in most of the region makes road and other infrastructure construction more expensive than elsewhere; work is further hampered by the long rainy season, inter-

³⁶ “2014 Ministerial Press Briefing ...”, Dr Stephen Orise Oru”, Ministry of Niger Delta Affairs, Abuja, 12 December 2014.

³⁷ The estimated cost was 200 billion naira (\$1.01 billion) in 2006 but increased to 349 billion naira (\$1.8 billion) due to inflation. Work on the road is split between contractors: Section I, Warri-Kaiama (87.4km) in Delta state, to Setraco Nig Ltd; Section II, Kaiama-Port Harcourt (101km) in Bayelsa/Rivers states, to Julius Berger Nig. Ltd; Section III, Port Harcourt-Eket (99km) in Rivers/Akwa Ibom states, to RCC Nig. Ltd; and Section IV, Eket-Oron (51km) in Akwa Ibom state, to Gitto Costruzioni Gen. Nig. Ltd. “2014 Ministerial Press Briefing”, op. cit.

³⁸ “Ondo communities want Niger Delta ministry scrapped”, *Premium Times*, 22 April 2013. “We can’t deliver east-west road in 2014, says Niger Delta ministry”, *Thisday*, 1 March 2014.

³⁹ “Niger Delta Action Plan to pool \$10bn in investment”, *Thisday*, 29 April 2013. Since then apparently, little has happened. The UN Development Programme (UNDP) and other donors are said to be waiting for the government to take the lead in making commitments to the fund. There is as yet no indication this is a priority for the new administration. Crisis Group interview UNDP staff, Abuja, 16 September 2015; email, UNDP staff New York, 17 September 2015.

⁴⁰ Ibid. Appropriations are based on estimates of revenue expected from oil sales. If oil prices fall below the projected benchmark, the ministry releases what was earned, not estimated.

⁴¹ “Niger Delta ministry laments paucity of funds”, *The Punch*, 14 July 2015.

⁴² “Nigeria’s Amnesty Programme”, op. cit. The author, Charles Chidi Achodo, worked with the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), the World Bank’s post-conflict unit and UNDP.

mittent disruptions by youths, excessive demands on contractors by some communities and influential individuals and kidnappings.⁴³

The ministry is also allegedly hobbled by corruption. Contracts were said to have been awarded to companies in which senior government officials, members of the People's Democratic Party (PDP), the dominant party in the Delta, and prominent ethnic leaders have substantial interests, regardless of their performance history or capacity.⁴⁴ In 2014, the House of Representatives Committee on Niger Delta Development said it had discovered numerous contract irregularities, including that over 30 companies that received contracts for infrastructure development projects were not properly registered with the Corporate Affairs Commission, the most basic requirement for doing business in the country.⁴⁵ A director in the ministry's finance and accounts department and four other staff are presently on trial in an Abuja High Court over a 700 million naira (\$3.5 million) fraud charge.⁴⁶

In addition to their separate shortcomings, the NDDC and MNDAs have been undermined by institutional rivalry. A governance expert observed that they "function in silos", independent of each other, resulting in "lack of coordinated and concerted development actions, and duplication of projects and waste of resources".⁴⁷

With respect to development, the Delta remains largely as it was when the insurgency ended in 2009.⁴⁸ The frustrations arising from the unmet hopes, persisting poverty and rising unemployment risk leading to resumed agitation and youth militancy. They could also provide a pretext for organised gangs to resume attacks on oil industry installations in the name of advancing the region's struggle for environmental and distributive justice.

B. *Pollution*

Environmental conditions, which have not improved and may have further deteriorated, are another source of tension. It is estimated that some two million tons of oil have polluted the Delta since production began in 1956, and several hundred spills occur every year.⁴⁹

On 4 August 2011, the UN Environment Programme (UNEP) submitted to the federal government the report of a study commissioned in 2006 detailing how 50 years of oil operations had severely polluted the Ogoni Land.⁵⁰ It suggested contam-

⁴³ Crisis Group interview, Niger Delta affairs ministry director, Abuja, 24 October 2014.

⁴⁴ Crisis Group interview, ex-senior staff, Niger Delta affairs ministry, Abuja, 14 April 2015.

⁴⁵ Crisis Group interview, aid to House of Representatives member, Abuja, 7 June 2015; "Reps summon minister over contract ... discover 30 unregistered companies", *National Mirror* (Lagos), 25 September 2014.

⁴⁶ "N700m Niger Delta Ministry fraud: Court gives new date to arraign accused", *Daily Post* (Abuja), 9 July 2015.

⁴⁷ "Nigeria's Amnesty Programme", op. cit.

⁴⁸ Crisis Group interviews, Anyakwee Nsirimovu, coordinator, Niger Delta Civil Society Coalition 3 April 2015; Ann Kio-Briggs, prominent activist, 4 April 2015 (both Port Harcourt).

⁴⁹ A 2006 report compiled by the World Wildlife Fund (UK), the World Conservation Union and representatives of the Nigerian federal government and the Nigerian Conservation Foundation calculated that up to 1.5 million tonnes of oil – 50 times the pollution unleashed in the 1989 Exxon Valdez tanker disaster in Alaska – had been spilled in the Delta over a half century. "Niger Delta Natural Resource Damage Assessment and Restoration Project: Phase 1 – Scoping Report".

⁵⁰ "Environmental Assessment of Ogoniland", UNEP, Nairobi, 2011. Many other areas have suffered similar devastation, but the report focused on Ogoni Land as it was a response to the campaign waged by the Movement for the Survival of the Ogoni People (MOSOP).

inated lands could be cleaned up in five years, while restoration of heavily-impacted mangrove swamplands would take more than 30 years. It recommended creation of an Environmental Restoration Fund (with \$1 billion in initial capital to be managed by an independent authority with a fixed ten-year lifespan) and an Ogoni Land Environmental Restoration Authority to oversee the fund's administration and implementation of other UNEP recommendations.

In response, the government established in July 2012 the Hydrocarbon Pollution Restoration Project (HYPREP) under the petroleum resources ministry. It was mandated not only to implement UNEP recommendations, but also to restore the environment of all communities impacted by hydro-carbon contamination countrywide, design a framework for surveillance and monitoring of all petroleum infrastructure and undertake any other matters that the federal government might assign it.⁵¹

HYPREP's establishment and appointment of an Ogoni as its first national coordinator created hope something would finally be done to clean up and restore the Delta environment.⁵² In 2013, HYPREP organised a few public awareness campaigns against oil theft, pipeline sabotage and artisanal refineries, but they were at best superficial and without effect.⁵³ Following an internal crisis over alleged fraud in recruiting some 200 staff and non-payment of their salaries for eighteen months, the coordinator was forced to resign, and the project became virtually dormant.⁵⁴ At the end of 2014, Petroleum Minister Alison-Madueke conceded it was not achieving its major objective of cleaning up the Ogoni area.⁵⁵

HYPREP's structure and mandate are flawed. First, it should not be a unit of the petroleum ministry, a partner in the joint ventures responsible for Delta pollution.⁵⁶ Secondly, expanding its mandate countrywide meant its activities would be spread thinly, reducing its local effectiveness. Lastly, it is not transparent and has "no road-map" for achieving its environmental restoration goals.⁵⁷

⁵¹ "Our Mandate", HYPREP, at <http://hyprep.org>.

⁵² Joy Nunieh-Okunnu, a lawyer and activist, was the first national coordinator.

⁵³ Crisis Group interview, Patrick Naagbantam, coordinator, Centre for Environment, Human Rights and Development, Port Harcourt, 8 April 2015.

⁵⁴ Crisis Group interview, former HYPREP staff, Abuja, 5 June 2015. In 2013, PriceWaterHouseCoopers Nigeria was hired to verify the backgrounds of workers recruited for the project. It reportedly uncovered widespread fraud involving irregular hiring of more than two thirds of the staff. "Recruitment fraud rocks Nigeria anti-pollution agency stalling workers' pay for years", *Premium Times*, 17 January 2015.

⁵⁵ "Ogoniland and unfulfilled promises", *Thisday*, 2 December 2014. On 16 September 2014, Petroleum Minister Dieziani Alison-Madueke organised a stakeholders' forum of traditional rulers, community and religious leaders, industry operators, academics, civil society, NGOs, federal government ministries and Erik Solheim, OECD Development Assistance Committee chair and UNEP Special Envoy for Ogoni Land. On 24 October 2014, the minister inaugurated a Multi-Stakeholder Consultative Committee, chaired by the petroleum ministry's permanent secretary, Dr Jamila Shu'ara, to propose a focused engagement and implementation plan for Ogoni Land's environmental restoration. The minister said this was done to inject fresh urgency into implementing the UNEP report and developing a comprehensive remediation program. "I will not rest until Ogoni Land is restored", *The Nation*, 19 September 2014. Others, including some Ogoni activists, saw the consultations as only an effort to pre-empt election-year protests.

⁵⁶ Crisis Group interview, Ogoni rights activist, Port Harcourt, 4 April 2015. He said the arrangement was like "giving the judge a room under the roof of the criminal he had ordered to pay a fine, and expecting the criminal would pay-up any time soon".

⁵⁷ Nnimmo Bassey, executive director, Health of Mother Earth Foundation, address to journalists during visit to Goi community, Gokana local government area, Rivers state, 26 November 2013.

Apart from the failure to clean up past pollution, oil spills continue. Given the large number of local and international oil companies, sprawling oil transport infrastructure and pipeline vandalism, it is impossible to assign greatest responsibility. Local communities and activists say the spills are caused mostly by equipment failure (due to corrosion or poor maintenance) and accidents by possibly negligent companies.⁵⁸ A December 2011 spill from the offshore Bonga field operated by Shell Nigeria Production and Exploration Company (SNEPCO) that spewed out at least 40,000 barrels of crude oil was the worst incident in a decade; Amnesty International reported more than 500 spills in 2014 from facilities operated by two major companies, Shell and ENI, alone.⁵⁹ Spills are increasingly caused by sabotage and theft: organised gangs tapping pipelines to siphon oil and not sealing the holes.⁶⁰ The NNPC reported that “pipeline vandalism” increased 33 per cent in 2010 and 224 per cent in 2011, decreased 19 per cent in 2012, but then increased by 58 per cent in 2013.⁶¹ These smaller spills add up to a growing source of environmental degradation.

Pollution is also being aggravated by the massive proliferation of illegal artisanal oil refineries variously referred to as “cottage refineries”, “bush refineries” and “put-fire refineries”.⁶² One study estimated that about 25 per cent of some 150,000 barrels of oil stolen daily ends up in these crude operations.⁶³ While locals argue that these refineries are an economic lifeline for communities whose traditional livelihoods have been ruined by oil-industry pollution, they further damage the environment. The heat and noxious gases generated by the crude refining process and saturation of the sites with crude oil are creating “black deserts in the Delta”. According to an environmental activist, “the adverse environmental effects resulting from this

⁵⁸ Crisis Group interviews, community association spokesmen, Port Harcourt, Yenagoa, 2-9 October 2014.

⁵⁹ A Spill Impact Verification Committee set up by impacted coastal communities claimed widespread damage from the Bonga spill. “Bonga oil spill affected 168,000 people in 350 communities – monarch”, *Premium Times*, 6 April 2015. “Bad information: Oil spill investigations in the Niger Delta”, Amnesty International and the Centre for Environment, Human Rights and Development (CEHRD), 7 November 2013. “Nigeria: Hundreds of oil spills continue to blight Niger Delta”, Amnesty International, 19 March 2015. The companies say the 2014 spills totalled 30,000 barrels (five million litres). Amnesty said that may be a significant underestimate due to what it considers poor reporting systems used by oil companies. (The volume of oil spilled is linked to the amount of compensation paid to affected communities.) ENI, an Italian company, operates several oil and gas ventures in the Delta through a wholly-owned subsidiary, the Nigerian Agip Oil Company (NAOC) Limited.

⁶⁰ Crisis Group interviews, public affairs officers, Shell and Chevron, Lagos, September 2014.

⁶¹ Data obtained by Crisis Group from NNPC headquarters, Abuja, 4 June 2015.

⁶² See Ben Naanen and Patrick Tolani, “Private Gain, Public Disaster: Social Context of Illegal Oil Bunkering and Artisanal Refining in the Niger Delta”, Niger Delta Environment and Relief Foundation, Port Harcourt, 2014; Moses Obenade and Gordon Tami Amangabara, “Perspective: The Environmental Implications of Oil Theft and Artisanal Refining in the Niger Delta Region”, *Asian Review of Environmental and Earth Sciences*, vol. 1, no.2, 25-29, August 2014.

⁶³ “Communities, Not Criminals: Illegal Oil Refining in the Niger Delta”, Stakeholders Democracy Network (SDN) and Human and Environmental Agenda (HEDA). Naanen and Tolani, op. cit., estimate that some 100,000 people receive incomes and other benefits, directly or indirectly, from illegal bunkering and artisanal refining. SDN and HEDA estimate monthly artisanal refining revenues are about 4.4 billion naira (\$28 million). For more on oil theft, see Christina Katsouris and Aaron Sayne, “Nigeria’s Criminal Crude: International Options to Combat the Export of Stolen Oil”, Chatham House, 2013.

underground economy represent the classic case of a sick man taking a therapy that is only worsening his condition".⁶⁴

The National Oil Spills Detection and Response Agency (NOSDRA) has not responded very effectively to spills. Its officials say they sometimes cannot access sites controlled by armed men, and community members sometimes prevent access to polluted areas, because they either lack confidence in the teams or want to hide illegal refining activities.⁶⁵ Moreover, NOSDRA relies heavily for almost everything from logistics to collection of soil and water samples from impacted areas on voluntary cooperation and support from oil companies and facility owners who are often reluctant to help it assess damage they may have caused.⁶⁶

Efforts to combat oil-related crime in the region since 2012 are also worsening the environmental situation. The standard procedure of the military joint task force (JTF, also known as Operation Pulo Shield) has been to set the illegal refineries ablaze, with all their stored crude oil and refined products awaiting dealers. In 2013, it burnt 1,951 such refineries, 82 tanker trucks and 36,760 drums of illegally refined fuel.⁶⁷

As relatively small-scale pollution by an increasing number of actors further degrades the environment, it destroys traditional livelihoods and deepens poverty, a recipe for conflicts.⁶⁸ In June 2015, the Ijaw National Congress (INC), an ethnic pressure group, noted "the inability of the Nigerian state to address the negative impacts on the health, economy, culture and environment of the Ijaw people" and warned that these impacts were leading to their "gradual extinction".⁶⁹ The twentieth anniversary of the execution of Ogoni environmental rights activist Ken Saro-Wiwa (and eight others) in November 2015 could trigger a resurgence of environmental activism, including by militant youth groups.

C. *The Petroleum Industry Bill*

The Petroleum Industry Bill (PIB), an effort to conform the oil sector to international norms and improve relations with host communities, is also a source of tension.⁷⁰

⁶⁴ Crisis Group interviews, Oproma community leader, 9 October 2014; environmental activist, 8 October 2014, both Yenagoa.

⁶⁵ Crisis Group interview, NOSDRA official, Abuja, 3 June 2015. NOSDRA's mandate is in "National Oil Spills Detection and Response (Establishment) Act 2006".

⁶⁶ A 2013 report, "Bad information", op. cit., alleged that some companies had been manipulating spill investigations to downplay the scale of the environmental havoc.

⁶⁷ "We are committed to curbing crude oil theft in Niger Delta – JTF Commander", *Vanguard*, 8 January 2014. Observations by speakers at conference, "Oil Theft and Illegal Oil Bunkering", attended by Crisis Group, Lagos, 15 August 2013; also noted in conference communiqué.

⁶⁸ Crisis Group interview, environmental activists, Port Harcourt and Yenagoa, October 2014.

⁶⁹ "Ijaw Agenda Beyond May 29, 2015", Pan-Ijaw Stakeholders' Summit, co-hosted by Ijaw National Congress and Bayelsa state government, Yenagoa, Bayelsa state, 2 June 2015.

⁷⁰ Reform efforts started on 24 April 2000, when President Olusegun Obasanjo set up an Oil and Gas Reform Implementation Committee (OGIC), headed by his special adviser on energy and strategic matters, Dr Rilwanu Lukman. It submitted a draft National Oil and Gas Policy (NOGP) in 2004. In 2005, Obasanjo set up a committee that drafted the original PIB, but it was not presented to the legislature before he left office in 2007. President Umaru Yar'Adua formed another committee, again headed by Lukman, to "transform the broad provisions in the NOGP into functional institutional structures that are legal and practical for the effective management of the oil and gas sector in Nigeria". Its August 2008 report was the basis for the PIB sent to the National Assembly that December. It was highly contentious: major oil companies demanded a fiscal regime that would guarantee maximum profits; civil society groups argued it should ensure better federal revenue. By June

The draft that was first submitted to the National Assembly by President Yar'Adua in December 2008, withdrawn and then re-submitted by President Jonathan in July 2012 recommended, among other things, creation of a Petroleum Host Communities Fund (PHCF) for the development of communities within the petroleum-producing areas.⁷¹ It proposed this be financed by a 10 per cent net profit tax on every upstream producing company but did not define a "host community" or an institutional structure for administering the fund.

The bill has raised local expectations, but passage is held hostage by several interests. Northern lawmakers and other elites argue that the need the fund is meant to address has long been dealt with by earlier concessions to the Delta, including the 13 per cent derivation formula, the NDDC, the MNDA and the amnesty program.⁷² Several northern policy analysts have argued that, if passed in the form proposed by the Jonathan administration, the Delta states would reap a disproportionate share of national resources.⁷³ Multinational oil companies, such as Shell and Exxon, argue the new tax would render their projects unprofitable;⁷⁴ other stakeholders object to the discretionary powers the bill would grant the petroleum resources minister and the governing structures of the National Oil Company, National Gas Company and National Petroleum Asset Management Company, which are proposed to replace the NNPC. The bill's future is thus uncertain.

2011, there were several versions, and the National Assembly opted to start afresh. President Jonathan withdrew the bill in 2011 and returned it on 19 July 2012 with revisions, but it was still not passed.

⁷¹ The Petroleum Industry Bill 2012, Section 118.

⁷² At a public hearing on 17 July 2013, the attorneys general of Niger and Kaduna states urged that PHCF provisions be expunged from the bill. The 13 per cent derivation formula refers to the provision in Section 162 (2) of Nigeria's 1999 constitution stipulating that no less than 13 per cent of revenues accruing to the Federation Account directly from any natural resources shall be remitted to the states from which they are derived.

⁷³ "PIB, Niger Delta and the rest of us", *Thisday*, 2 April 2013.

⁷⁴ See, for example, "Nigeria Holds Talks With Shell, Exxon to Agree on Oil-Tax Reform", Bloomberg, 4 December 2012; "Nigeria's Oil Industry Stalls over an Energy Bill", Stratfor, 27 June 2013; "Buhari's Nigeria oil policy to focus on reform first, taxes last", Reuters, 15 April 2015.

IV. Post-Election Tensions and Policy Uncertainties

A. *The Election Fall-out*

Developments following the presidential election are also contributing to security concerns. Jonathan's loss and deepening hostility in Rivers state between the former president's People's Democratic Party (PDP), which won in the state, and the new president's All Progressives Congress (APC), could lead to longer-term tensions and violence in the region.

In the months leading up to the presidential vote, some Delta ethnic and former-militant leaders insisted that they would resist any outcome other than Jonathan's re-election.⁷⁵ Feared violence did not materialise, largely because Jonathan's early concession made clear he did not intend to contest the result.⁷⁶ Many regional leaders have since publicly acknowledged the Buhari victory.⁷⁷ But some former militant leaders accept the new president grudgingly or at best conditionally. Asari Dokubo's Niger Delta Peoples Salvation Front (NDPSF), a major faction of the old insurgent movement, called his victory "a historical reminder that we are a conquered people who are mere appendages existing at the pleasure of the supremacists and the regional overlords.... It is not a victory of the people, but victory of regional conspiracy and supremacy ... [that reinforces] the need for self-determination".⁷⁸

There are no present indications of any group mobilising to resist the government or resume the insurgency. Some who led the earlier rebellion now have too much at stake, especially in their business relations with the federal and state governments, and probably would rather cut deals and seek compromises than fight.⁷⁹ Those who did not share the government patronage they received with their lieutenants may not be able to mobilise for a new fight. If the government can eventually defeat Boko Haram, it could also have a sobering effect on anyone contemplating a return to insurgency in the Delta.

However, some politicians and activists, believing Jonathan's ouster has returned the Delta to the political margins, have started mobilising for a new phase of "liberation politics". On 27 April, activists from the South South (Niger Delta) and South East regions, under the umbrella of the little-known Lower Niger Congress (LNC), renewed calls for regional autonomy or self-determination that were hardly heard

⁷⁵ "No going back on Jonathan's second term project, says Clarke", *Thisday*, 18 May 2013; "If Jonathan loses, Nigeria will break", statement dated 29 January 2015, Warri, Delta state.

⁷⁶ A former militant, now PDP youth leader in Port Harcourt, asked: "Why do we have to go and fight for a man who has himself said he is not ready to fight?" Crisis Group interview, Port Harcourt, 31 March 2015.

⁷⁷ The Ijaw National Congress (INC) wished Buhari "divine wisdom and courage to lead our dear Nigeria into a new era of peace and broadly shared prosperity". (The some ten million Ijaw are a third of the Delta's population, the largest of its about 40 ethnic groups.) The Ijaw Youth Council (IYC) was initially split between acceptance and rejection; its leaders reconciled their positions and urged calm but also demanded that Buhari sustain the amnesty program, retain all federal development structures (including the NDDC and MNDAs), and repair the environment. "Resolutions of the All-Ijaw Youths Congress, ... 5 April 2015 at Tuomo community, Delta State". Others who accepted Buhari's victory include ex-militant leaders Tompolo and Ateke Tom and the shadowy rump of MEND. "Buhari's victory, will of God – Tompolo", *The Punch*, 3 April 2015; "We will not return to the creeks, ex-militant, Ateke Tom, assures Buhari", *Daily Trust*, 13 April 2015; "Buhari: Nigerians have made right choice – MEND", *The Nation* (Lagos), 1 April 2015.

⁷⁸ "Asari-Dokubo calls for return to the creeks", *Thisday*, 2 April 2015.

⁷⁹ Crisis Group interview, former militant commander, Port Harcourt, 7 April 2015.

during the Jonathan years.⁸⁰ On 2 June, the Ijaw National Congress (INC) called for self-determination.⁸¹ If Buhari is perceived as ignoring Delta problems, agitation for autonomy could grow stronger and enable armed groups to re-emerge.

Tensions stirred by local elections could also trigger violence, particularly in volatile Rivers state, where the bitter PDP-APC party rivalry shows no sign of abating. Some who campaigned against Jonathan are called traitors and threatened by politically motivated kidnappings and assassinations.⁸² Wike, the new PDP governor, appears determined to discredit Amaechi, his predecessor, and APC loyalists, while Amaechi has vowed no reconciliation until the election of Wike, judged a sham by most observer groups, is annulled.⁸³

B. *Concerns about the New Administration's Policies*

Uncertainties over what President Buhari will do are also adding to tensions. It is unclear what will happen with the amnesty program, the Niger Delta development agencies and the PIB, as well as how the government means to fight oil theft and the proliferation of artisanal refineries.

At its inception, the amnesty program was to run from 2010 to 2015, and Jonathan administration officials several times reiterated the intention to terminate it as scheduled.⁸⁴ In his inauguration address, President Buhari affirmed the program "is due to end in December", but he subsequently said the government would retain its

⁸⁰ The Lower Niger Congress is a platform of activists who seek a new constitution. Members are drawn from most of the ethnic nations in the South South and South East, including the Igbo, Ijaw, Ibibio, Anang, Ikwere, Efik, Ogoni, Itsekiri, Edo and Isoko.

⁸¹ The communiqué 1) noted the Ijaw desire for self-determination; 2) reaffirmed total rejection of the legal order that "robs resource owners [of] their rights to their resources"; and 3) stated that the colonial treaties that brought the Ijaw into the federation had lapsed, and the 1914 instrument of amalgamation that produced Nigeria expired in 2014, so the INC was empowered "to initiate the process of renegotiating the basis of coexistence with other ethnic nationalities in Nigeria". "Nigeria's federalism lopsided, says Ijaw National Congress", *The Punch*, 3 June 2015.

⁸² Ex-militant leader Israel Akpodoro, who reportedly supported Buhari, escaped more than three assassination attempts between 29 March and 4 May. "Ex-militant escapes death over adoption of Buhari in Rivers", *Daily Independent* (Lagos), 4 May 2015. Others have reported receiving anonymous calls threatening their lives. Crisis Group interviews, ex-militants and civil society leaders, Port Harcourt, 4-5 April 2015. On 30 August, gunmen dressed in police uniforms abducted Donu Kogbara, a prominent newspaper columnist, Jonathan administration critic and known Amaechi supporter, in Port Harcourt; she was freed thirteen days later in unclear circumstances.

⁸³ "Wike moves against Amaechi's loyalists", *Vanguard*, 19 June 2015. "I won't settle with Wike, unless justice is done – Amaechi", *Leadership*, 28 May 2015. The APC Rivers state branch refers to Wike as "caretaker" or "interim" governor". A post-election statement by EU observers noted severe problems in Rivers and Akwa Ibom states. "Second Preliminary Statement: More efficient polling although increased incidents of violence and interference", EU Election Observation Mission, 13 April 2015. The umbrella body for over 70 observer groups noted that "deep-rooted political animosities played out in a brazen, violent and naked manner to subvert the electoral process in many local governments in the State", and "there are good grounds to question the credibility of the elections results". "Situation Room Final Statement Gubernatorial and State Houses Of Assembly Elections", Abuja, 14 April 2015. Some observer groups demanded the election be cancelled and re-run. "Cancel Rivers State Elections, YIAGA Advises INEC", *SaharaReporters*, 13 April 2015.

⁸⁴ Kingsley Kuku, special presidential adviser on the Delta and amnesty program chairman, argued for this. "Why amnesty ends 2015 – Kuku", *Vanguard*, 20 June 2013; "Presidential amnesty program ends in 2015", *The Punch*, 16 September 2013.

“good aspects”.⁸⁵ Most former militant leaders argue the economic and environmental conditions that triggered the insurgency have not been addressed, and it would be unfair to terminate the program when over 10,000 who registered are yet to be trained.⁸⁶ A muted but important concern is that ending the stipends might prompt recipients to violence so as to extract new concessions. Some prominent ex-militant leaders have warned that ending the program would reignite the conflict.⁸⁷

Uncertainty also hangs over the NDDC, MND and PIB. Northern delegates at the national conference convened to discuss Nigeria’s future (March-July 2014) urged that one or both agencies be terminated.⁸⁸ Some militants have threatened violence if this happens.⁸⁹ As the legislative battle over the PIB resumes, northern lawmakers, emboldened by Buhari’s victory, may oppose its proposed fund more vehemently.

The pipeline security contracts awarded to former militant leaders are another potential flashpoint. In March, the Jonathan government awarded contracts to seven companies owned by former Delta militant commanders and the two factional leaders of the Yoruba ethnic militia O’dua People’s Congress (OPC).⁹⁰ The Nigerian National Petroleum Corporation (NNPC) was to coordinate execution of the contracts, which have created trouble on several fronts.⁹¹ Groups that did not benefit threatened to disrupt oil operations until they received a share. One, Urhobo Gbagbako, claimed responsibility for the 2 April bombing of Nigerian Petroleum Development Company (NPDC) oil pipelines around Ighrenene, in Delta state, and threatened to shut down all oil fields in the state’s Urhobo and Isoko areas. Another, from Akwa Ibom state, informed the national assembly that it would create more trouble if not included.⁹²

On 15 June, when the first phase of the contracts expired, NNPC told the companies to cease guarding the pipelines, and the government sent troops to locations where some of the companies had deployed. A number of militant leaders warned of dire consequences if the contracts were not renewed.⁹³ They have taken no action since then, but reportedly the new government has not made final payments and the

⁸⁵ “Buhari vows to keep ‘good aspects’ of Niger Delta Amnesty”, *The News* (Lagos) 13 July 2015.

⁸⁶ “Ex-militants warn against termination of amnesty programme”, *Vanguard*, 1 August 2014.

⁸⁷ “Jonathan is a disappointment – ex-militant leader, Boyloaf”, *Premium Times*, 6 May 2015. Bibopere Ajube warned in an open letter that ex-militants may return to the creeks. “Do not stop amnesty programme, ex-war lord advises Buhari”, *Thisday*, 16 April 2015.

⁸⁸ “Stalemate on resource control as north demands scrapping of NDDC, others”, *Premium Times*, 29 April 2014.

⁸⁹ Crisis Group interview, ex-militant leader, Port Harcourt, 8 April 2015. In April, a youth meeting concluded participants would “not hesitate to take appropriate steps, including resort to violence of unimaginable proportion”, if the government “reduce[d] the NDDC to a parastatal of the Ministry”. “Niger Delta youths threaten to resist merger of NDDC, ministry”, *Thisday*, 26 April 2015.

⁹⁰ Seven companies received operational areas as follows: Egbe Security River One (Bayelsa); Gallery Security (Mosinmi-Ore); Close Body Protection (Edo); Adex Energy Security (Rivers); Donyx Global Concept (Lagos and Ogun); Oil Facilities Surveillance (Delta) and New Age Global Security (Mosinmi-Ibadan). Crisis Group interview, NNPC official, 3 June 2015. The OPC was included because pipeline vandalism had spread to the South West, but also possibly in an effort to win votes in that region.

⁹¹ Crisis Group interview, NNPC official, Abuja, 3 June 2015.

⁹² “Militants blow up pipelines in Delta”, *Leadership*, 4 April 2015. “Ex-militants in Akwa Ibom plead for inclusion in pipeline surveillance contract”, *The Guardian* (Lagos), 7 May 2015.

⁹³ “If they terminate it, the better for us because we will know that the government doesn’t want peace”. “Jonathan is a disappointment”, op. cit.

companies have threatened to sue NNPC.⁹⁴ A former militant leader warned the government would be “inviting trouble”, if they are not paid soon and fully.⁹⁵

The government intends to combat oil theft, which costs it large sums but also sustains militant groups.⁹⁶ It cannot allow this to continue, particularly as the revenue is badly needed to deliver on sweeping campaign promises. However, any effort to reduce oil theft and other organised crime in the Delta will meet considerable resistance, including armed violence, from those who have long fed fat on those activities.

⁹⁴ Crisis Group interview, OPC leader Fredrick Fasheun, Lagos, 11 September 2015.

⁹⁵ Crisis Group interview, Lagos, 11 September 2015.

⁹⁶ There is no accepted figure for how much is stolen: in 2013, Finance Minister Ngozi Okonjo-Iweala said the loss was 155 billion naira (then \$1 billion) to oil thieves monthly; in March 2015, Chief of Naval Staff Rear Admiral Usman Jibril estimated that loss at 36 billion naira (\$180 million). “Nigeria loses N155bn monthly to oil theft, others – Okonjo-Iweala”, *Premium Times*, 18 April 2013. “Oil theft: Nigeria loses N433bn yearly – naval chief”, *Leadership*, 4 March 2015.

V. Building a Durable Peace

The very fragile situation in the Delta should be one of the government's priorities. Avoiding a relapse to violence and building a durable peace require urgently settling issues involving the amnesty program, improving development interventions, intensifying efforts to prevent oil pollution and restore the environment and improving security and rule of law. President Buhari must tread carefully on some issues to keep old demons at bay but act decisively on others to reassure the Delta its problems remain a federal concern. He should visit one of the core Delta states at the earliest opportunity, both to underscore his commitment and to lay out his government's plans comprehensively.⁹⁷

A. *Wind Down the Amnesty Program Gradually*

Buhari's appointment of a new coordinator for the amnesty program and the resumed payment of monthly stipends to ex-militants have defused some of the uncertainty and tension that followed the change of government, but there remains a need to explain intentions clearly.⁹⁸ The core requirement should be to wind down the program gradually, in a transparent and predictable way.

Continued support for ex-militants still in training, especially those abroad, is also important. On 16 July, the Ijaw Youth Council warned of imminent protests over delay in paying tuition fees and allowances since Buhari's inauguration.⁹⁹ It is likewise essential that all registered ex-militants have opportunity to complete academic or vocational training courses. Furthermore, the government needs to intensify efforts, in partnership with national and international oil, gas and maritime services companies, to find jobs for the graduates. Most importantly, there must be greater transparency and public accounting in the program's management and implementation.

B. *Streamline and Strengthen Development Intervention Agencies*

Before the election, Buhari pledged to "reform investment in infrastructural development of the Niger Delta and ensure that the NDDC is held accountable to its mandate".¹⁰⁰ At his inauguration, he said he "intends to invest heavily in the projects, and programs currently in place" in the region.¹⁰¹ To improve development interventions, the new government needs to speedily streamline and strengthen the existing institutions.

First, it should address regional development responsibilities by winding down the Niger Delta affairs ministry. Created by executive decree, without enabling legislation, it can be wound up as easily. Its flagship east-west highway could be complet-

⁹⁷ President Buhari's scheduled 21 September visit to Cross River state, his first to the region since the election, was cancelled a few days ahead of time. A source said the president could make a stronger impression on the Delta if he started by visiting one of the core states – Bayelsa, Delta or Rivers – instead of the "somewhat peripheral" Cross River state. Crisis Group interview, senior official, Niger Delta affairs ministry, Abuja, 22 September 2015.

⁹⁸ The government appointed retired Brigadier General Paul Boroh. A Bayelsa state Ijaw, he had been commandant of the army's Kaduna peacekeeping training centre (2010 to 2012).

⁹⁹ "IYC threatens insurgency over allowances", *The Punch*, 16 July 2015.

¹⁰⁰ "Plan for change: Buhari announces covenant with Nigerians", Sahara Reporters, 16 March 2015.

¹⁰¹ "Full text of inaugural speech by President Muhammadu Buhari", *Daily Trust*, 30 May 2015.

ed by the federal works ministry, which oversees road construction projects elsewhere. Its other projects could be turned over to the NDDC. The government would have to provide detailed explanations, however, to pre-empt charges that it was acting against Delta interests. In particular, it would need to persuade people that the region's development depends not on the number of agencies but on their management and effectiveness.

Secondly, the government needs to revamp the NDDC urgently and comprehensively. In line with the public service reform bureau's recommendations, reorganisation should be aimed at strengthening basic management capacity for planning, budgeting, project delivery, monitoring and evaluation; as well as ensuring that the commission adheres strictly to public service rules, financial regulations, the public procurement act and other rules and procedures for curbing fraud and improving accountability. The reorganisation should also aim to strengthen internal management processes and procedures; decentralise management structure; ensure that state offices have appropriate authority and accountability for project supervision and payment up to an agreed threshold; and encourage greater community and civil society buy-in for project execution. The commission also must be run more transparently, with accounts audited annually by a credible, independent body and stakeholders able to scrutinise reports and challenge management performance at public forums.

Once the NDDC is reformed, the federal government should ensure that it is better funded, particularly by making certain that all money previously owed and allocated to it is released by the finance ministry, persuading contributing partners to make their contributions in accordance with the NDDC Act's funding provisions and giving it whatever would have been allocated to the MNDA.¹⁰² While there was already a special presidential adviser on the Niger Delta under the Jonathan administration, the government needs to retain and strengthen that office to ensure more rigorous supervision of the reformed NDDC and all other federal government development initiatives in the region.

C. *Intensify Efforts to Clean-up and Prevent Oil Pollution*

Buhari the candidate acknowledged that through "many years of oil exploration, the Niger Delta has become perhaps, the world's worst eco-system, a byword for environmental degradation, exploitation and diseases". He has stated repeatedly that reversing the region's environmental degradation will be an administration priority.¹⁰³ Following up on that commitment, he approved on 5 August the start of processes that could lead to clean-up of Ogoni Land.¹⁰⁴ Specifically, he approved amendment of the Official Gazette to reflect a new governance framework for HYPREP, comprising a governing council, a board of trustees and project management. He also directed

¹⁰² Crisis Group interview, civil society leaders, Abuja, 3-4 June 2015.

¹⁰³ "Plan for Change", op. cit. He added that "protecting the livelihood of our people in the Niger Delta should transcend our interest in its oil", and pledged to commit his administration to "the protection and regeneration of the environment in the Niger Delta and to ensure that oil companies comply with global best practices on environmental protection". Addressing new federal legislators, he listed "devastation and environmental degradation in the Niger Delta" as second on his administration's ten-point agenda, after the Boko Haram insurgency. "Mission of my Presidency, by Muhammadu Buhari", *Vanguard*, 30 April, 2015.

¹⁰⁴ "Buhari approves measures to speed up cleaning of Ogoniland", *Thisday*, 5 August 2015.

that stakeholders contribute \$10 million as take-off funding for its trust fund within 30 days of the new board's appointment.

These are encouraging steps, but they do not address HYPREP's fundamental problems. The government should immediately review its status and make it autonomous, independent of the petroleum ministry and refocused entirely on the Delta. The president should urgently forward a bill to the National Assembly to make it a statutory body eligible for public and private funding. The re-constituted project then needs to develop a framework (including modalities for ensuring accountability) and timelines for engaging oil companies and other stakeholders in sustained mobilisation to raise the billion dollars of capital UNEP recommended.¹⁰⁵ It will also need to initiate processes for cleaning up other heavily-polluted areas in addition to Ogoni Land, including by persuading local communities to cooperate more confidently with Shell and other companies that have indicated willingness to undertake remediation projects.

The government should likewise intensify efforts to curb or at least minimise oil spills, by urgently reviewing and strengthening sector regulatory mechanisms, in particular so that NOSDRA is better resourced and equipped. The House of Representatives' initiative to investigate equipment used by the oil companies, if pursued conscientiously, could provide a basis for encouraging the companies to replace what is aging, obsolete and accident-prone.¹⁰⁶ The House's resolution to investigate JTF's destruction of illegal refineries could produce a fuller picture of how current practices for combating the illicit industry impact the environment.¹⁰⁷ Armed with this and earlier reports from non-governmental groups, NOSDRA should liaise with the defence headquarters to develop new procedures for shutting down illegal refineries and, particularly, disposing of stolen petroleum products more responsibly.

Efforts to stop the proliferation of artisanal refineries must also be intensified. The government should direct NNPC to improve the distribution and availability of refined petroleum products to limit the market for the illegal products. It should also step up efforts to build long-planned modular refineries that would improve product availability and create jobs. In close cooperation with community-based and environmentally focused organisations and youth groups, a reformed HYPREP should intensify campaigns to educate communities on artisanal refining's long-term impact on health, environment and livelihoods.

D. *Enact and Implement Petroleum Industry Act*

Uncertainty over the PIB has already lost large foreign oil and gas investments; further delay would only increase that cost.¹⁰⁸ Both the president and the National

¹⁰⁵ Shell has been funding some environmental remediation activities in the Ogoni area, but the oil companies have been generally reluctant to contribute to any fund for which management framework and accounting modalities are not clearly defined.

¹⁰⁶ "Oil spills: Reps investigate oil [companies'] equipment in Niger Delta", *Leadership*, 6 August 2015.

¹⁰⁷ "Pollution: Reps to investigate JTF over destruction of equipment used by illegal refineries", *Leadership*, 7 August 2015.

¹⁰⁸ In May 2013, a global energy, metals and mining research and consultancy group, Wood Mackenzie, reported that Nigeria lost \$37 billion in private sector investments in the oil and gas industry from 2008 to 2012, because companies were waiting to see what taxes and regulations the final PIB would impose. "Nigeria Loses \$37bn Investments to Non-passage of PIB", *Thisday*, 7 May 2013. In June 2013, a new House of Representatives member, Sergius Oseasochie, estimated the invest-

Assembly should, therefore, treat PIB's enactment as a high priority. Buhari has indicated he may withdraw the bill and remove "controversial aspects" before re-submitting it.¹⁰⁹ His party, the APC, has called for it to be scrapped entirely.¹¹⁰ Any executive amendments or other action should be taken quickly, so it can be returned to the National Assembly for debate and a vote before the end of the legislative year (May 2016). Continued twists and turns on this bill would further undermine investor confidence in the economy.

Delta legislators should seek a compromise with their northern counterparts on provisions that would be fair and acceptable to all communities. One option might be to agree that profits from deep-water petroleum operations, instead of being shared only by the eight Delta states, could be channelled into infrastructure for the entire country.¹¹¹ Alternatively, the Lagos Chamber of Commerce has suggested, the federal legislators could solicit equitable recommendations from an independent petroleum expert, acceptable to all stakeholders. If the bill is adopted, PHCF monies could contribute to improving the Delta's security and environment if applied judiciously. The provision that damage caused by vandalism, sabotage or other civil unrest be compensated for out of a community's PHCF entitlement could discourage such practices and reduce oil spills.

E. *Defuse Post-election Tensions, Strengthen Security and Rule of Law*

The federal government should act decisively to defuse post-election tensions, especially in Rivers state, and strengthen security and rule of law region wide. Persons and groups responsible for election violence and other offences should be investigated, prosecuted and penalised in accordance with the law. Rivers state Governor Nyesom Wike should not be permitted to hinder investigation of election violence by the state's judicial commission. The state government also has a duty to promote reconciliation in communities that suffered the most election-related violence, especially in the Obior Akpor local government area and in Okrika.¹¹² The police, the state security service and the Nigeria Security and Civil Defence Corps (NSCDC), should step up operations to collect illegal arms, particularly from leaders and members of the youth groups that some politicians deployed as campaign thugs. In doing this, security agencies need to work closely with community leaders and civil society organisations.

The government must also step up actions against the region's growing criminal networks, especially those involved in oil theft and artisanal refining, which are closely linked to violence. Security agencies should be better equipped to enforce laws against illegal bunkering and oil infrastructure destruction. The Economic and Financial

ment loss due to PIB delay at \$50 billion. "Nigeria lost \$50bn investment over non-passage of PIB – Oseasochie, Rep-elect", *Vanguard*, 5 June 2015.

¹⁰⁹ "Buhari considers withdrawal/review of PIB", *Sweetcrude Reports*, 5 June 2015.

¹¹⁰ In a report it submitted to Buhari, the party argued for a new reform bill based on discussions with international oil companies to ensure greater stakeholder support. The report was based on recommendations from a policy dialogue on "Implementing Change: From Vision to Reality", organised by the APC presidential campaign council's policy, research and strategy directorate, Abuja, 20-21 May 2015. Kayode Fayemi, APC policy director, said it "is not the final position of government". "APC rejects PIB, wants offshore deals with firms cancelled", *Leadership*, 2 July 2015.

¹¹¹ Crisis Group interview, member, House of Representatives, Abuja, 7 April 2015.

¹¹² Okrika, hometown of President Jonathan's wife and ex-militant leader Ateke Tom, had recurrent pre-election violence, including the 11 January 2015 bombing of the APC office and armed attacks on APC rallies, 24 January and 17 February, which killed at least eleven, and election-day violence.

Crimes Commission (EFCC) should intensify efforts to identify and prosecute the network of NNPC officials, security officers and local politicians who allegedly masterminded shipment of stolen crude abroad.¹¹³

While it is desirable to improve oil facility security, the government should be resolute in its decision to terminate contracts with former militant leaders. In their place, it should develop a program for community monitoring and surveillance in which security agencies cultivate and collaborate with local residents. At the same time, it must resist blackmail by criminal entrepreneurs masquerading as Delta leaders, while security forces step up intelligence operations to pre-empt the rise of oil-related violence.

F. *Expand the Efforts of Oil Companies*

Oil companies also have important roles in preventing a relapse of conflict, primarily by intensifying efforts to curb pollution, increase local employment in the petroleum industry and sustain support for environment and development programs and for curbing oil theft.¹¹⁴ They should minimise environmental damage by continuously upgrading or replacing aging infrastructure, encasing pipelines at some minimum depth and installing more sensors for early detection of pipeline breaches. When spills occur, they should give NOSDRA quick support for assessing scope and impact and commencing remedial action. When they are ordered to compensate impacted communities, either by courts or parliament, they ought to do so without delays that aggravate local grievances. They also need to partner with state and local governments, as well as community and civil society groups, in grassroots campaigns on the consequences of oil theft, illegal bunkering and artisanal refinery operations.

Efforts must be intensified to increase Nigerian participation in the oil and gas industry, as required by the Nigerian Oil and Gas Industry Content Development Act.¹¹⁵ A stronger commitment to outsourcing marginal jobs to local companies and utilising local materials and expertise could create more jobs for amnesty program graduates and other skilled but unemployed youth. Following on the Buhari administration's pledge that funds appropriated or contributed to public institutions will be administered more accountably, the government should form an all-stakeholder working group, comprising major oil companies, government officials and representatives of

¹¹³ For discussion of some NNPC problems that allow corruption, see Aaron Sayne, Alexandra Gillies and Christina Katsouris, "Inside NNPC Oil Sales: A Case for Reform in Nigeria", Natural Resource Governance Institute, August 2015.

¹¹⁴ For examples of industry efforts to prevent conflict and contribute to sustainable development, see "Shell Nigeria" (www.shell.com.ng); and "ExxonMobile in Nigeria" (www.exxonmobile.com).

¹¹⁵ Section 106 of the 2010 law defines local content as the "quantum of composite value added to or created in the Nigerian economy by a systematic development of capacity and capabilities through the deliberate utilization of Nigerian human, material resources and services in the Nigerian oil and gas industry". The aim is thus to ensure employment of Nigerian skills and resources in local projects, deepening the local supply chain and creating jobs. Other important objectives are to: 1) develop indigenous skills; 2) promote indigenous ownership of assets and use of indigenous assets in oil and gas operations; 3) promote establishment of support industries; and 4) create customised training and sustainable job opportunities. Responsibility for oversight and enforcement rests with the Nigerian Content Development and Monitoring Board (NCDMB), mandated to "make procedures that will guide, monitor, coordinate and implement ... the Act". In late 2013, the NCDMB estimated that \$5 billion of foreign investment had been attracted and some 38,000 jobs created since 2009. "Nwapa: Nigerian Content Attracted \$5bn Investment in 4 Years", *Thisday*, 26 November 2013.

oil-producing communities, to define adequate accounting processes and thus inspire confidence that money contributed to environmental remediation funds will not vanish.

The government, through the proposed working group, should further encourage oil companies to honour their financial obligations to development funds more conscientiously, particularly to the NDDC, Nigeria Content Development Fund and yet-to-be established Ogoni Environmental Restoration Fund.¹¹⁶ Lastly, companies ought to contribute more actively to fight oil theft, principally by ensuring better metering at production points and instituting more transparent oil-loading arrangements.

G. *Sustain International Engagement*

Several international partners including the EU, UK and U.S. have been supporting peace and development programs. Their engagement may not have delivered all the desired results, but it remains relevant and should be sustained and adapted to emerging developments. External partners should strengthen programs such as the Nigeria Stability and Reconciliation Program (NSRP), the Partnerships for Development in the Niger Delta (PIND) and the Niger Delta Environment and Relief Foundation (NIDEREF).¹¹⁷ It would be desirable to give greater support as well to civil society organisations and coalitions also involved in preventing and mediating conflicts, as well as promoting good governance and rule of law.

The Buhari administration offers a good opportunity for deepening collaboration, and international partners should support its efforts to reform and strengthen the institutions promoting development, curbing environmental degradation, fighting corruption and improving governance. In particular, they could increase bilateral technical support to the NDDC, HYPREP and NOSDRA and also help the EFCC build capacity to investigate and prosecute corruption. They should also offer more training and equipment to security agencies involved in fighting oil theft and associated organised crime. Additionally, there is need for much greater international cooperation in fighting oil theft and tracking criminal enterprises.

¹¹⁶ Section 14B of the NDDC Act provides that all oil producing and gas processing companies should contribute 3 per cent of capital budget to the NDDC annually. The Nigeria Oil and Gas Industry Content Development Act requires them to contribute 1 per cent of the value of every contract they award in relation to any "project, operation, activity or transaction in the upstream sector" to the development fund. UNEP's proposed billion-dollar Environmental Restoration Fund for Ogoniland, is to be co-funded by the federal government, NNPC and Shell. The latter says it is committed to supporting and contributing its share once the government establishes a satisfactory framework and governance structure for the fund but that it will not pay into the long-delayed project until further governing structures are in place to oversee clean-up processes. "Nigerian government finally sets up fund to clean up Ogoniland oil spills", *The Guardian* (London), 7 August 2015.

¹¹⁷ The NSRP, funded by the UK Department for International Development (DFID) and implemented by the British Council in partnership with International Alert and Social Development Direct, provides support to Nigerian stakeholders to better manage conflicts; it is scheduled to run for five years (2013 to 2017). The NIDEREF is a non-governmental organisation working to mitigate poverty and conflict in the Niger Delta through promotion of good governance and sustainable management of environment and natural resources; it is currently working to reduce oil bunkering and rehabilitate adversely-impacted communities. PIND is a non-governmental organisation with a number of programs to promote peace, security and economic growth in the Delta.

VI. Conclusion

Every region is important to the country's stability and development, but the Niger Delta, which accounts for three quarters of government revenues, is particularly strategic. Nigeria needs a stable Delta to be able to meet challenges elsewhere, particularly as its armed forces are already over-stretched by the Boko Haram insurgency in the North East.

Ledum Mitee, who chaired the Technical Committee on the Niger Delta in 2008, recently observed: "The problem of the Niger Delta was not just about the conflicts brought about by the activities of militants. Militancy was a reaction to the problems of the Niger Delta. So, to deal with the consequence without addressing the core issues will not solve the problem".¹¹⁸ As the Buhari administration begins to wind down the amnesty program, it needs to bring new vigour to addressing those core issues, particularly by accelerating development, restoring the environment and enhancing human livelihoods. Otherwise, it risks a new insurgency.

Abuja/Dakar/Brussels, 29 September 2015

¹¹⁸ "Why militancy may return to Niger Delta", *Vanguard*, 1 June 2014.

Appendix A: Map of Nigeria



Appendix B: Map of Niger Delta



Appendix C: Glossary

APC – All Progressives Congress: party formed in 2013 by merger of the Action Congress of Nigeria (ACN), All Nigeria Peoples Party (ANPP), Congress for Progressive Change (CPC) and a faction of the All Progressives Grand Alliance (AP-GA); its candidate, Muhammadu Buhari, was elected president in March 2015.

EFCC – Economic and Financial Crimes Commission: federal agency established in 2003 to investigate and prosecute financial crimes, including corruption in government, oil theft and money laundering.

HYPREP – Hydrocarbon Pollution Restoration Project: a federal agency mandated to investigate and evaluate hydrocarbon polluted communities and sites and make recommendations to the Federal Government on clean-up and restoration.

INC – Ijaw National Congress: ethnic pressure group formed in 1991 to represent all peoples and communities that speak the Ijaw language.

JTF – Joint Task Force, also known as Operation Pulo Shield: military formation comprising army, navy and air force elements deployed in the Niger Delta; initially a counter-insurgency force, it has been refocused on fighting oil-related and maritime crime since January 2012.

MEND – Movement for the Emancipation of the Niger Delta: the largest Niger Delta militant group from 2006 to 2009.

MNDA – Ministry of Niger Delta Affairs: government ministry established in 2008 to drive federal development programs in the Delta.

NDDC – Niger Delta Development Commission: federal agency established in 2000 to facilitate development of the Delta.

NDPSF – Niger Delta People's Salvation Front: political wing of the Niger Delta People's Volunteer Force (NDPVF).

NDPVF – Niger Delta People's Volunteer Force, formerly one of the most prominent armed groups in the Niger Delta.

NIMASA – Nigerian Maritime Administration and Safety Agency: federal government agency for administration and regulation of the maritime sector, established in 2006.

NNPC – Nigerian National Petroleum Corporation: state-owned corporation involved in exploration activities through joint ventures with multinational oil companies; also administers entire spectrum of oil industry operations, including exploration and production, gas development, refining, distribution, petro-

chemicals, engineering and marketing nationwide.

NOSDRA – National Oil Spills Detection and Response Agency: federal agency with lead role in ensuring timely, effective and appropriate response to oil spills, as well as clean-ups and site remediation.

NPDC – Nigerian Petroleum Development Company: established in 1988 as an NNPC subsidiary responsible for exploration and production.

OPC – O'odua People's Congress: militant ethnic organisation formed in 1997 to defend Yoruba interests, mainly in the South West.

PDP – People's Democratic Party: ruling party in federal and most state governments from 1999 until it lost the presidency and several states to the APC in 2015; still strong in the Niger Delta and the South East.

PIB – Petroleum Industry Bill: draft legislation to reform the legal, fiscal and regulatory framework; first submitted by President Umaru Yar'Adua in 2009; withdrawn, revised and re-submitted President Goodluck Jonathan in 2012.

PHCF – Petroleum Host Communities Fund: proposed fund in PIB for development of communities in petroleum-producing areas; to be financed by a 10 per cent net profit tax to be paid by every upstream producing company in the Delta.

SNEPCO – Shell Nigeria Exploration and Production Company: one of Shell's four major operations in Nigeria, it operates the Bonga deep water oil with a capacity to produce more than 200,000 barrels of oil and 150 million standard cubic feet of gas per day.

UNDP – United Nations Development Programme.

UNEP – United Nations Environment Programme.