

Taming the Resource Curse
Independent Civil Society Review of
EITI Implementation:
The Nigerian Example

By

Uche Igwe

Publish What You Pay Nigeria

7th April Baku Azerbaijan

Introduction



Here are some statistics

- Population estimated at 131,859,731
- Africa's most populous, resource rich
- Made up more than 250 ethnic groups
- Hobbled in the past by incessant political instability corruption inadequate infrastructure and macro-economic mismanagement
- More than 60 percent still live below poverty line

Yet!

- Is heavily endowed with Resource
- Exports about 2.7 barrels of high quality crude oil per day to the world market
- Has about 36 billion barrels of crude oil reserve
- 19.2 billion cu m of natural gas
- Large deposits of tin, gold, talc, gemstone, kaolin, Iron, bentonite and baryte

The EITI Regime

- President Obasanjo launched EITI in February 2004
- Appointed a 28 member National Stakeholders Working Group to implement EITI
- Appointed two representatives of civil society
- Further mainstreaming of civil society

Scope of the Audit

- Financial Audit
- Physical Audit
- Process Audit
- Audit Report to ready and to be released to the public next week.

So far

- Pursued Legislation at the national Assembly that has been passed by the lower house and waiting passage at the Senate
- Completed an independent comprehensive audit
- Signed a Memorandum of Understanding and maintains regular interaction with CSO groups
- Undertook the civil society sensitization workshop/Road shows in the zone to increase awareness among community groups

Lessons

- Independent Civil society convenes a roundtable when reports are released to deepen their understanding and identify points for advocacy
- Regular quarterly meetings with members of the National Stakeholders Working Group allows CSO to make input into the work of NEITI.
- Regular and Intensive media campaign around the findings of the Audit Report

Lessons contd.

- Innovative advocacy for the passage of NEITI eg collecting signatures, writing letters, sending text messages etc.
- Training of Civil Society groups on oil revenue monitoring, operations of the petroleum industry and methods of effective lobbying

Challenges

- NEITI still dominated by bureaucrats from government who are yet to learn new ways of doing things
- Audit report comes in a technical form and is an Accountant's document. Issues were raised about the last interim report where the auditor later wrote a letter which looked like he withdrew the report

Challenges cont.d

- EITI implementation must not end with publishing what is paid. It makes development sense to publish whom it is paid to and what it is used for.

My thoughts

- EITI implementation in country must connect to public expenditure and not income only. Even with the best publishing, there can be no meaningful reduction of poverty unless the way the money is spent is reviewed also. The case of the former governor of oil rich Bayelsa State readily comes to mind.

My thoughts contd.

- Issues of resource distribution and claims of marginalization are a common place in the oil bearing Niger Delta Region today. It has resulted to frequent conflict and regular hostage taking. Abuja cannot continue to implement EITI in a manner that have no impact on these issues which directly affect the extractive industry

My thoughts

- We must make these figures we publish translate to infrastructure and improved livelihood for the poor communities where these resources are extracted from. This is inexcusable
- Transparency of payments is desirable but it cannot replace the clamor that continued exploration in Nigeria has brought huge ecological deficit and environmental debt yet to be addressed.

Conclusion

- EITI is extremely desirable
- It must impact on poverty enough for it to make sense to ordinary people
- More money from the extractive industry must translate to more schools, more infrastructure, improved, improved health care, more industries, more employment, less conflict and less poverty and achievement of MDGs

Final Note!

■ Thank you for your

KIND ATTENTION!!!