

THE 6TH SUSTAINABILITY IN THE EXTRACTIVE INDUSTRIES CONFERENCE 2017

Together, We Can Build the Local Extractive Industries for a Global Playing Field

Communique of event held on Wednesday, 19 and Thursday, 20 July, 2017, in Abuja



Dr. Ibe Kachikwu, Honourable Minister of State, Ministry of Petroleum Resources (HMSPR)

Some of the major challenges negating the transition of local refining and mining towards national and global competitiveness is minimal stakeholder engagement and collaboration, as well as the lack of a guiding framework for the management of sustainability in the extractive industries.

To address this, the key ministers (petroleum and mining) developed strategies in mid-2015 that would guide the strategic directions of their ministries through the course of the year. These frameworks – including the 7 Big Wins and the Mining Roadmap to Shared Prosperity strategy – were extensively reviewed at the 6th Sustainability in the Extractive Industries (SITEI) Conference which held on 19 and 20 July, 2017. To address the point of strategic partnerships to achieve these goals, Minister of State for Petroleum Resources, Dr. Ibe Kachikwu, announced that “CSR-in-Action is one of such organisations which we are happy to partner”. He further stated that, “Globalising our local economy goes beyond value retention and trade-offs, but rather, strong government demand for local content investment through creation of infrastructural facilities and developing local resources within Nigeria should be of paramount importance.” The Minister of

Mines & Steel Development, Dr. Kayode Fayemi further stated that “we are in the business of not banning” and need to engage the illegal miners to globalise our local economy. Waziri Adio, Executive Secretary, Nigeria Extractive Industries Transparency Initiative (NEITI), culminated this viewpoint when he said: “First, we need to build local for local, then for regional, and then for global.”

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The challenge

Several critical issues raised for immediate attention through the course of deliberations are highlighted below:

- Infrastructural failures and lack of regular maintenance on the existing infrastructures
- Lack of local capacity and support for local entrepreneurs in the extractive sector
- Difficulty of 'doing business' for local investors
- Limited presence of development and infrastructure



Bekeme Masade, Convener, SITEI/ Founder, CSR-in-Action

financing institutions to support extractive sectors in Nigeria

- Dearth of attractive fiscal policies such as tax rebates and trade policies to support investors
- Incomparable legal and regulatory environment to other successful markets
- Lack of security
- Non-existence of modular refineries in key areas
- Dearth of viable geological data.

SITEI 2017 recommendations

For oil and gas sector

Transparency and accountability: There must be increased avenues for close monitoring of expected milestones, and periodic reviews to ensure accountability.

Community relations: Engagement must be holistic and constant between the communities and the private and public sector, in order to identify and meet the right needs.

Supporting indigenous companies & increasing local production: The right environment, infrastructure, processes and policies must be created to stimulate not only

indigenous companies, but industries with strong forward and backward linkages to the extractive industries.

Building local refineries: The strategy for the rehabilitation of existing refineries and construction of new refineries must be clearly delineated. We must identify the challenges within existing refineries, and ensure the rehabilitation process properly caters to same (including the flexibility of shelving elephant projects), and maximises existing resources; including funding.

For mining sector

Building the sector: We must identify the needs of the mining companies, and then train miners to match these skill sets as well as provide 'field' experience for every mining-related course all through the programme.

Beneficiation: We will never have a thriving sector until we move beyond exploring raw materials. Beneficiation increases the value of the minerals, and we must, therefore, make the right investments into processing plants that can turn raw materials to finished products.



Dr. Kayode Fayemi, Honourable Minister, Ministry of Mines and Steel Development (HMMSD)

Access to finance: The concerned parties must work with the ministry to achieve the vision for every single bank in Nigeria to have a mining desk that will provide funds for mining. On the side of the ministry, the duty is to 'de-risk' the sector so that those in the commercial environment will find it more interesting and viable.

The need for information: To meet international standards, we need viable geological data. We must, therefore, adopt a multi-stakeholder approach – both public and private sector – to increase exploration activities.

Protection of the communities: There needs to be an ongoing relationship with the communities so that information is immediately transmitted to the necessary government agencies. Prevention should be focused on more than taking care of the problem after the fact. There is a need for a clear institutional regulatory agency that monitors the activities of miners. CSOs should also strengthen their efforts.

Legal and regulatory activities: We need to pursue laws and regulations that are competitive and comparable with other successful markets. More importantly, there is a need for strong partnerships between federal and state governments to create a legal environment that allows miners to conduct business with ease.

Awareness creation: We need to provide needed information and globalised awareness creation for mining opportunities in Nigeria.

Tackling the menace of illegal miners: Instead of banning the activities of illegal miners, we should think of how to help them transit into legal operations to contribute to the GDP.

There were strong suggestions on the **incentivisation of states** and other multi-state entities for support of the work of federal government. While the mining sector has activated an 'innovative' approach to give financial rewards to states in order to get participation, delegates suggest the more **stringent approach of amendment of the constitution to allow for state joint-ownership of mineral resources.**

CSR-in-Action will through the course of the year, work with interested entities to address some of the challenges highlighted. Even as we embark on this journey, we seek partnerships that can exponentially increase the impact of the work that we are doing, and help us to achieve our collective mission.

For the Steering Committee:

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Meka Olowola
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Steering Committee



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