

SITEI 2014

Stakeholders, Experts Call for Diversification, Local Content in Extractive Industries

Stakeholders in the Nigerian extractive industries unanimously agree on the need for improved funding for training schemes for indigenous labour as well as enactment of enabling policies by government to boost the economy and benefit Nigerians directly.

Speakers made up of industry captains, policy formulators, top professionals, entrepreneurs, host community representatives and members of the civil society who gathered at the 3rd annual Sustainability in the Extractive Industries (SITEI) Conference opined that new laws should be introduced and current ones reviewed to enforce international best practices and a corporate governance frameworks for firms in the sectors.

The 3rd SITEI, which held on October 24 and organised by CSR-in-Action (an independent ethical action network and consultancy for collective social responsibility and corporate governance in West Africa) was themed 'Local Content Participation, Transparency and Accountability.' The all-inclusive event witnessed wide participation by top executives in the sector, professionals, businessmen and women and other interested members of the public; and had a 'youth slant' with invited youth participants from universities based in Lagos.



Left to Right: Mrs Audrey Joe-Ezigbo, Co-Founder & Executive Director, Falcon Corporation; Ms Bekeme Masade, Executive Director, CSR-in-Action; Mr Ayo Oni, Former President, ICAN; Prof Wale Omole, Board of Trustees, CSR-in-Action & Former VC, OAU

Promoting International Best Practices and Corporate Governance

Welcoming participants to the conference, Bekeme Masade, Executive Director of CSR-in-Action, said the forum was convened to critically analyse current trends, challenges and prospects, and proffer practical solutions to issues of local content participation in the Nigerian extractive sector and how they have a bearing on the sector's social and environmental sustainability.

Some of the notable attendees included Austin Avuru, Managing Director, Septlat Petroleum; Engr. Paul Zuhumben, General Manager, Projects & Operations Nigerian Content Development and Monitoring Board (NCDMB); Raymond Wilcox, General Manager, Nigerian Content Development, Chevron Nigeria Limited; Jeffery Corey, Chief Operating Officer, Seven Energy International; Dayo Okusami, Group General Counsel and Executive Director, Atlantic Energy; Owanari Duke, Country Director, Empretec Foundation; and Niyi Yusuf, Managing Director, Accenture Nigeria.

Other top personalities at the event were Audrey Ezigbo, Co-Founder and Executive Director, Commercial Operations, Falcon Corporation; Engr Adebola Shabi, General Manager/CEO, Lagos State Environmental Agency (LASEPA); Eva Kouka, Country Representative, Ford Foundation Nigeria; Sunny Onyenuwe Ojich, Nigerian Content Development Manager, General Electric Nigeria; Dr. Ladi Bada, Managing Director, Shoreline Resources; Lara Banjoko, Chief Executive Officer, Zone 4 Energy Ltd; Christine K, Director, Heinrich Boell Foundation and John Momoh, Chairman, Channels TV.

Also at the one day industry seminar were Fidel Pepple, Immediate Past Acting Group General Manager, NNPC-NAPIMS; Dr. Yemi Oke, Senior Lecturer, Law, University of Lagos/Member, FOGARD; Doyin Oluntona, Co-Founder, Uturn Africa; Engr Taofiq Tijani, Commissioner, Lagos State Ministry for Energy and Mineral Resources; Innocent Lagi, Former Nasarawa State Attorney General and Commissioner of Justice; and Samuel Ayinde, Executive Director, International Organization for Youth Advocacy and Development Incorporated.

Delivering the keynote address, the Chairman of the Board of Trustees, CSR-in-Action and former Vice Chancellor of the Obafemi Awolowo University, Prof. Wale Omole called for diversification of the nation's revenue base, genuine local content participation,

accountability and transparency; emphasizing that they represent the most pragmatic means of achieving sustainability.

"Where government, the oil majors and the private sector have collectively not succeeded in making fuel available through local refineries, the artisans, micro and small entrepreneurs are being intimidated to submission. This is killing local content in oil and gas sector... Genuine local content participation, accountability and transparency represent the only means that will guarantee sustainability in the industries," he advocated.

Building Capacity for Local Content

Speakers at the series of workshops at the conference called for strong support systems for indigenous professionals and businessmen in the sector to facilitate access to funds managed by the Bank of Industry (BoI), other governmental bodies, commercial banks and other local lending institutions. They also urged for the quick passage of the Petroleum Industry Bill (PIB) to promote greater local content participation.

Other key recommendations for the industries and policy makers include:

- An urgent need to drive a country-wide attitudinal change towards the extractive sector
- Institutionalising a culture of transparency, accountability and social responsibility among major players in the sector
- Stronger political will and consistency of execution of policies promoting local content participation
- A refocus on the local content development policies of the National Economic Empowerment and Development Strategy (NEEDS) document
- Commitment of companies in the extractive industries to capacity building of staff and indigenes of host communities through a variety of channels
- Enrichment of university/higher education curricula and enhancement of local Research and Development (R&D) initiatives to sustain human capacity development.

'Government, the Biggest Shadow on Accountability and Transparency'

Concerning good governance and best practices within the sector, some of the speakers were of the view that the government; rather than set the example, has been the greatest the biggest shadow on accountability and transparency in the sector. Such

critics cite as evidence the apparent lack of governance, and the absence of structures and frameworks by the government through which the average citizen can measure or even contribute to accountability and transparency in the extractive sector.

Discussants further alluded to the absence of a level playing field for indigenous players within the sector as a number of local operators have been required to pay more for operating licenses and assets than others.

They, therefore, called for a review of the Nigerian Extractive Industries Transparency Initiative (NEITI) report to a simple matrix that is easily comprehensible and accessible to the average Nigerian, in accordance with the global EITI model. Speakers also tasked the civil society on ensuring accountability and transparency in the sector.

A Forum for Corporate Governance

Specifically, conference participants emphasised the need for the establishment of a forum which promotes transparency and accountability in the extractive sector; and ensure operators are held accountable to the citizenry on commitments on local content participation.

In pursuit of that objective, CSR-in-Action, organisers of the event partnered with the Forum for Inclusive Nigeria's Development (FIND) to improve on its advocacy efforts.

FIND is an independent advocacy body, a brain child of the New Nigeria Foundation (NNF) and the Consensus Building Institute (CBI) which is supported by Ford Foundation. Its core objective is diversification of the wealth of the Nigerian extractive industries to promote sustainable development for the country.

To guide the direction of advocacy for the forum, questionnaires were distributed to SITEI 2014 conference attendees. Based on the feedback, specific recommendations were made, including the need to streamline NCDMB and BOI requirements to the present realities of SMEs in Nigeria with a view of easing access to funds; and increased efforts to develop local content and infrastructure in other inter-dependent sectors of the economy such as the telecom and power sectors.

The need for diversification cannot be overemphasised considering that oil and gas reserves are depleting by the day.