

# Report on Future Workshop on Resource Governance in Nigeria

Abuja, 14-17<sup>th</sup> May 2013



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## Schedule

Tuesday, 14<sup>th</sup> May 2013

- Introduction
- Excursion to Mpape, Abuja community

Wednesday, 15<sup>th</sup> May 2013

- 9:00 – 17:30 Problem Phase

Thursday, 16<sup>th</sup> May 2013

- 9:00 – 17.30 Vision Phase

Friday, 17<sup>th</sup> May 2013

- 9:00 – 17.30 Realisation Phase

## **Tuesday, Excursion and Introduction**

After an introduction of the workshop and its participants, the group went on excursion to Mpape, Abuja. The slum community is situated right next to the exclusive Maitama District. Inhabitants are forced to relocate due to gravel mining. Detonations on a regular basis are a common threat for people and their houses. The view on the community from one of the last remaining hills designated to exploit, symbolized the strain on land in Abuja and its social consequences.

## **Wednesday, Problem Phase**

Participants deliberated on problems related to seven thematic areas of resource governance. Cross cutting issues were put separately.

### **Non-renewable resources:**

Nigeria's oil sector was the focus of criticism because of lacking transparency, oil spills destroying people's livelihood, insecurity as the Niger Delta militancy, vandalism of crude pipelines and oil theft. It was agreed that overdependence on oil and a lack of economic diversification makes the country vulnerable to volatile oil prices. Likewise in the gas and mining sector, it was noted that poor people barely get engaged and therefore cannot feel the impact of the country's riches. There is no development of local competence for exploiting the nation's natural resources. Gas flaring is another big issue now in Nigeria since it contributes to climate change and leaves economic potentials untouched.

### **Agriculture:**

The agricultural sector was seen as neglected for too many years whilst all participants agreed on the tremendous importance of the sector's development for Nigeria as a means to achieve food security. The population grows and food imports increase significantly. Basically, participants saw a lack in everything: fertilizer, seeds, infrastructure, market access, microfinance, best practice and technologies. They agreed corruption was all over the purchase and distribution of fertilizers. Import-export policies were regarded as rather repressive as protective. Moreover, desertification in the North and increasing erosion in other parts of the country show the growing impact of climate change. Consequently, farming is not attractive anymore for young Nigerians and food prices are increasing. The participants pointed out that predominantly woman suffer from rural poverty.

### **Land:**

There was consensus that pressure on land is increasing without being voiced as such. Participants saw population growth and land degradation as the main drivers. The latter is caused by gully erosion, overgrazing, flooding, excavation or soil pollution such as through oil spills, heavy metal poisoning or landfills. Land grabbing and eviction especially due to urban development was highlighted as a central

social issue in the country. Compensations are mostly not sufficient and often not put into effect. Nigeria's land laws were regarded as archaic. Practically, there is a gender imbalance in land allocation. Participants criticized the ineffective landscape planning and the lack of proper environmental assessments.

**Air:**

Due to Nigeria's strong exposure to the global climate change, the country's minimization of greenhouse gas emissions was central in the mind of the participants. Stopping gas flaring and reducing vehicular emission was considered crucial. Furthermore, cases of acid rain and high cases of carcinogens were reported as well as atmospheric health hazards causing eye infections and losses of pregnancies. Generally, participants pointed out that there is a need of new laws to protect the atmosphere.

**Water:**

Problems associated with water as a resource include the lack of water in large parts of the North and secondly, the lack of clean water due to pollution. The high number of boreholes increases the risk of groundwater pollution. Oil and toxic waste pollution were also mentioned. Inappropriate usage of chemical fertilizers is causing eutrophication of surface water which has multiple ecological consequences.

**Deforestation:**

Nigeria's high deforestation rates were primarily associated with bush burning for farming land and tree cutting for firewood. Traditionally indiscriminate bush burning has to be replaced by modern and sustainable farming techniques. Existing alternatives to firewood must not remain pilot projects, but have to be promoted and supported nationwide. Participants regarded carbon emissions and biodiversity loss as main consequences of deforestation. The loss of ecosystem services such as ecotourism potentials was also discussed.

**Biodiversity:**

Participants pointed out that there is a species loss due to deforestation, sale of exotic species, as well as raw materials need of pharmaceutical plants and hunting for bush meat. It was mentioned that loss of biodiversity can reduce ecosystem services. Participants diagnosed a general ignorance of the issue and a lack of expertise to address the problem.

**Cross cutting issues:** migration, civic participation, urbanization, corruption etc

Subsequently, participants self-organized four groups that covered all seven problem areas. The groups developed charts to illustrate the multi-dimensional problem issues. In most of the cases different problems were highly interconnected meaning that solving one problem can potentially create new ones.

### **Group 1: Land and Agriculture**

Six major issues were highlighted – soil, land laws, land grabs, food security, climate change and mining. Generally, there is an increasing pressure on land due to population growth and economic growth. The group regarded public interest as government's pretext for a significant number of land deals. Generally, compensations are either not fair or non-existent. Examples of land grabbing were given from Abuja, Lagos and Kwara State. Rising conflicts between herdsmen and farmers are a next major issue in the context of land.

The group regarded agriculture as an essential sector of the economy that has been neglected for too many years. The discovery of oil was seen as the main reason for the underdevelopment of the sector. Hence, the profitability and the image of farming took damage.

### **Group 2: Deforestation and Water**

It is a challenge to change traditional land use practices such as bush burning or usage of fuel wood. People experience climate change, but they don't know about its causes and related alternatives. If policies exist, they usually lack implementation.

### **Group 3: Air**

The group summarized several causes and types of air pollution. Most urgent was to stop bush burning, gas flaring and outdoor burning of tires/waste as well as to reduce vehicular emissions and emissions from burning firewood. Air pollution caused by illegal refineries and burning of impounded illegally siphoned crude oil was also mentioned. All types of emissions were connected with health issues or climate change. Some participants also considered noise as for instance from religious bodies as air pollution.

### **Group 4: Non-renewable resources**

Non-renewable resources were divided in Nigeria's three main sectors oil, gas and mining. The group considered the country's riches in oil as rather development-inhibiting because of corruption and the lack of job opportunities. The excessive environmental impact, significant losses due to crude oil theft as well as health hazards support this thesis. Finally, oil is going the finish in foreseeable future. The group reasoned that government is desperate to remove fuel subsidies, but the people want subsidies because it has a ripple effect on the economy. That means that subsidy cabal continue 'milking' the nation by engaging in corrupt deals instead of reinvestments. Consequently, participants fear a similar development of the growing gas sector. Mining was mainly associated with environmental and health issues.

After each group presented their outcomes everybody was asked to formulate more concrete problems and to stick them on the corresponding charts. An election brought out four problems considered as most significant:

- 1.) The strain on land leading to conflicts nationwide
- 2.) Need for implementation of new laws that deal with old and contemporary issues in the oil industry, e.g. the Petroleum Industry Bill (PIB)
- 3.) Increased population growth is leading to a need of more food, shelter, etc.
- 4.) Lack of viable green energy alternatives (fuel wood is the only source of cooking energy in rural areas)

## **Thursday, Vision Phase**

To address the final four problems of the day before, new groups were created randomly. Then each group developed illustrative, visionary charts without putting words. Each presentation followed a discussion.

### **1.) The strain on land leading to conflicts nationwide**

Nationwide, there are working facilities and access to water and electricity which means that there are no more slums and equal opportunities for everybody. Water is distributed equally among private households, farmers and industry. Herdsmen have opportunities to trek through the country. A green industry minimizes the impacts of climate change.

Talking about class distinctions, the meaning of a vision was discussed. Whereas one member regarded vision as perfection, another one pointed out the limitations of a capitalistic system. The group agreed that class distinctions should be at best non-existent.

### **2.) Need for implementation of new laws that deal with old and contemporary issues in the oil industry, e.g. the Petroleum Industry Bill (PIB)**

Oil industry is now operating with acceptable standards. There are advanced refineries and no more gas flaring. Polluted ecosystems have mainly recovered and there are sustainable fisheries. Oil companies have become environmental conscious due to laws and public awareness. People identify themselves first as Nigerians and work together.

This particular vision was hotly debated. One side argued that even good laws cannot be implemented, considering a ruthless and corrupted oil sector. Participants pointed out that the now evolving gas sector might undergo a similar development.

### **3.) Increased population growth is leading to a need of more food, shelter, etc.**

The group's vision was a paradigm change for families with fewer children in order to save the environment and to achieve food sufficiency. More and more non-farmers would farm some of their land additionally to their jobs.

Participant's response was challenging for the group since they regarded population growth in Nigeria as unstoppable and claimed more innovative ideas. The discussion shifted again to the strain on land and agriculture as well as the lack of industry to provide jobs.

**4.) Lack of viable green energy alternatives (fuel wood is the only source of cooking energy in rural areas)**

The group's vision combined overcoming the energy crisis with a green industrialization of Africa as its whole, exporting green energy such as solar, wind and hydro. The country doesn't depend on oil anymore. The development of a diverse, green economy has fundamentally reduced corruption. Several products such as smart phones are produced in Nigeria, using renewable energy resources.



## **Thursday, Realization Phase**

Participants deliberated on how to realize the different visions they had produced for the country.

### **1.) The strain on land leading to conflicts nationwide.**

The most striking question was the one of land tenure security in a country where most of the land is in public ownership. Participants claimed fairer and equal access to land rights regardless of origin, tribe or political affiliation. To ensure that, public hearings would have to be held and a land reform commission has to develop new land policies in a participatory manner to identify people's needs and concerns. Basically, the process of obtaining titles has to be simplified and prompt and fair compensation has to be provided in the event of governmental land reclamation. Challenging is not only the existence of deep rooted sentiments between certain tribes or groups, but in particular the worst case scenario that most poor people end up losing their land. Therefore especially traditional landowners have to be protected and social housing has to be made available in urban areas.

Moreover, the group advised the creation of grazing routes and areas combined with a new legislation to prevent violent conflicts between nomads and stakeholders such as farmers. First, government has to create a reconciliation commission to settle differences from previous conflicts. Subsequently, an independent grazing routes commission has to be established to deal with issues arising from the new policy such as reallocations of land. Participation was seen as a key element for a successful implementation. Likewise, the group considered old resentments and unwillingness of those likely to be affected by designating certain lands as grazing areas to cooperate with the process as main hindrances. Furthermore, the introduction of model cattle ranches could be approved in order to release pressure on land.

### **2.) Need for implementation of new laws that deal with old and contemporary issues in the oil industry, e.g. the Petroleum Industry Bill (PIB)**

Government has to shift from an investor to a regulator to manage environmental and social problems. Therefore, new policies and especially new law writing procedures such as public hearings/engagements and inputs from other parties are required. A significant stake of oil revenues (20%) has to be invested in renewable energy. Willingness of politicians as well as cooperation of the international oil companies were seen as two main challenges.

### **3.) Increased population growth is leading to a need of more food, shelter, etc.**

It was the view that once the agricultural sector is more advanced, it can create jobs and export revenues. Higher yields can solve the land problem and planting of different, untraditional crops such as tomatoes can make the country independent from imports. The group pointed out necessary steps to address the needs of the agricultural sector mentioned in the problem phase. The government's "Vision 20:2020" has to be implemented. More money has to be invested in agricultural research. New technologies and educational programs for farmers have to be provided and development activities such

as infrastructural programs have to be done at large scale. Misappropriation of funds and a possible lack of acceptance of introduced techniques and technologies were seen as main hindrances.

#### **4.) Lack of viable green energy alternatives (fuel wood is the only source of cooking energy in rural areas)**

The group suggested to provide incentives for the local production of renewable energy technology and to introduce increased tariffs for the importation of finished renewable energy in order to push the sector and to create jobs at the same time. Tax holidays for companies involved in the supply of green energy, a dedicated fund in the bank of industry to grant reasonable loans as well as the investment in research should be realized. Main hindrances considered were not only the political will and sabotage by the diesel cabal, but also people's perceptions.

Another recommended activity was to make cleaner cooking energy available for Nigerian homes in terms of improved stoves and liquefied petroleum gas. Direct public awareness and engagement of citizens on the functionality and advantages of the use of clean stoves is essential for a successful, nationwide implementation. Domestic entrepreneurs for the production of stove and gas containers have to be supported to ensure sufficient supply and reasonable prices.