

The Shehu Musa Yar'Adua Foundation



FOSTER REPORT

Oil Revenue Tracking Initiative
August - December 2014

This report provides a comprehensive account of activities during the period August to December 2014. It features content created, impacts made and recommendations for the initiative.

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Background

The Oil Revenue Tracking Initiative (ORTI) is an information-driven advocacy project that seeks to raise citizen awareness of resource governance to increase transparency and accountability in the Nigerian oil sector. Using innovative communication strategies, ORTI has impacted a wide range of stakeholders including government, policy makers, civil society, industry and Nigerian citizens at home and abroad.

Amara Nwankpa, Director of the Yar'Adua Foundation Public Policy Initiative, conceived ORTI to encourage the involvement of young Nigerians in bringing important issues to the forefront of the upcoming 2015 elections.

Introduction

Critical issues have been highlighted as challenges to responsible resource governance in Nigeria during the period under review. The proliferation of alternative energy sources; increasing discoveries of oil and production elsewhere; in addition to falling prices and depleting reserves (5 billion barrels production reduction in three years) are contributing to Nigeria's declining oil fortunes. Oil revenue is already grossly insufficient to support immediate and long-term development needs for Nigeria's current population (170 million). Pressure will only increase as the population explodes to 440 million by 2050.

Nigeria must, as a matter of urgency, harness economic opportunities that will guarantee a sustainable future beyond oil:

1. Efforts to exploit oil resources irreparably harm the environment on which our future can be built.
2. Current expenditure patterns leave scarce resources for investment in priority areas for a sustainable future.
3. Emerging nations such as Brazil and China have benefited from a transition to alternative energy sources and investments in infrastructure, which are prerequisite for a thriving economy.

An impact analysis of ORTI social media activity confirms that ORTI's expanded reach has elevated the discussion of resource governance in Nigeria among the general public.

ORTI partnered with NEITI and NOSDRA, key MDAs, to simplify the NEITI FASD Audit Report 2007-2011 using illustrations, flashcards and info-graphics and developed advocacy content for the NOSDRA Amendment Bill.

The ORTI team visited American University Yola to engage staff and students in an open discussion on issues surrounding resource governance. AUN's

sustainability month activities showcased AUN as the first 'green' university in the country.

A roundtable was held with members of key civil society organizations in preparation for the Resource Governance Town hall, a platform for key stakeholders, policy makers and the general public to engage on issues surrounding responsible resource governance and the environment as a resource. The town hall was aired live on amplifiedradio.net and Nigeria Info FM (99.5).

For more information on the period March to August 2014, please refer to the **ORTI FOSTER Report August 2014**, which covers the following themes

- CBN-NNPC Disparity
- Perception of Nigeria's Oil Wealth
- Alternative Energy
- Internally Generated Revenue (IGR)

Objectives

- Increase demand for sector reforms through supporting debates on revenue management from the oil sector, generate more information and improve dissemination of findings from ORTI Phase 1
- Engage with relevant MDA's to improve capture and report of oil revenues through supporting the identification of gaps in public information on the sector

Activities

Overview

ORTI supported online and public debates with regard to the oil sector through content development and stakeholder engagement activities. New partnerships with key MDA's were forged while strengthening existing ones. NEITI's FASD Audit Report 2007-2011 was simplified using illustrations, flashcards and info-graphics. Content was developed to support NOSDRA Amendment Bill advocacy efforts.

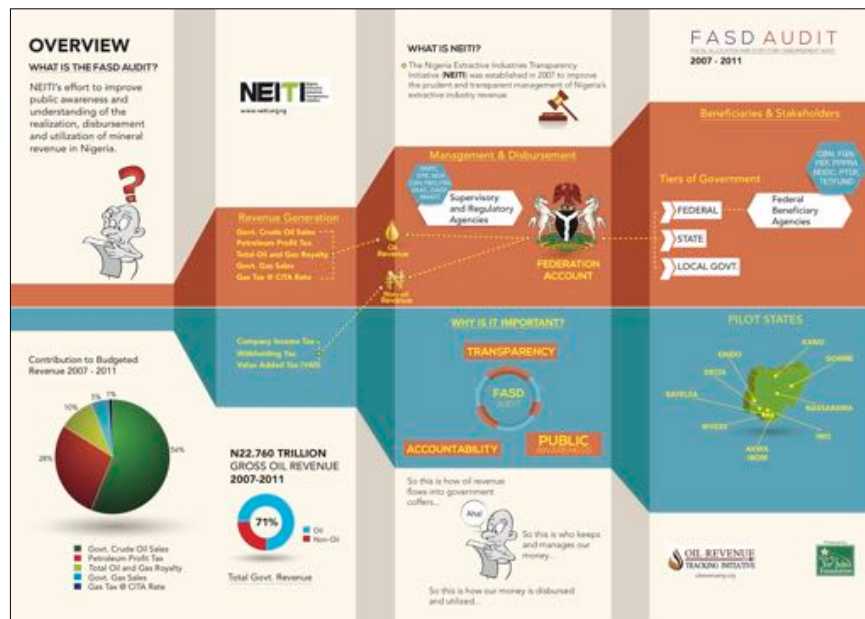
ORTI held a CSO forum, town hall meeting and university visit to further engage the public and key stakeholders. Numerous live interviews were conducted on local and international radio stations. Staff also participated in roundtables organized by FOSTER as well as a blog conference.

The Nigerian Extractive Industries Transparency Initiative (NEITI) - Simplifying the Fiscal Allocation and Statutory Disbursement Audit (FASD).

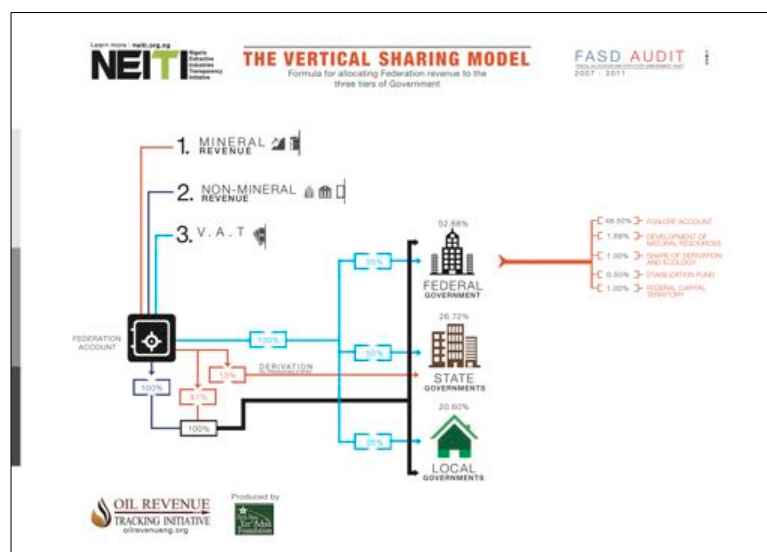
The audit served as a thorough examination and assessment of accounts and activities of stakeholders in the extractive sector. ORTI created forty (41) flashcards, five (5) illustrations and 17 info-graphics to simplify content of the FASD Audit report. Collaterals will be used to create a booklet that will simplify complex issues surrounding how revenue is generated, who keeps and manages the revenue and its disbursement.

Info-graphics

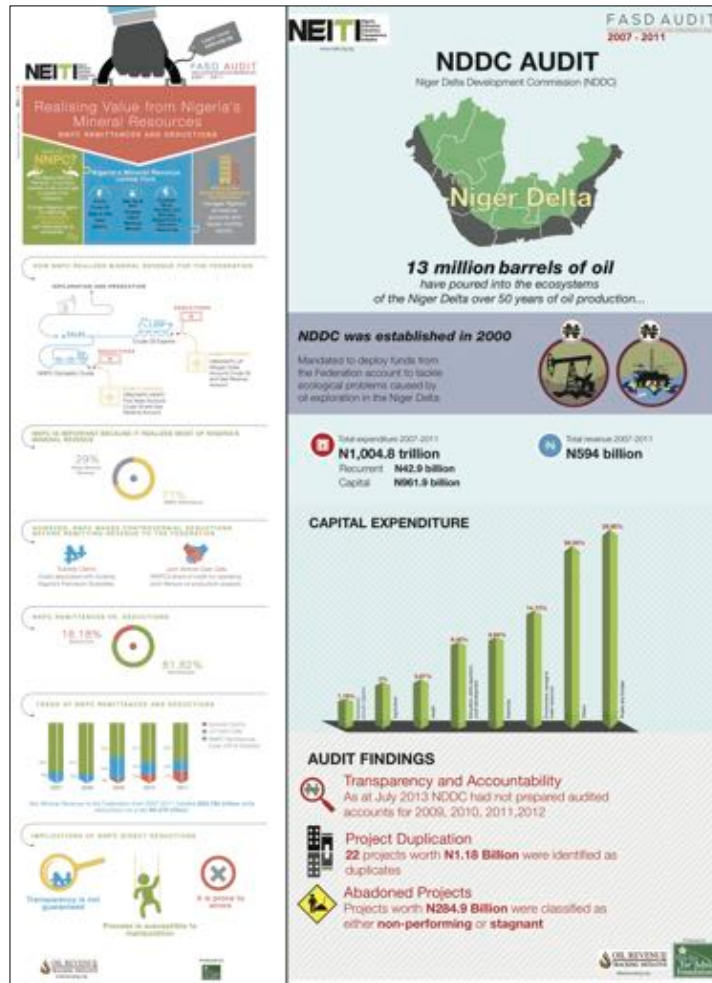
Overview



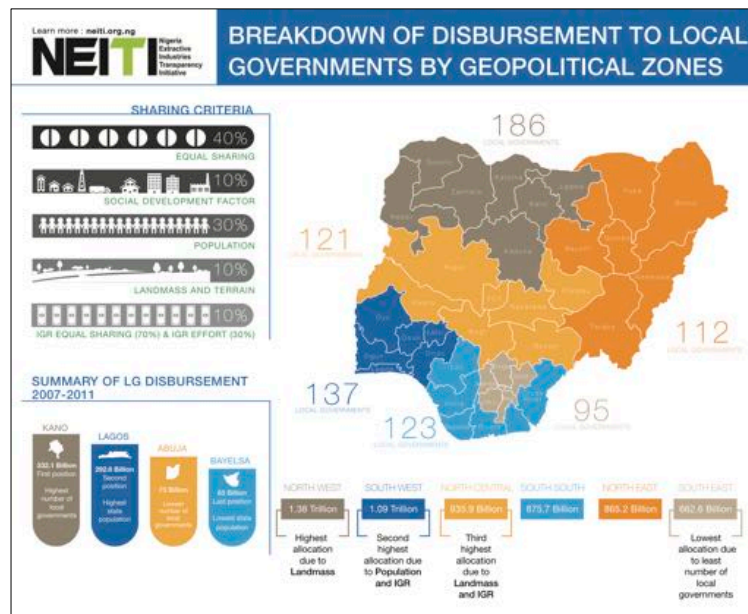
The Vertical Sharing Model



NNPC Remittances | Niger Delta Development Commission (NDDC) and deductions



The Horizontal Sharing Model



NEITI FASD AUDIT TETFUND

SUBSIDY PAYMENT

PROBLEM
 Several of beneficiary educational institutions were unable to meet TETFUND requirements.

FUNCTIONS

- Monitor and reconcile education tax collected by FFD.
- Disburse funds to beneficiary educational institutions.

PSF
 Special Fund established by the Government of Nigeria to be used for educational purposes.

HOW IT SHOULD WORK

Revenue (State, Local) → PSF → Subsidy Payments

HOW IT WORKS

Revenue (State, Local) → PSF → Subsidy Payments

AUDIT FINDINGS

- WAPC failure to make payments of funds from donors (this was leading to a lack of transparency)
- WAPC failure to make payments of funds from donors in 2011 (the same year TAC began making subsidy payments)
- WAPC paid for NET TETFUND as subsidy, amounting to 17% of total subsidy payments.

TETFUND

THE TERTIARY TRUST EDUCATION FUND
To ensure the Quality of Education in Nigeria by Investing in Quality Education

FUNCTIONS

- Monitor and reconcile education tax collected by FFD.
- Disburse funds to beneficiary educational institutions.

Types of beneficiaries

- Early Project Grant
- Library Development Grant
- High Impact Project Grant (Approved to fit in special institutions)
- Board of Trustees Special Education Grant

Revenue

328 Billions (2011-2015)

Year	Revenue (Billions)
2011	44
2012	61
2013	67
2014	140
2015	140

Expenditure

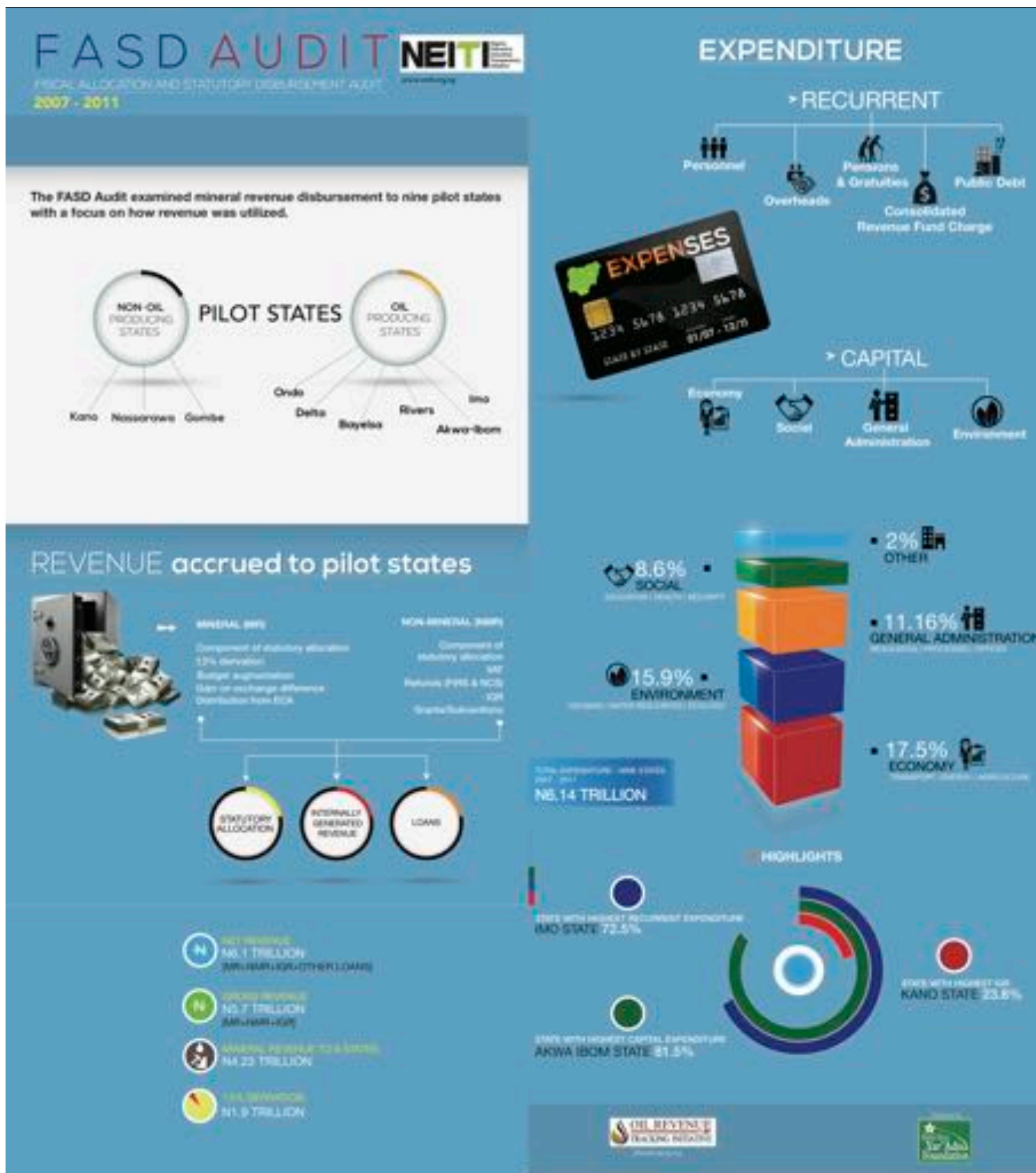
366	Revenue
+ 32.2	Interest paid on loan
<hr/>	
398.2	Cost of loan
- 195.6	Funds committed to projects
<hr/>	
202.6	Interest on loan

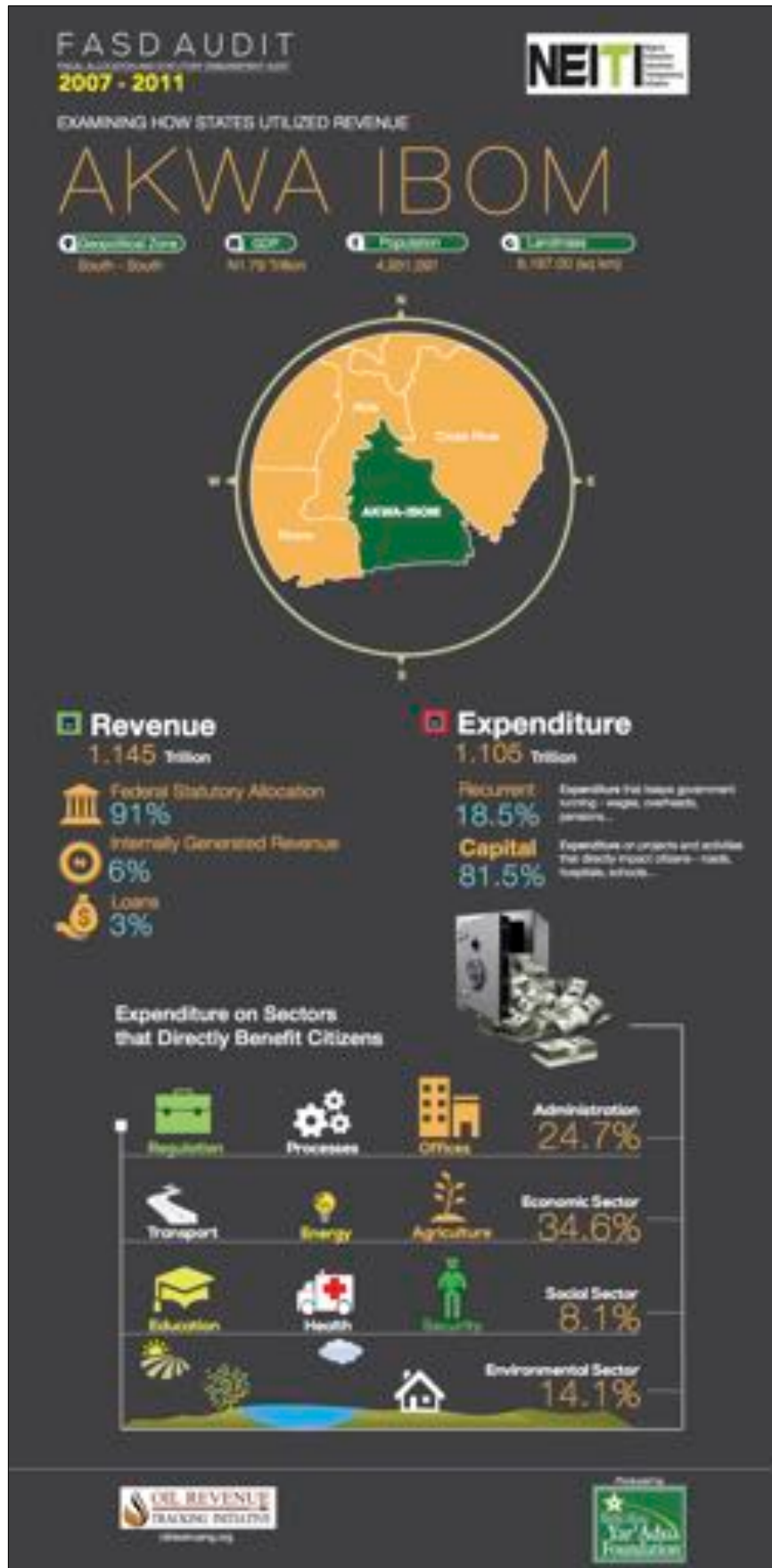
Reasons for beneficiaries' inability to meet TETFUND requirements:

- Beneficiaries were unable to meet TETFUND requirements.
- Proposed project was denied approval by the institution's Governing Council.
- Beneficiaries were unable to account for funds collected at the first stage.

Recommendations:

- Effective deployment of funds to beneficiaries
- Enlighten and educate beneficiaries on processes and procedures for accessing funds
- Address bureaucracy and bottlenecks issue
- Re-examine fund's intervention policies

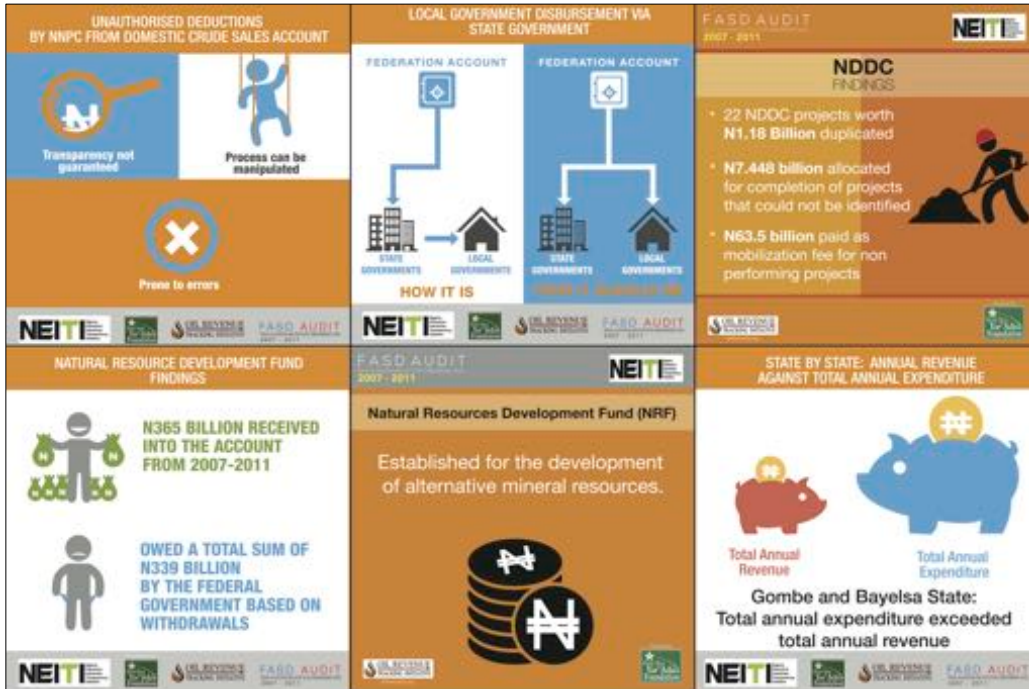






Flashcards

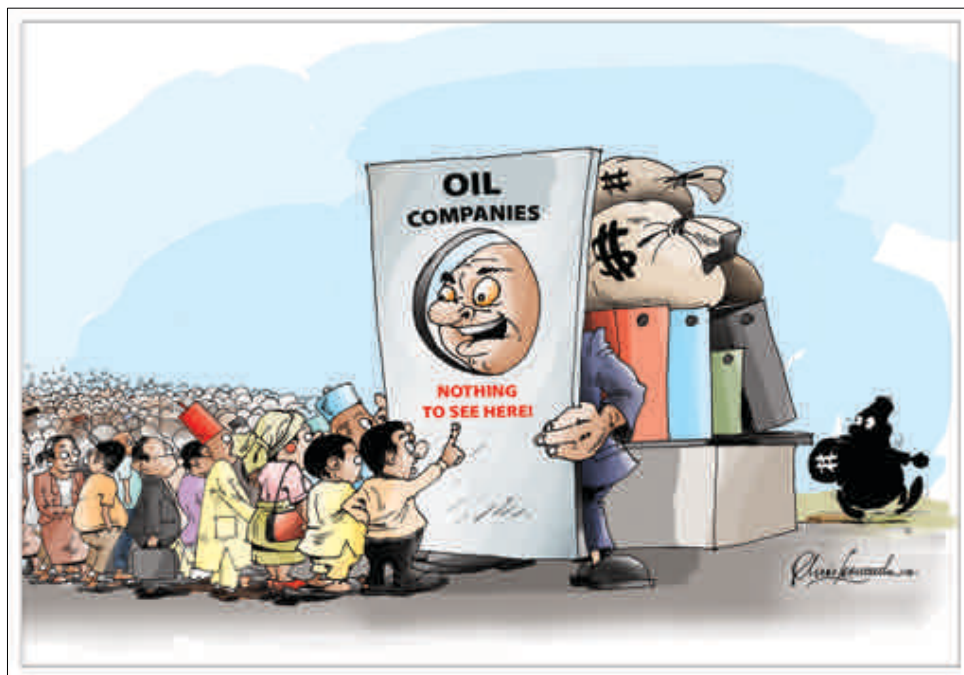
Forty-one (41) flashcards were created to serve as an online information dissemination tool to educate the public on findings and recommendations from the FASD Audit report.



Illustrations

Five (5) illustrations were produced to emphasize key findings in a clear way using satire.

Transparency



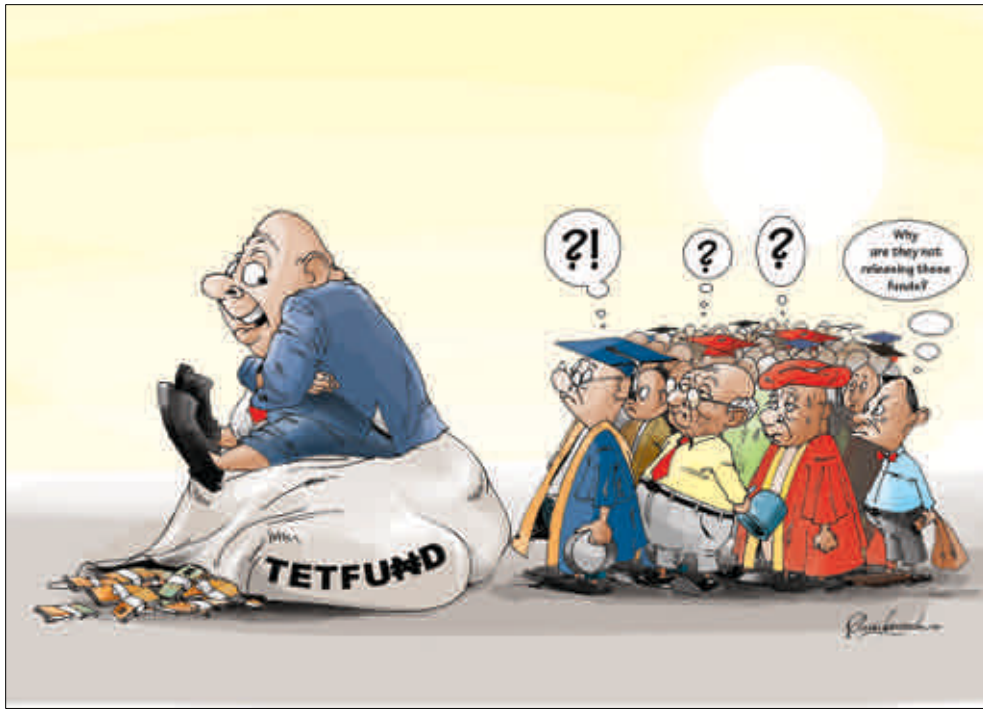
Subsidy Payment



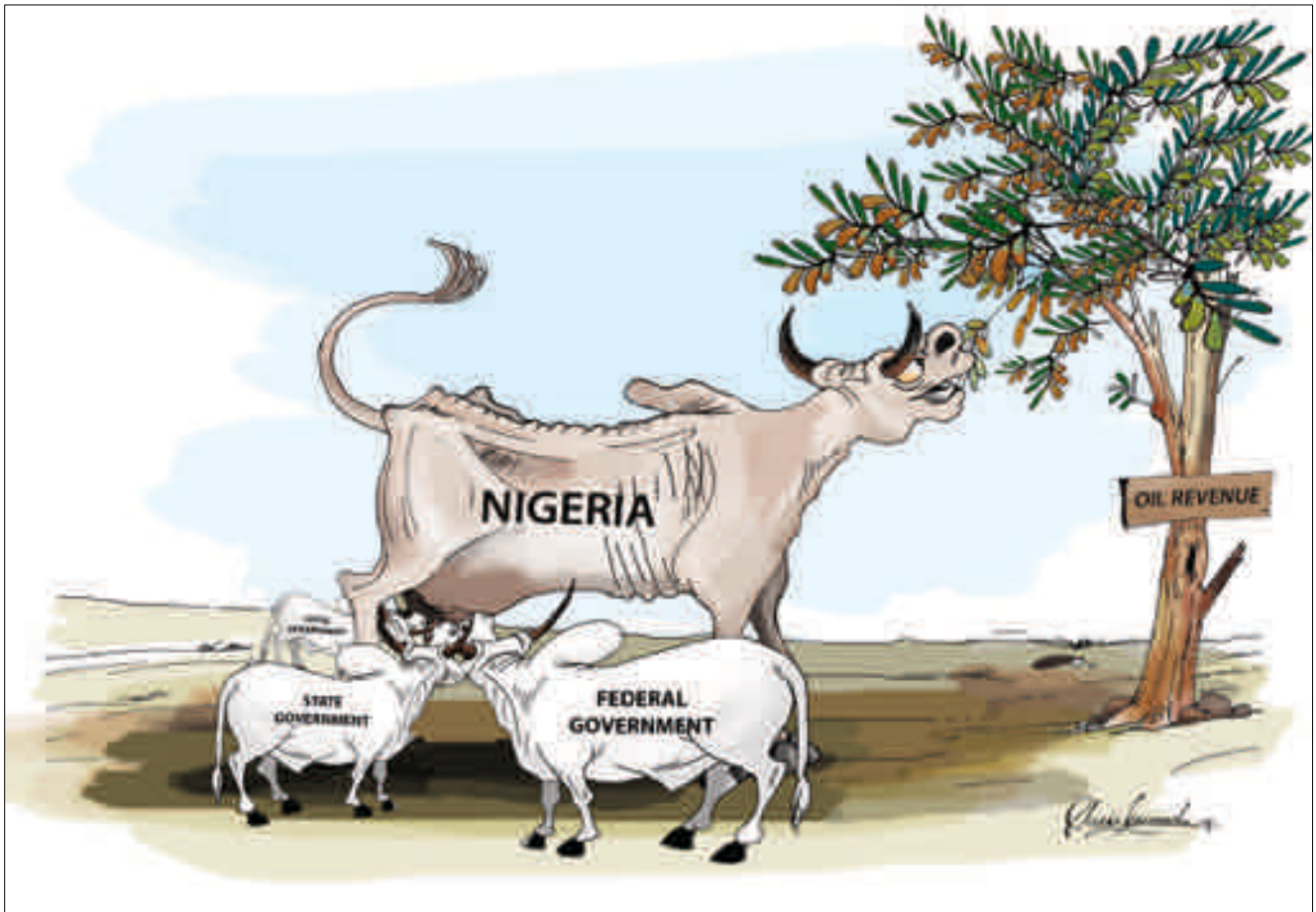
NEITI's FASD Audit



TETFUND



Milking The Federal Cow



National Oil Spill Detection and Response Agency (NOSDRA) - Reviewing the Amendment Bill.

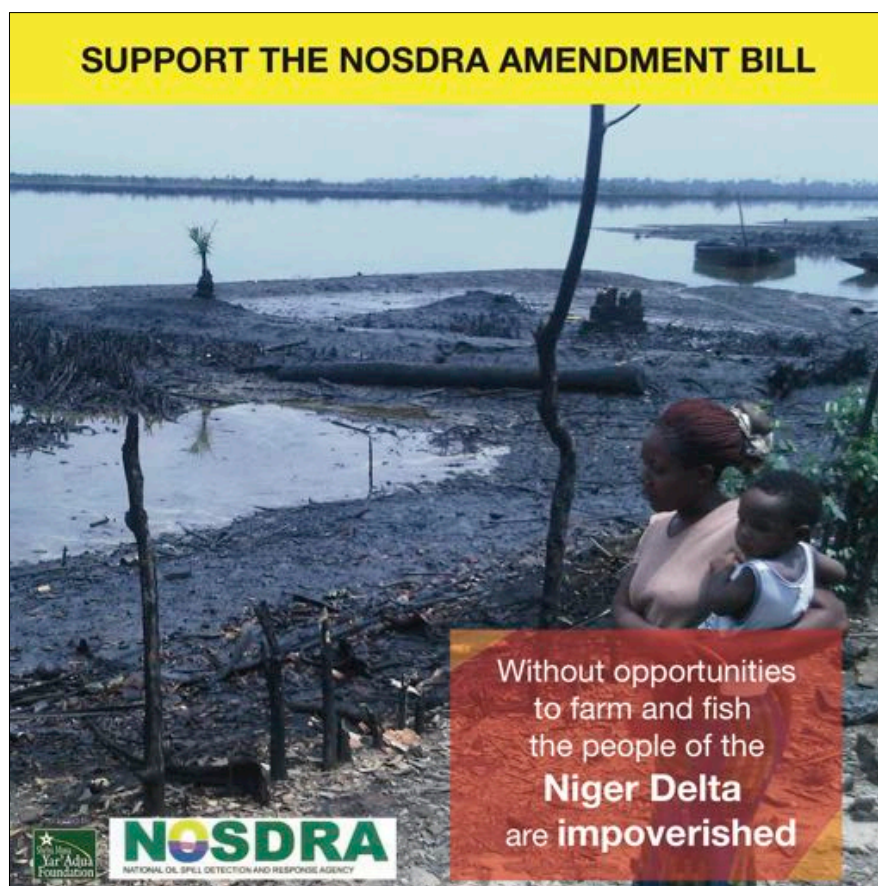
Senator Bukola Saraki introduced an amendment to strengthen the institutional and regulatory capacity of NOSDRA's management of oil spills in a more robust and effective manner. The amendment seeks to establish a clear and specific regime of penalties and responsibilities for oil spills and provide a consistent guide and procedures for assessing and accessing compensation for oil spills and civil liabilities. ORTI produced ten (10) pictograms/flashcards and three (3) info-graphics to engage legislators, CSO's and the general public on:

- Weaknesses in the previous NOSDRA Act and why it needs to be amended
- How the NOSDRA amendment bill can help win the war against oil spills
- The environment as a resource:
 - a) What we lose when we destroy the environment
 - b) Effects of oil spills on the economy

Content created in support of the NOSDRA Amendment Bill was tweeted by [@bukolasaraki](https://twitter.com/bukolasaraki).

Pictograms

- Pictograms used human stories to depict the dire situation in the Niger Delta region.



Flashcards

SUPPORT THE NOSDRA AMENDMENT BILL

In Niger Delta urban communities, less than 50% of residents have access to safe potable water

In rural communities, that number drops to less than 25%



SUPPORT THE NOSDRA AMENDMENT BILL



Toxins from oil pollution are associated with ailments including respiratory problems and organ damage. Niger Delta **LIFE EXPECTANCY** is the **LOWEST** in Nigeria.

NOSDRA
NATIONAL OIL SPILL DETECTION AND RESPONSE AGENCY

Info-graphics

- Vision, mission, limitations and weaknesses of the current NOSDRA Act

NOSDRA

National Oil Spill Detection and Response Agency

An institutional framework to implement the national oil spill contingency plan in Nigeria

Vision

To create, nurture and sustain a zero tolerance for oil spill incidents in the Nigerian environment

Mission

To mobilize the necessary resources to save lives, protect threatened environment, and clean up impacted sites

NOSDRA FRAMEWORK

Weaknesses

-  Vague goals and objectives
-  Lacks stated penalties for various offences
-  Poor procedures for reporting oil spills
-  Omits decommissioning and abandonment arrangement
-  Lacks safety policies

Limitations

5 Section 6 (3) and Section 19 empowers the Agency to:

-  Impose a penalty of N500,000 for each day a company fails to report an oil spill in writing to the Agency
-  Impose a fine of N1,000,000 for failure to clean-up an impacted site
-  The law did not provide the framework for compensation and could not punish negligence.

NOSDRA
NATIONAL OIL SPILL DETECTION AND RESPONSE AGENCY

Designed by PhotoApps Pro

- Objectives and strengths of amendment bill

NOSDRA NEW BILL
National Oil Spill Detection and Response Agency

Bill Amendments

- Increased penalties and compensation
- Stronger measures regarding abandoned oil facilities
- Strengthened remediation plan and improved environmental quality management

Objectives

- Private sector partnership for proactive measures
- Standardized penalties for removal & remediation cost
- Increased capacity to detect and observe spills
- International best practices for removal and redemption costs

AMENDMENT CLAUSES

- N10 Million penalty for each day a company fails to report a spill within 24 hours
- Environmental management plan required from petroleum companies and operators

STRENGTHS

- Establishes a National Control and Response Centre
- Introduces contingency planning and improved response
- Mandates stricter penalties

COMPENSATION

- ↓ Damages arising from an oil spill or gas leakage are made by the claimant to the responsible party
- Compensation must be directly related to ecological, economic or property damage arising from an oil spill
- 30 Claims become payable within 30 days of receipt by the responsible party
- 90 Responsible parties must pay compensation within 90 days or within 60 days after verification and evaluation report or 30 days after the decision of an arbitrator

OIL SPILLAGE LIABILITY TRUST FUND

- Prevent, detect, minimize and respond to oil spills, pollution, gas flaring, leakages and other hazardous and noxious substances in the petroleum sector
- Coordinate private sector participation in oil pollution management
- The owner or operator of a facility from which oil is discharged is liable for costs associated with the containment or clean-up of the spill and any resulting damages
- When the responsible party is unknown or refuses to pay, fund can be used to cover removal costs or damages resulting from discharge of oil

NOSDRA

- Impact of not protecting the environment

SUPPORT THE NOSDRA AMENDMENT BILL

THE ENVIRONMENT AS A RESOURCE

The **ENVIRONMENT** is our most important **RESOURCE**

OIL SPILLS degrade the **ENVIRONMENT** and destroy our **LIVELIHOOD**

How oil spills affect the environment

CAUSES

- Sabotage
- Oil production
- Corrosion of oil infrastructure

IMPACT

AGRICULTURE Most agricultural production and fisheries is based on rainfall which is the result of clean fresh air and a healthy, productive environment. Oil spills can degrade these factors and reduce the water table and soil fertility.

FISHERY Contamination of the water and the food web can affect fish populations and their health.

HEALTH Contamination of the environment can affect the health of the population. Oil spills can degrade the air quality and the water table, which can affect the health of the population.

SECURITY Oil spills can affect the environment and the economy, which can affect the security of the country.

TOURISM Oil spills can affect the environment and the economy, which can affect the tourism industry.

POVERTY Oil spills can affect the environment and the economy, which can affect the poverty level.

NOSDRA

Stakeholder Engagement and Public Outreach

ORTI engaged stakeholders with a view to build and develop relationships with organizations working in the oil and gas sector to promote a collective commitment to reform.

Social Media Engagement

ORTI produced stimulating content to facilitate communication with target audiences via 'Facebook', 'Twitter' and news feeds. Online postings included daily fact of the day, articles, daily oil price and photo of the week.

Fact of the day

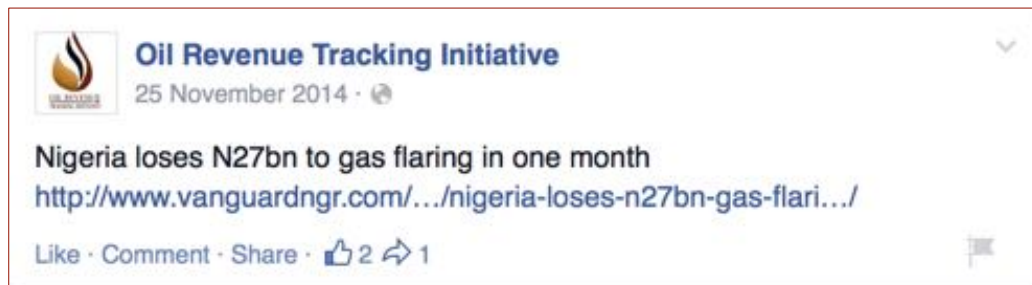



 **Oil Revenue Tracking Initiative**
22 August 2014 · 🌐

34,000 pipeline taps in 14 years works out to 21 breakages per kilometer!
#OilTheftNG

Like · Comment · Share

Daily articles



 **Oil Revenue Tracking Initiative**
25 November 2014 · 🌐

Nigeria loses N27bn to gas flaring in one month
<http://www.vanguardngr.com/.../nigeria-loses-n27bn-gas-flari.../>

Like · Comment · Share · 👍 2 ➦ 1

Daily oil prices



 **Oil Revenue Tracking Initiative**
22 August 2014 · 🌐

34,000 pipeline taps in 14 years works out to 21 breakages per kilometer!
#OilTheftNG

Like · Comment · Share

Photo of the week



Facebook

Analysis of our Facebook platform revealed a significant gender bias in followership: 95% of followers were men and only 5% were women. To increase female followership, ORTI created the 'Women Moving Nigeria Beyond Oil' campaign. The objective was to encourage feedback and measure the level of female participation by profiling eight (8) young women professionals, highlighting their contribution toward Nigeria's development outside the oil and gas sector.

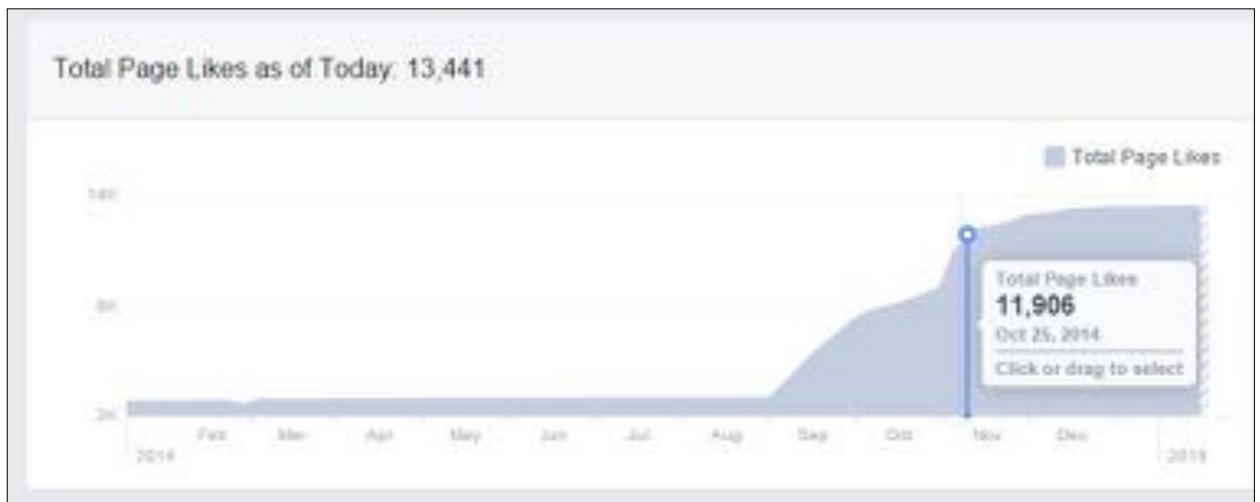
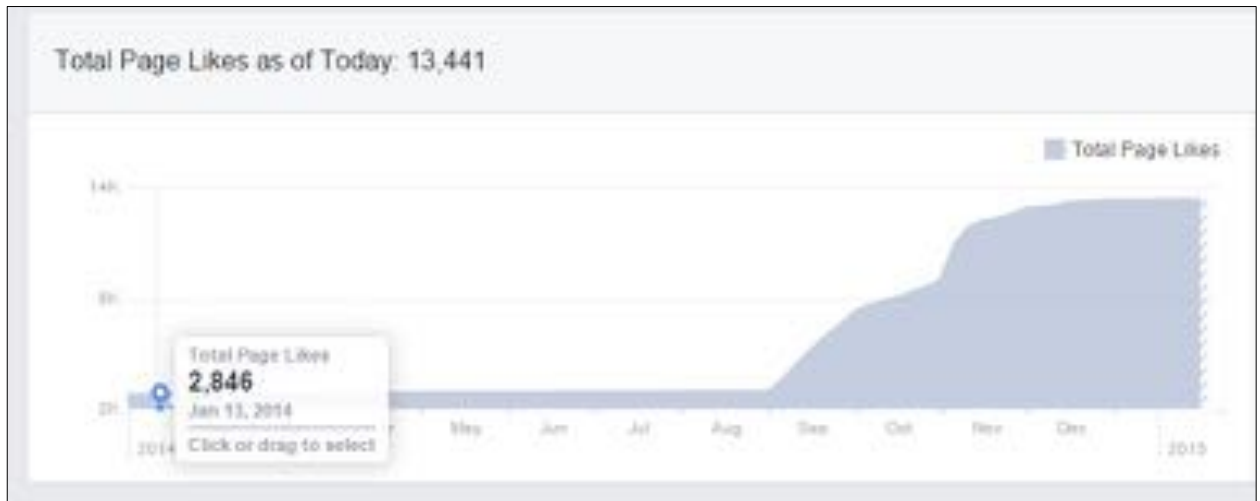


This led to a **20%** increase in female followers as well as over **50%** increase in total followers with a total of **13,453** compared to **2,846** followers recorded earlier in January 2014.

Demographics



25% Female Followers





13,453 Likes

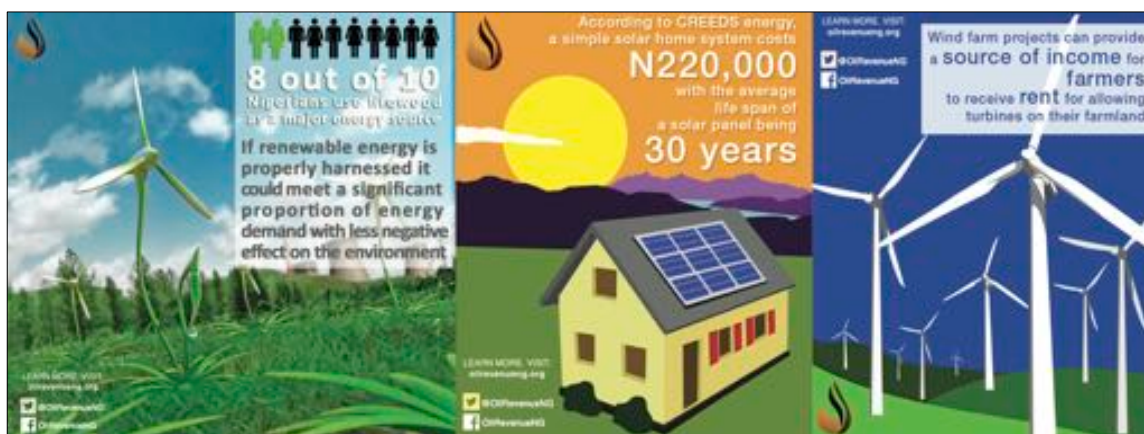
Twitter

ORTI hosted regular 'tweet meets' through its handle @OilRevenueNG. #RenewableEnergy and #IGR were popular hash tags employed during these engagements. The impact of each session was analyzed using an online social media engagement tool – 'Tweet Reach'. The account presently has 2,532 followers.

Clean Energy

On October 30 2014 a live tweet session was hosted by @OilRevenueNG, "Wind Energy: Cleaner and Cheaper for Nigeria" to communicate the potential of wind power as a renewable energy source. In addition to general tweets, a flashcard was produced to publicize the event and an article written to serve as a guide for participants.

Flashcards



How much do you know about renewable energy in Nigeria?

Join our live tweet session

11AM
October
30th

Hosted by
@OilRevenueNG
#RenewableEnergy

Wind Energy: Cleaner & Cheaper for Nigeria

WHAT AFTER OIL? Alternative Energy NIGERIA

HYDROPOWER: HYDRO POTENTIAL, CURRENTLY ABOUT 7.2% OF NIGERIA'S POWER SUPPLY, APPROX. 12% IS UNEXPLOITED. FROM POWER IN THE NIGERIA RIVER BASIN, THE POTENTIAL FOR SMALL-SCALE HYDRO POWER SUPPLY IN NIGERIA IS ESTIMATED TO BE 2,500 MW.

BIOMASS ENERGY: THE AGRICULTURAL SECTOR, WHICH PROVIDES 25% OF NIGERIA'S GDP, IS A MAJOR SOURCE OF BIOMASS. THE POTENTIAL FOR BIOMASS ENERGY IN NIGERIA IS ESTIMATED TO BE 1.2 MILLION TONS OF BIOMASS PRODUCED ANNUALLY.

SOLAR ENERGY: NIGERIA HAS A HIGH POTENTIAL FOR SOLAR ENERGY. THE POTENTIAL FOR SOLAR ENERGY IN NIGERIA IS ESTIMATED TO BE 1.2 MILLION TONS OF BIOMASS PRODUCED ANNUALLY.

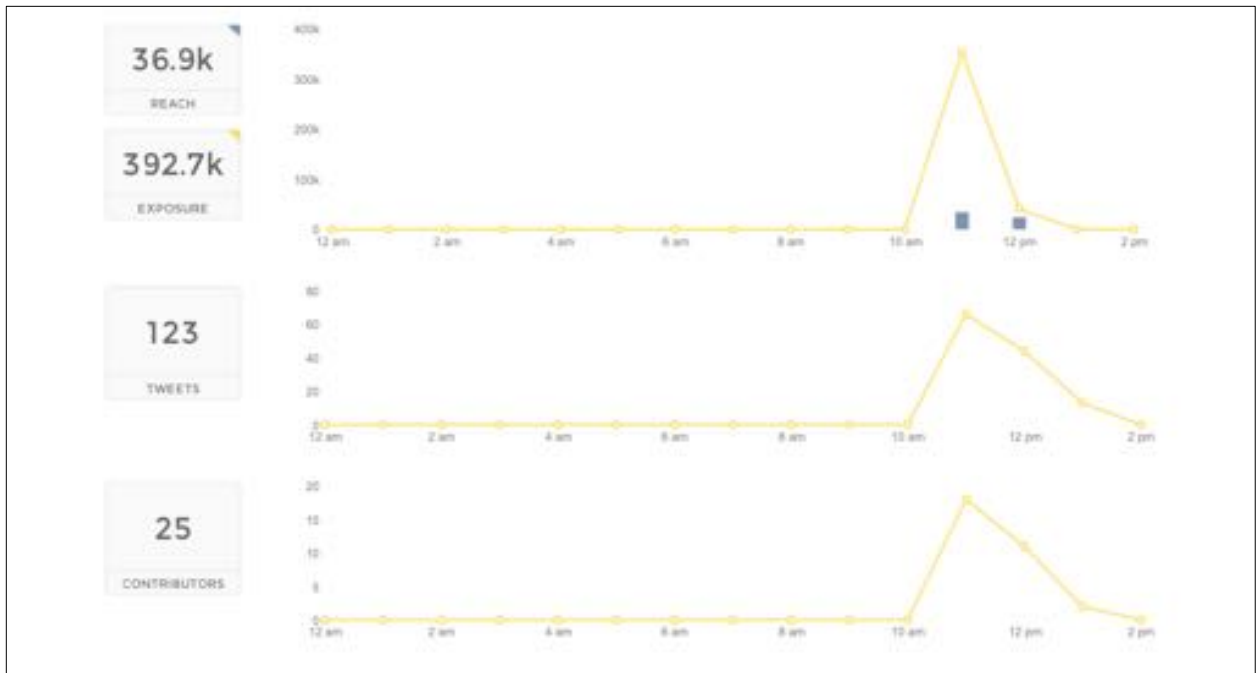
WIND ENERGY: WIND SPEEDS RANGE FROM 1.4 - 3.0 M/S (3.2 - 6.7 MPH) IN THE SOUTH AND 1.0 - 2.0 M/S (2.2 - 4.5 MPH) IN THE NORTHERN PARTS. A 10 MW GOVERNMENTAL POWER PLANT IN KALINGO AND ANOTHER 20 MW PLANT IN OYO STATE ARE UNDER CONSTRUCTION.

GEOTHERMAL ENERGY: THE AFRICAN CONTINENT HAS A HIGH POTENTIAL FOR GEOTHERMAL ENERGY. THE POTENTIAL FOR GEOTHERMAL ENERGY IN NIGERIA IS ESTIMATED TO BE 1.2 MILLION TONS OF BIOMASS PRODUCED ANNUALLY.

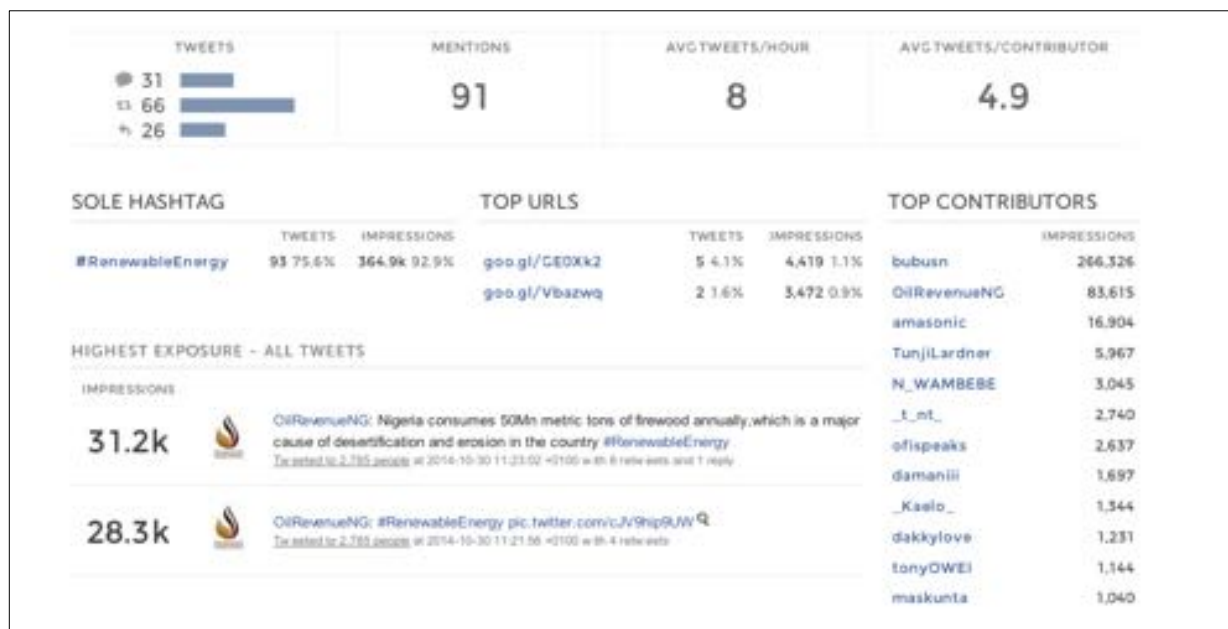
LEARN MORE. VISIT: oilrevenue.org

OIL REVENUE TRACKING INITIATIVE

Impact



Reach 36,900 | Exposure 392,700 | 123 Tweets | Contributors 25 | Retweets 55



Traditional Media

ORTI participated in several drive-time radio broadcast sessions on both local and international radio stations.

Station	Anchor(s)	Participant(s)	Subject
Nigeria Info 95.1	Christy & Crazy Dex	Amara Nwankpa	'Deregulation of the Downstream Sector in Nigeria.
Nigeria Info 95.1	Christy & Crazy Dex	Busayo Ogundana (ORTI) Hannah Kabir (CREEDS Energy)	'Beyond Oil' and 'Renewable Energy'.
Nigeria Info 95.1	Live Broadcast		Town hall Broadcast
Amplifiedradio.net	Live Broadcast		Town hall Broadcast
Amplifiedradio.net	Cynthia Mbamalu & Nana Nwachukwu	Amara Nwankpa	Follow up to Resource Governance Town hall
NPR News, USA	Julia Simon	Amara Nwankpa	Discretionary awarding of oil blocks in Nigeria.

CSO Roundtables

The Foundation hosted a CSO roundtable on November 24, 2014 to discuss the upcoming Resource Governance Town Hall meeting, provide an overview of ORTI's work to date and gain input from stakeholders. The meeting was attended by representatives of Stakeholder Democracy Network (SDN), FOSTER, Youth Initiative for Advocacy, Growth & Development (YIAGA), CLEEN Foundation, NEITI, Publish What You Pay (PWYP), CREEDS Energy, Heinrich Boll Stiftung and ICEED.

Town Hall Meeting

A Resource Governance Town Hall was organized by SMYF on December 4, 2014 to provide a platform for key stakeholders, policy makers and the general public to engage on issues surrounding responsible resource governance in Nigeria. The programme aired live on Nigeria Info FM (99.5) and was broadcast via the YIAGA online platform (amplifiedradio.net). Participants included key stakeholders; Dr. Bright E. Okogu (Director General, Budget Office of the Federation), Inemo Samiama (County Director, SDN), Florence Kayemba (Programme Manager, SDN), Zainab Ahmed (Executive Secretary, NEITI), Ken Saro Wiwa (Special Adviser to the President on Civil Society and International Media), Kingsley Amaku (Senator Bukola Saraki's Office), Hannah Kabir (CREEDS Energy), and was attended by representatives from CSOs, MDAs, university students and the general public.

Flashcard used to promote the Town Hall meeting





Moderator and Key Stakeholders

University Visits

As part of American University of Nigeria's (AUN) sustainability month activities, a team from ORTI comprising the Director, Public Policy Initiative Amara Nwankpa and Emmanuel Agiamoh visited AUN on November 20, 2014. An open discussion session with staff and students of AUN focused on 'Responsible Resource Governance in Nigeria' and 'Sufficiency of oil – Nigeria's over-dependence on oil'.

Key issues included the environment as a resource, human capacity development, alternative/renewable energy, Internally Generated Revenue (IGR) and the question of what after oil. One hundred ORTI resource governance booklets were distributed. The Vice President, Academic Affairs, Professor Charles Reith pledged support for the Yar'Adua Foundation's Resource Governance Town Hall Meeting and proposed SMYF's participation in a workshop as part of AUN's sustainability program scheduled for the upcoming academic session.



Impact

Elevation of Resource Governance as a key issue for 2015 general elections.

ORTI participated in the Nigerian Political Parties Discussion Series (NPPDS) - Natural Resource Governance in Nigeria: Oil and Gas on January 8, 2015. The Centre for Democracy and Development (CDD) and Open Society Initiative for West Africa (OSIWA) organized the debate to address the critical need to develop practical frameworks to tackle the socio-economic and political challenges of Nigeria.

The debate featured two of Nigeria's top political parties: Alhaji Lai Mohammed, National Publicity Secretary - All Progressives Congress (APC), and Dr Katchi Ononuju, representative - Peoples Democratic Party (PDP) who discussed oil sector reform policies and resource governance with respect to

the 2015 general elections. Party representatives were rigorously examined based on their manifestos and were questioned in relation to current issues in the oil sector such as the Petroleum Industry Bill and drop in oil prices.

Inclusion in All Progressives Congress (APC) Manifesto.

It is note worthy that key clauses from the All Progressives Congress (APC) manifesto reflect ORTI messaging.

“In the past, political Manifestos in Nigeria were hardly different from mere platitudes and general statements to which parties could not be held accountable. The APC Manifesto is different. We have clearly stated what we will deliver to Nigeria when elected into office. Our focus is on six priority areas: National Security, Good Governance, Human Capital Development, Economic Development, Land and Natural Resources and Foreign Policy”.

Conclusion

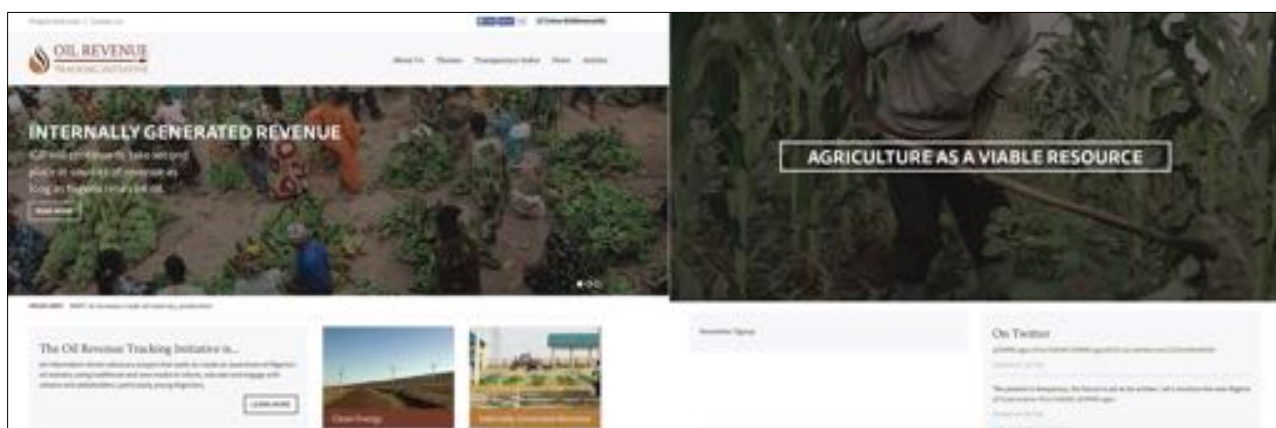
While the conversation surrounding resource governance is louder and broader than it has ever been, much more needs to be done. Further collaboration and increased partnerships can be forged to boost the present level of advocacy and engagement to encourage transparency and accountability in the sector. ORTI will continue to build upon the foundation it has laid, providing stimulating content and use of its platforms as tools for information dissemination and public engagement.

ORTI continues to positively influence its target audience and has received numerous commendations and acknowledgements from stakeholders.

Next Steps

1. Website Upgrade

The initial website upgrade is 90% complete. Final migration will occur before the end of March 2015.



Three interactive applications will then be developed and incorporated into the upgraded website:

- Interactive State Map of Nigeria (Internally Generated Revenue)
- Interactive Gas Flaring Info-graphic (Alternative Energy)
- Interactive oil industry value chain (Perception of Oil Wealth)

2. University Visits

ORTI will continue visiting universities as part of its public outreach to engage staff and students on issues surrounding resource governance in Nigeria. Baze University Abuja is scheduled for the next outreach in May 2015

3. Host one post election tweet meet session

4. Continue creating stimulating content for dissemination on social media platforms

5. Support Stakeholder Democracy Nigeria (SDN) in promoting the organisations interactive gas flaring and oil spill tracking web applications as well as their Contract Contagion report

Acknowledgement

ORTI would like to express its gratitude to the countless individuals and organizations who have engaged with this important initiative.

Oil Revenue Tracking Initiative
www.oilrevenueng.org

