OPENING AND FIRST SESSION

The Conference was declared open by the Vice-Chancellor of the University of Ibadan represented by the Deputy Vice-Chancellor.

The Director of the Centre, Prof. Adenikinju gave a brief overview of the Centre for Petroleum, Energy Economics and Law (CPEEL), stating that the Centre was well setup to provide training and capacity building on energy issues. With cross-cutting collaborations with national and international institutions, the Centre hopes to provide the necessary manpower and strength for policy formulation and implementation. He opined that it was time for education grant-giving institutions to look inward to Nigerian institutions to provide the needed human resources for energy.

Goodwill messages were given by notable government agencies and institutions such as the Oyo State government represented by the Secretary to the State Government, the Executive Secretary of Petroleum Trust development Fund (PTDF), Mr. Femi Ajayi, United Nations Industrial Development Organization (UNIDO) represented by the Regional Director for Nigeria and West Africa, Dr. Patrick Kormawa. In his goodwill message, Dr. Kormawa said he “looks forward to seeing CPEEL providing the necessary manpower for the region’s industrialization through energy development”.

The Chairman of the conference, Dr. Emmanual Eghogah, gave his opening remark on *the Oil and Gas in the Gulf of Guinea: Development and Management for Inclusive and Sustainable Development*. He gave a brief introduction on the Gulf of Guinea which stretches from Guinea in north-west Africa to Angola in the south. The Gulf of Guinea was an energy corridor, providing about 12% of Global Oil and Gas Supply. He recommended that for the Gulf of Guinea governments to reap the economic and social benefits from oil and gas, favorable oil and gas frameworks have to be implemented towards ensuring the industry becomes globally competitive. He added that oil recovered to date in Nigeria was about 190 billion barrels with about 106 Billion barrels of crude oil yet to be discovered. Also, with dedicated effort at exploration, gas reserves in Nigeria could reach 600Tscf.

The keynote address was given by Prof. Isaac Albert Olawale, and was titled *Options and Strategies in Dealing with Oil and Gas Conflict in the Gulf of Guinea*. Some of the conflict issues as highlighted by Prof.
Isaac are defined by the resources curse and paradox of plenty phenomenom. He listed some impacts of the resource curse as increased environmental scarcity, migration, unequal resource access, which eventually leads to a weakened state. This according to the keynote speaker, ultimately leads to “situational and career criminality” – when people behave criminally because of the situation they are faced with. This results in kidnapping, hostage-taking, bunkering.

Prof. Albert further went on to suggest that development in Angola and Nigeria is not inclusive, and called for a concerted effort at bringing everyone on board. According to him, the current security condition in Nigeria can be linked to the drying-up of the Lake Chad which provided a source of livelihood to people living in the region. He also opined that the international community is only interested with the security of the nation up to the extent to which it affects their interests.

The First Panel Session which was chaired by Prof. Akin Iwayemi, had as discussants, Prof. Wumi Iledare, President, International Association of Energy Economics; Engr Fisoye Delano, Senior Vice President, CAMAC USA; Prof. John Litwack, Lead Economist for the World Bank in Nigeria; and Dauda Garuba, Nigeria Programme Coordinator, Natural Resource Governance Institute.

Prof. Wumi Iledare who presented the topic, Fiscal Regime and the Petroleum Industry Bill (PIB), noted that Nigeria is a country blessed with both physical natural and human resources. Nigeria has a mature oil and gas industry with an estimated 100 billion barrels of oil at ‘p50’ placing it as the 10th largest oil and gas producing country. It is also placed among the top 12 in producing of its accidental natural gas reserve and is majorly a gas province with droplets of oil. In the transition to renewable energy, it is forecasted that for the next 20-30 years, there would still be a global dependence on oil and gas as a primary energy source. This highlighted the need for transparency in governance to take advantage of this resource for maximum economic growth.

Prof. Iledare stated that a petroleum fiscal regime describes the legislative process for oil and gas in a nation, and also shows the relationship between stakeholders in determining equitable sharing of oil and gas revenues. The objective of the fiscal regime is to ensure an increased access to energy, skilled manpower and entrepreneurs, and a new policy not on buying and selling as is the situation currently in Nigeria. He said that it must be driven by serious minded investors, adding that for sustainability purposes, local content must be ensured. To create a mutuality of interest, an efficient fiscal system must therefore meet government objectives and company’s objectives.
Prof. Iledare highlighted the two major fiscal systems to be contractual and concessionary. The two major fiscal systems can be distinguished by the terms of ownership, taxation, bonuses as well as the profit sharing mechanism. The contractual is characteristic of the earlier years of the oil industry.

The Petroleum Industry Bill (PIB) 2012, Prof. Iledare noted, promotes transparency and accountability because of its regulation of taxes and royalties. Fiscal system must be flexible with an intellectual basis for policies, debated by politicians and consultant. The need for PIB cannot be overemphasized because the existing laws are old and outdated. These old laws have the entire power of industry vested on the Minister of Petroleum and also invest on him the right of discretionary award for very scarce resources which is not proper.

PIB embodies openness transparency, competitiveness, simplicity, good governance, sustained revenues. Its fundamental objectives are well stated, and are directed at enhancing exploration and exploitation of resources, as well as increased domestic gas supply. Petroleum policies should be driven by sustainable energy development and not growth or foreign exchange earnings. Geology is a means to an end and thus needs a good fiscal system to attract investors. It therefore demands that fiscal system must be progressive. Downstream should be deregulated, with an efficient regulatory agency. Anti-transparency and accountability demotes active Nigeria content and requires an institutional change that empowers institutions and not individuals in contrast to 1969 policy. Nigeria’s petroleum industry must take its cue from the CBN that demands a functional relationship but not subordinate relationship with the minister of finance.

He concluded that every regulation must have an incentive for obedience such as the carrot and stick approach that is not based on effort but on output. Nigeria thus needs fiscal responsibility and accountability in governance for survival of oil industry.

Engineer Fisoye Delano spoke on Fiscal Regime and Oil and Gas Sector Development in the Gulf of Guinea. A fundamental issue in Africa, according to Engr. Delano, is access to electricity with South Africa having the most while Gambia has the least access. He affirmed that there exists a proportional relationship between energy consumption and economic growth (this is inclusive of all primary energy sources such as fossil fuel, nuclear, renewable). The primary intention of fiscal regime is to create access to energy in an environment that would allow for domestic consumption. Most importantly, there must be a balance between investment viability and government take, while also meeting both company and government objectives.
Engr. Delano stated that the Gulf of Guinea ranges over the coastal areas from Angola to Senegal. The active countries participating in oil and gas exploration however include countries such as Nigeria, Angola and Equatorial Guinea. These countries have shifted focus overtime from IOCs to NOCs and now independents are acquiring position in the upstream oil and gas. Hence, fiscal regime must reflect the dynamics in wealth exploration, consumption of petroleum and petroleum products. The situation in Nigeria, he noted, is characterized by refineries functioning at less than nameplate capacity hence, the need to import energy to fuel our life style.

On the issues of fiscal intervention, Engr. Delano said that Angola had increased petroleum production to 2Mbbl/ day but still needs to import energy through petroleum products. This was also true for Cameroon which was grappling with declining production for export and shortage for domestic consumption. Guinea has enough for their population with respect to size in LNG exports and had a deal with British gas that led to cargo diversion from a lower to higher value market on the far east, and guinea receiving peanuts. To this effect, the country restructured her agreement ploughing back a 12.50% increase in value of the transaction. The Ghana jubilee field has witnessed increasing production with a refinery working below capacity created to receive crude oil supplied from Nigeria. Now Ghana has the resources but wanted to export and not supply it to her refinery, thus generating some conceptual and profound issues. Ghana was operating a ‘no flare’ policy where all associated gas was re-injected. A pipeline project is ongoing to supply the thermal plant at Takoradi, and they contemplate importing gas through LNG. This can only be achieved, through mechanics of the fiscal regime. Plants were originally hydro with dual fuel-bonny light.

He noted that it was ironic that Nigeria talks of no fuel in power but bonny light was been exported in drums. There was a changing structure in Nigeria, with independents acquiring assets, and EGTL delayed due to fiscal regime that guaranteed stakeholders profitability. The same goes for the NLNG associated fiscal regime, with associated gas regime of 1992 as one of the key drivers, and which had consolidation as one of its key element. The Local Content Act of 2000 had resulted in increased local participation in the development of the petroleum resources. The primary intention of the act was to promote investment, and domestic energy consumption.

Engineer Delano concluded that CPEEL was positioned to monitor performance of the fiscal regimes and aid the government in making policies that would achieve these objectives.
Mr. Dauda Garuba spoke on the topic, *Transparency and Accountability in the Oil & Gas Sector*. Alluding to George Bush’s reference to the Gulf of Guinea as the ‘ungoverned spaces in Africa’, Mr. Garuba asserted that the oil from the Gulf of Guinea fuels the world while failing its citizens. Transparency is thus essential because it reduces corruption, has the possibility of improving democratic debate, and citizens’ trust in the government. It also empowers citizens and civil society to demand DCF and IRR for company and government respectively.

Mr. Garuba expounded on Nigeria’s experience on the issue of transparency and accountability in the oil and gas sector, stating that the 1969 petroleum industry act was passed in the middle of the civil war when there was inadequate knowledge and dire need for money; hence, contracts were signed with Nigeria on the disadvantaged end. Similarly, a related issue played out in 1993 as there was inadequate analysis of the contracts signed by the country then. Contracts came at a time with over 500 million in reserve, with respect to changes in global market dynamics and national socio-economic dynamics. Revenue losses are due to an unfavorable fiscal system. The consideration of PIB by the national assembly has lingered since 2008. For Ghana however, the nation has gone through a learning curve from the mistakes of Nigeria.

Local content investment has resulted in indigenous companies carrying Nigerian faces as a front for foreigners, since the bank cannot generate the resources required (undeveloped capital market). Due to insider information problem, local content is still at 10%. Petroleum subsidy also accounts for about 6.3 trillion naira.

Mr. Garuba noted that there are 58 countries involved in mineral production, with Nigeria at 40th position because of poor performance and lack of an enabling legal and regulatory environment. Nigeria sells most of her oils through intermediaries and this also holds true about Angola. Problems also include poor inter-governmental relation and a refusal to transform. Every institution along the value chain in Nigeria is froth with weakness. Unlike Norway which invests all its oil revenue rather than consume it, Nigeria’s reserve can only last two months according to the Minister of Finance, which denotes poor use of resources. Nigeria has also done very poorly in the area of accountability. A resonating issue in literature indicates lack of change and or lack of implementation of recommendations to effect change. He concluded that fiscal system should show accountability, exploration tracking and contract transparency.
Prof. John Litwack started his presentation on *Macroeconomic Management of Oil Resources* by highlighting the paradox among resource dependent countries, noting that there is a strong relationship between slower economic growth and macroeconomic instability hence the resource curse. He affirmed that resource abundance is not an automatic blessing. Challenges with respect to revenue inherent in volatility in prices and Dutch disease inflows from foreign currency put upward pressure on exchange rates to the detriment of international competitiveness. Rent seeking behavior diverts attention from other productive activities. Exhaustibility of resources results in the issues of fiscal sustainability, absorptive capacity and difficulty in managing windfall revenues in an efficient manner.

Prof. Litwack noted that countercyclical fiscal policies is key to protecting the economy from the boom-bust cycle due to commodity price volatility, and buffer used to support economic growth in relation to oil prices. Successful countries that used countercyclical policies in the management of resource wealth such as Norway, Malaysia did not bind their hands in terms of rules for the management of revenue, but were able to implement the policies unlike those trying to impose such as Nigeria, Russia and Kazakhstan. In terms of budget deficit, he stated that there is no consensus as to what the reasonable government deficit should be. It is of utmost importance to encourage the economy to diversify and become less dependent on oil.

Oil reserve fund- stabilization buffer protect country against shocks. Such funds should be invested in long-run high return assets and should use return on portfolio for that purpose. Investment must be channeled through the budget. Investment fund is used in Russia as pilot fund to increase industry efficiency in the country. Nigeria accomplished a significant stride by withstanding the financial crises in 2009 because of accumulated reserve before the crises hit.

Presently, there is a need for a political consensus that determines benchmark price based on past and future projections. One major problem is the huge premium to generate the benchmark price. Prof. Litwack was of the opinion that in the case of lack of reserves, the price should be lower. Another issue to note, according to him, is whether the economy is growing faster than its oil sector in the medium term and the problem of insufficient investment due to regulatory problems.

There could be political and welfare advantages for Nigerians, by increasing awareness and monitoring of the civil society on governance activities i.e. opportunity cost of the fuel subsidy is
channeling the savings to excess crude oil account. The National identity card system could play an important role for revolutionizing these policies, he concluded.
SECOND SESSION

The second session which was chaired by Dr. Kwame Ampofo, the Director of Ghana Energy Commission was the Policy Round Table which centred around the theme of the conference, *Oil and Gas in the Gulf of Guinea: Development and Management for Inclusive and Sustainable Development*. Other members of the Panel were Mr. Muyiwa Lawal who represented Mrs. Shola David-Borha, the Chief Executive Officer of Stanbic IBTC, and Engr. Alfred Ohiani who represented Mr. George Osahon, the Director of the Department of Petroleum Resources (DPR) and former Special Adviser to the President on Petroleum Matters, Dr. Emmanuel Egbohag.

The Chairman noted that the Gulf of Guinea is a great player in the international oil and gas market. There is the need for good management of the resources for today and future generation. Different national constitutions have some provisions relating to development and management of oil and gas. For instance, the Ghana constitution of 1992 clause 6, article 257 vests the ownership of minerals including oil and gas in the sovereign state i.e on the President on behalf of the people of Ghana. This applies to many other states within the region.

The first speaker Dr. Emmanuel Egbohag spoke on the topic, *Oil and Gas Opportunities: Challenges, Policy and Procedure, Partnership and Processes*. Dr. Egbohag identified Ghana, Angola, Nigeria, Ivory Coast Cameroon, Equatorial Guinea among others as countries in the Gulf of Guinea region. Many of these countries are oil producing countries and a uniform policy can be put in place to make the region the energy corridor of the world. The region has many inhibiting challenges and this include technology, capital. Although the region has the resources, it is being beset by poor governance and lack of transparency which have led to high level of corruption. If these challenges can be tackled, then the region will be a hub of hydrocarbon in Africa.

Dr. Egbohag stated that a major problem with the region is the production of oil to sell rather than refine locally. He observed that the region majorly produced to sell but a barrel for $100 can bring the region $200 if these value chains are processed and improved. An underlying problem is because we prefer easy money for immediate consumption and a quick sharing of the oil revenue.

According to Dr. Egbohag, technology needs to be developed further in the region. Strategic partnership is also very crucial because the region does not have investment capacity hence an environment where both the owner and investor will benefit has to be created. Our value can be
improved by creating refineries, petrochemical facilities and food security by looking into the agricultural sector and producing fertilizer to boost production.

Dr. Egbogah expounded that partnerships are very crucial because high human capital exist in the region. What the region needs is the enforcement of right policies by the government. Our governments hardly implement long term policies but those that can yield quick money in the short term. It is also unfortunate that home grown technology has not been developed. There is for further acquisition of skills and trainings so that the region can stand on its own and drive the economy. The people can challenge the government to do all these, he concluded.

The second speaker Mr. Muyiwa Lawal, representative of the CEO of Stanbic IBTC Bank, spoke on the topic, Financing Oil and Gas Project: The Role of the Banking Sector. He noted that the banking sector is always willing to assist in oil and gas projects, but there are certain important factors that must be considered before they take the step. The bank usually ensures that the depositors’ funds are not wasted in any investments with high risks. Alluding to the recent report in national dailies that banks have spent about $20billion in the support of the oil and gas sector, he stated that this shows the willingness of the banks to finance projects.

Mr. Muyiwa Lawal observed that prior to 2007, banks were reluctant because of the low capital base of the banks i.e. the depositors fund. But after 2007, banks became more willing to support well structured transactions. In the pre- production phase, the investor must show a significant regulatory due diligence; technical studies associated with seismic data will be studied by the bank to show that there is oil in the acreage, the environmental impact assessment must be done, there must be an off taker, due legal diligence and so on. The most critical is the managerial capacity of the leasee who must have the capacity to produce oil and gas by having a good team in place. The Federal Government lacks the fund to sponsor these projects, so banks need to be satisfied that the company can deliver and produce within time.

Mr. Lawal stated that the bank also looks at an important individual business/corporate governance structure which is the board of directors as this is always considered to determine if the business will be a going concern or will exist at the mercy of one man. He added that banks partner together to sponsor projects. However, the partnering bank must have the asset base. Stanbic IBTC, according to him, has the financial strength and has been in the oil and gas business for about 75 years. Stanbic
IBTC does not rely on balance sheet but on assets. The parent company, the Standard Bank is also involved in financing oil and gas projects.

The bank will equally check Nigeria’s reserve base lending by doing the Net Present Value (NPV) analysis to determine the sum of the present values of all incoming and outgoing cash flows over a period of time. The bank does not use balance sheet but depends on the cash flow of the transaction. The bank can raise equity for the company if the business is viable and the company does not have the capital. Stanbic IBTC has recently supported Oando, Tenaco assets, and provided the sum of $5.35million dollar support for Seplat.

He concluded that banks will always support a project if the structure shows that the business is viable and has a potential of success.

Engr. Alfred Ohiani who represented the Director of DPR spoke on the topic, Development and Management for Inclusive Sustainable Development in the Gulf of Guinea. Engr. Ohiani stated that eight out of the Gulf of Guinea countries are producing oil. Angola and Nigeria are the highest with about two million barrels/day. Nigeria has about 37bb in foreign reserve while Angola has 11. Equatorial Guinea is growing in gas development. The movement of deep offshore and collaboration with Equatorial Guinea are signs of progress.

He identified the challenges the Gulf of Guinea countries are facing to include the issue of commercial terms for competitive investment. Production Sharing Contracts (PSC) was used in the 90’s which favoured the IOCs. The Federal Government offered deep water incentives which attracted investors and technology to the extent that smart wells have been built, as well as improved oil recovery methods. He noted that economic growth leads to increase in energy demand, but the demand has not been met as exploration has gone down because of poor legal framework. Petroleum Industry Bill (PIB) is still pending and this has not helped the industry. The PSC 1993 and 1995 which are supposed to be revised after 15years are still in use and the terms are no longer favourable to both parties. He opined that policies must be built towards the local market but IOCs focus more on exporting for more money when there is an unharnessed local market for oil and gas.

Engr. Ohiani highlighted the political challenges Nigeria is facing that are having implications for the oil industry. He noted that high political risk affect investment negatively, while stable legal regime and economy encourages investment. The amnesty programme in Niger Delta has helped in
stabilizing business operations but the host communities must still be carried along so that infrastructures can be protected.

He stated that it will be a good thing if the local content policy is replicated in the Gulf of Guinea region for uniform application. Regional refining should be encouraged and built to take advantage of the huge African Market and reduce importation, just the way United States have reduced dependence on Nigeria and our income is suffering. Over 24 licenses have been given to investors but they were later sold to exporters. Plants such as liquefied natural gas plants and ethanol plants which will encourage employment have to be developed. Inter-relationship between the academia and the policy makers is necessary for efficient development of the sector, while data exchange among countries must be encouraged.

Engr. Ohiani concluded that synergy among the countries, uniformity of policies and coordination are needed to develop the industry in the region so that it can be changed to a refining hub instead of export hub.
THIRD PANEL SESSION

The third session was chaired by Prof. Soji Adelaja, Chairman of the Presidential Committee on the North East. Panelists on the session titled, *Oil and Gas Development and Regional Energy Initiatives*, include the Principal Investigator of the CPEEL, Prof. Akin Iwayemi, Dr. Alhaji Mustapha, Energy Specialist at UNIDO who represented the Director of UNIDO Regional Office Nigeria, Dr. Patrick Kormawa and the Director of CPEEL, Prof. Adeola Adenikinju.

Prof. Akin Iwayemi’s presentation entitled, *The Transformative Shift to Renewable Energy in Sub-Saharan Africa*, involved a critique of the dependence on fossil fuel energy sources. He argued that a path-dependent fossil-fuel dominated energy pathway is questionable in spite of the relative abundance of fossil fuel resources, low contribution to global carbon emission and climate change and low level of economic and industrial development. According to Prof. Iwayemi, “an energy infrastructure that delivers adequate, reliable, accessible, affordable and secure energy services, especially electricity to end users is key to achieving the goal of sustained and inclusive industrialization, economic growth and significant improvement in material prosperity.”

In his presentation, Prof. Iwayemi noted that the energy and industrial challenges faced by Sub-Saharan African countries are formidable but surmountable given the right policies and political will. This he believed can be achieved through proper leveraging of current robust and sustained macroeconomic performances in the region, and harnessing the opportunities inherent in recent technological advancements especially as it relates to renewable energy in the quest for diversified and secure energy future for all. The critical question to pose, according to Prof. Iwayemi, is “how can Africa have a transformative shift to more efficient and environmentally friendly energy infrastructure provision and service delivery as an anchor to achieve significant expansion in job creation, value addition, poverty reduction and material prosperity?”

Prof. Iwayemi highlighted the features of the African energy landscape, stating that Africa is well endowed with both renewable and non-renewable fossil fuel energy resources. Renewable energy resources are found in exploitable quantity in all African countries especially hydropower resources. Only about 5 per cent of Africa’s 11 per cent share of global exploitable hydropower resources is being exploited. Among other causes of low development of renewable resources include weak policy and institutional framework, lack of level playing field for renewables in the fossil-fuel dominated energy structure which is a major barrier when related to the cost of renewable vis-à-vis
fossil fuel for electricity generation. A regime of poorly targeted subsidies to fossil fuels and electricity has led to major underinvestment in the energy industry. To this end, most countries have implemented far-reaching reforms in the sector towards achieving more and reliable adequate energy and electricity access and supply.

Prof. Iwayemi noted that global developments over the years have telling implications on the development of SSA’s energy. He opined that the era of cheap global energy supply for African countries, especially energy import dependent nations, has come to an end. More so, a major driver for the increase in the share of renewable energy in global energy mix is climate change. Development of shale oil and gas, as well as price crash in oil has led to a reduction in subsidy which supported the development of renewable energy.

Prof. Iwayemi further looked at issues prevalent in SSA which should frame the discourse in the formation of policies that would lead to energy sector development especially renewable sector. These are low level of energy access across the continent, low level economic development highlighted by energy and income poverty, high cost of imported renewable energy technologies due to inadequate innovation and local manufacturing, less attractive financing terms for developing renewables in the region as they are relatively less known compared to fossil fuel.

According Prof. Iwayemi, a major need to shift to renewable energy in Africa is the opportunity it provides for charting new energy and industrial development pathways, and the opportunity it provides to shift to a sustainable system. A transformative shift to renewable energy as part of a strategy to end Africa’s energy crises requires an urgent and proactive structural adjustment in the energy and development agenda, he concluded.

The second presentation of the session entitled, *Regional Energy Initiatives in the Gulf of Guinea: UNIDO Experiences*, was delivered by Dr. Alhaji Mustapha, the Energy Specialist for UNIDO. Dr. Mustapha stated that the Gulf of Guinea is expected to be one of the world’s top oil-producing regions. He highlighted some of the regional efforts to improve energy access in the continent to include West African Power Pool, which is a specialized institution of ECOWAS aimed at ensuring promotion and development of power generation and transmission facilities, as well as coordinate power trade between member states; West African Gas Pipeline aimed at transporting natural gas from Nigeria to Benin, Togo and Ghana in a safe, responsible manner at competitive prices.
Dr. Mustapha noted that UNIDO is contributing to improved energy access especially in promoting the use of renewable energy, and offers services in technology transfer, policy support, capacity building, global forum activities, and information dissemination. He mentioned some of the ways UNIDO has helped in building energy infrastructure in Nigeria, such as technology partnership with NASENI towards the manufacture of two 35kW Small Hydro-Power (SHP) Turbine, partnership with the Energy Commission of Nigeria and state governments in the deployment of SHP Turbines.

According to Dr. Mustapha, UNIDO has contributed in a large way to see that there is improvement in the access to electricity. Nigerians have been sent to other countries to be trained to build energy infrastructure. Some small hydropower turbines have been built and installed in some villages in Bauchi and Osun States. He noted there are small hydropower sites where electricity can be generated in small quantities to supply its surrounding villages.

Dr. Mustapha concluded by stating that the major problem facing this part of the world are energy poverty and insecurity. Therefore, access to affordable and reliable energy services is the key to improving health, reducing poverty, and improving education.

The third presentation titled *What Needs to Change to Make Renewable Energy Grow as a Sector in Nigeria* was made by the Director of CPEEL, Prof. Adeola Adenikinju. He observed that there is a shift and increase in the global energy mix. Increasing energy access is expected to come from renewable energy. According to him, following the law of economics, most countries that are importers of energy rely more on the renewable energy and promote their use than those countries that have conventional energy and are exporters of it.

Policy priorities in Nigeria, according to Prof. Adenikinju, show that oil subsidies have reduced the competitiveness of renewables in the country. Determinants of renewable energy technologies to promote its use are;

1. Endowments where resources are used more intensely both nationally and locally owing to the fact that the nation is endowed with such resources.

2. Economic Factors which includes; incentives, pricing and cost of acquisition and deployment of renewable energy.
A major problem being faced in Nigeria, according to Prof. Adenkinju, is lack of awareness. Nigeria should learn from what other countries have done and follow their footsteps in the plans to improve renewable energy. Such plans include the building of strong legal frameworks, in which case, Nigeria has suffered overlapping of regulations and duties of different agencies in renewable energy has no clear cut who does what. The plans also include strong and credible support mechanism.

The pre-condition for this is to create a business environment that is profitable, that is, business environment that goes beyond the pilot programmes of the government. In addition to that, Nigeria should reduce their dependence on carrying out only big projects and start considering doing small ones.

Prof. Adenkinju concluded by stating that by 2020, Nigeria is expected to generate 40,000MW; hence all the renewable energy sources should be harnessed. It is thus imperative that well organized policy framework and research driven policies should be brought on board, he concluded.
FOURTH SESSION

The fourth panel session with the subtheme, *Conflict and Security Issues*, had as discussants, Prof. Soji Adelaja, the Chairman of the Presidential Committee on North East (PINE); Dr. Xavier Moyet, the Director of Institut de Recherche Francais en Afrique (IFRA); Air Commodore (rtd) Isaac Olufemi Oguntiyi, the CEO of O-larfem Nigeria Limited; and Rear Admiral Joseph Okojie, who represented the Chief of Naval Staff, Nigeria.

Prof. Soji Adelaja spoke on the topic, *Peace and Conflict (Resolution) in an Oil and Gas Producing Country – Experiences of the Presidential Committee on North East*. In a comprehensive presentation on the North East which covered the economy, culture, and the security concerns in the region, Prof. Adelaja presented the government’s roadmap towards boosting the economy of the region as a sickle to ending the concerns coming from the area. According to him, the North East was a bastion of commerce and trade, a centre of Islamic learning and endowed with minerals and good agricultural resources. However, over the last 20 years, the region is faced continuously with issues of lower GDP per capita, low educational status, poor health care access, and inadequate access to basic amenities.

He stated that with the prevailing security concern in the region especially in Borno state, there is massive unemployment in the area; access to education is on the decline as only schools in Maiduguri, the state capital, are open. Over 12.6 million people live in affected regions with the number of Internally-Displaced Persons (IDPs) on the increase thereby putting pressure on available humanitarian aid and Federal Government resources. Also, over 2000 persons have been killed in terrorism-related incidence this year alone. He noted that there is need for urgent intervention which would address humanitarian issues while dealing with root causes and lead to an end to the vicious cycle of hardship.

Introducing the Presidential Initiative for the North East (PINE), Prof. Adelaja said the mandate of the initiative is to provide emergency assistance and mobilize resources to jumpstart the North-East economy and position the region for long-term prosperity. The Initiative is driven by a committee comprising approximately 22 government Ministries, Departments and Agencies, Development Partners and Representatives from the North-East. PINE hopes to achieve its mandate of socio-economic development in the region by phasing its actions under two programs – The Accelerated Emergency Relief Program and the Comprehensive Relief Program. The Accelerated Emergency
Relief Program is a fast track pilot program to be completed in a month and would provide an opportunity to test the capabilities of PINE’s partners before the implementation of the Comprehensive Relief Program. About 112,000 people are expected to be covered in this phase.

The Comprehensive Relief Program is expected to comprise a Food and Non-Food Relief Materials Scheme as well as Unconditional Cash Transfers Scheme. He noted that the amount of research, analysis and background work put in to get adequate information on the scope of the project and methods for implementation is enormous. This is expected to ensure that this project does not go the way other “development” projects have gone in time past, and would help ensure that the committee hits the ground running during implementation.

Dr. Xavier Moyet presented the work of his colleague at IFRA, Prof. Marc-Antoine Perouse de Montclos, entitled Oil Curse, State Instability, and Violence in Developing Countries: Theoretical Lessons for Nigeria. The principal summation of his presentation negates the belief that oil is a curse. He stated that those who referred to oil as a curse often allude to the notion of the Dutch Disease which posits that a country blessed with oil grows poorer rather than richer, while the presence of oil affects negatively other sectors of the economy as there was little or no innovation in such sectors. He pointed the link between oil and war in parts of Africa, and the suggestion that oil is a curse in Nigeria can be argued since autocratic regime in Nigeria predates oil exploration in the country.

Dr. Moyet noted that oil production in Nigeria is often perceived especially by aid practitioners, journalists, activists, and some academics to lead to economic failure, political instability, the inability to democratise, high levels of corruption, and violence in the form of rising crime, interstate wars, and internal conflicts. He however argued that oil alone is not enough to explain violent conflicts. It is thus imperative for decision makers to pay more attention to state governance in producing countries like Nigeria where the institutional and political contexts are important prerequisites of the curse.

He noted that relating to Nigeria, the determinism of the curse theory is clearly misleading. Sometimes the oil rent can exacerbate conflicts, but it is never a single cause. The crucial issue for peacemakers is indeed to find sustainable solutions for reconstruction and conflict prevention. In other words, the question they must address is also to know whether there would have been a war without oil. The answer to the foregoing question is often Yes, he concluded.
The third presentation entitled *Security Issues and Challenges in the Gulf of Guinea* was made by Air Commodore (rtd) Isaac Olufemi Oguntiyi. The ex-military officer who currently serves as the MD/CEO of O-larfem Nigeria Limited asked for a concerted effort at checking pirate activities in the Gulf of Guinea. He feared that if left unchecked, they could surpass those of the Gulf of Eden. He opined that the instability along the coast of the Gulf of Guinea not only threatens human security but also undermines every effort at sustainable development. Also, while the region has the richest marine ecosystem, its fisheries are among the least protected.

Air Commodore Oguntuyi highlighted elite capture, spill-over of crisis in Sahel and North Africa, economic deprivation, politics of exclusion as sources of challenges being faced in the Gulf that has exacerbated security concerns. He painted a roadmap to tackling these issues in the region which involves adopting strategies/initiative which addresses the issues based on classification (social, economic), reach (national, regional). Specifically, he suggested solutions to the lingering conflict issues to include: national initiative which entails all localized efforts such as national efforts to ensure maritime security; regional initiative; sub-regional initiative; political initiative which defines a need to harmonize country values and policies; economic initiative involving establishment of regional market with unique currency and economic cooperation; military initiative suggesting that, “autonomy of the military and different arms of government should be encouraged with a converging point for harmonizing ideas established”; and family ties calling for a “name and shame” system along family lines as a tool for deterring youths from participating in terrorist activities. He asked that the family of suicide bombers should be identified and investigated.

Air Commodore Oguntuyi concluded by calling for proper cooperation, integration and educational reforms among member countries to ensure the Gulf of Guinea enjoys successful and lasting peace.

The fourth presentation, made by Rear Admiral Joseph Okojie who represented the Chief of Naval Staff and titled *Conflict and Security Issues of Oil and Gas in Nigeria*, entails a situational report of the security issues in the oil and gas sector in Nigeria with a focus on the issues faced by the lead agency responsible for ensuring Nigeria’s maritime security – the Nigerian Navy.

According to Rear Admiral Okojia, over 15,000km of pipelines crisscross the country. Stakeholders in the oil and gas sector are those who are relevant to ensuring peace and safety in the conduct of business in the region and sector. The stakeholders include the oil bearing communities,
international oil companies, indigenous oil companies and the people of the Federal Republic of Nigeria.

Rear Admiral Okojie stated that “any distortion to oil production activities of oil producers can be equated to a declaration of war in Nigeria as it disturbs the economic balance of the nation.” He identified the over-reliance on oil as the real problem in the sustainable development of the nation and the harbinger of insecurity in the region and nation at large. Oil installations are governed by the principle of “lootability” – easily looted, and “obstructability” – easily restrict access of owner to his facility.

Rear Admiral Okojie stated that the Nigerian Navy’s approach in tackling the security challenges such as illegal oil refineries and piracy was divided into: national approach which involves a trinity of actions - surveillance, response activities and enforcement; regional approach which involves the zoning of the ECOWAS, Gulf of Guinea Commission maritime initiative towards improved maritime cooperation and operations; and international approach. As part of the efforts made by the Navy, Rear Admiral Okojie noted that Regional Maritime Capability Awareness Centres to monitor radar and radio communication of vessels in territorial and continental waters of the nation have been put in place and are fully operational.

While asking for more funding for the Navy from the Federal Government in order to carry out their duties, Rear Admiral Okojie requested for policy formulation and implementation from the government which would sustain a stable macroeconomic environment.
FIFTH SESSION

The fifth panel session entitled *Local Content/Employment Issues: Inclusive Growth and Sustainable Development* had as discussants, Prof. Emmanuel Oladipo of Ahmadu Bello University; Dr. Layi Fatona, Managing Director, Niger Delta Exploration and Production; Engr. Alex Neyin, MD/CEO GACMORK Nigeria Limited; Prof. I.K. Dontwi, Dean, Kwame Nkrumah University of Science and Technology; and Dr. Chuks Diji, Department of Mechanical Engineering, University of Ibadan.

Prof. Emmanuel Oladipo’s presentation was titled *Energy, Inclusive Growth and Sustainable Development in the Gulf of Guinea*. Prof. Oladipo highlighted the inability of the state to muster its people and make them part of the development, using the resources of the state to add value to its people. He argued that if the country had used its oil wealth to produce for local consumption, things would have turned out different from the way they are right now. Access to sustainable energy determines the level of development of a country. Eighty percent of Nigerians still depend on biomass energy. There is a limited understanding on awareness. After production for over thirty years, nothing concrete is on ground for inclusive growth. CPEEL can start to initiate something to promote sustainable renewable energy.

Prof. Oladipo observed that there is a strong linkage between energy and environment. An example is the resettlement of the Chad feud to irrigation from the Lake Chad without looking into history to see that the water may dry up in the future, which implies the sustainable use of the water from Lake Chad. It is thus a national agenda for the purpose of continuity, which is the only means of sustainability. Security of the people is important for social and economic growth.

Prof. Oladipo stated that participation (especially in terms of employment) and equitable sharing of benefits would contribute to inclusive growth and the reduction of poverty. Benefits of inclusive growth include development of infrastructure, improvement of access to health facilities and education as well as the efficient use of resources and reversal of environment degradation. Climatic conditions and increasing population must be taken into consideration in regenerating and improving the economy. Number of persons living below poverty line is about 69% as well as high level of energy poverty. Illiteracy level is rising as about 60% are illiterate and child mortality level is high.
Prof. Oladipo opined that the Gulf of Guinea is characterized by corruption, political instability, and a high level of poverty despite the abundant natural resources. There is still high dependence on biomass hence concentration should not be focused only on oil and gas. Some attention should be given to biomass which is the most widely used and accepted energy resource currently.

Prof. Oladipo highlighted the threats to sustainable development to include crude oil theft, the construction of houses on pipelines, illegal poaching, unemployment and climate change. The implications on climate change is a rise in sea level which could lead to a loss of about 50% of the Niger Delta, leading to a loss of millions of dollars’ worth of economic asset.

To ensure sustainable development, Prof. Oladipo suggested that programmes rather than being made in isolation should be a national affair for the purpose of sustainability of such programmes. Diversification of energy supply should also be promoted considering that biomass is available, reliable and gives some stability. Other necessary strategies include the promotion of education research, strengthening of institutional and human capacity, collaboration between the academics and industry to deliver solutions, integration of proven sustainable development models in development planning and the intensification of regional cooperation in the sub-region.

In the second presentation of the session, Prof. Isaac Kwame Dontwi spoke on the topic, *The Role of Education and Training Skills Development for Inclusive and Sustainable Development*. Prof. Dontwi noted that countries with large natural resources often perform worse economically than those without in terms of governance. Lack of natural resources by some countries is however an hindrance to development. The idea of oil curse is partly true and can be turned around. Oil rich states cannot perform due to lack of education and training on technical knowhow.

Prof. Dontwi noted that emphasis should be placed on the need for education that can groom on subjects in knowledge and technology lucrative in this field to reduce over dependence on foreign technology. Training in crane control, rig repair facilities, and other products obtained from oil on which skills can be developed to promote more jobs for poverty alleviation.ie petrochemicals. Hands-on technical courses should be introduced into the universities, and development of specialist skills such as metal fitters machinist should be encouraged. Education can improve safety in waste removal with focus on recycling, he concluded.
Dr. Layi Fatona’s presentation entitled, *Local Content: The Nigerian Perspective* was a synthesis of the development of Nigeria’s local content. Dr. Fatona noted that in 1906, a German entity indicated interest in bitumen. In 1937, Shell D’arcy was given right over the whole of Nigeria, albeit this was interrupted by the Second World War. In the area of oil production and consumption, local content is the totality of knowledge and skills of Nigeria as well as Nigeria natives, physical goods etc. There is an act that considers Nigeria contents as a management and development philosophy.

Dr. Fatona observed that the oil industry is such a complex one that it requires for a successful operation, the impact of indigenous operators on marginal fields which has an impact over time on the Nigeria economy. The focus is to have independent companies accounting for more than 50% of total oil production leading to an indigenously impacted terrain.

Dr. Fatona highlighted the risks and challenges of local content in Nigeria to include lack of agreement on common definition; lack of a genuine and constructive dialogue between industries and establishments; limited access to funds technical challenges, lack of technology, infrastructure, and lack of corporate culture; local technology supply, inexperience, access to capital and technology, IOC’s attitude to partnership from their base countries in terms of service provision. He stated that the rewards of local content manifestation include increased operability, cost reduction, spreading of economic activities, regional growth and real growth, employment opportunities, higher margins and improvement of borderline.

Dr. Fatona concluded that the Niger Delta Exploration company has grown its assets over the years, taking local content as a virtue. It is the only Nigerian company that processes gas to higher value liquids and delivers to NLNG currently.

Dr. Chuks Diji’s presentation was titled *Sustainable Energy Development: Prospects and Emerging Issues*. Dr. Diji stated that the structure and size of energy system drives the demand for energy services. Some of the driving forces include economic structure, demography, revenue base, national policies, institutions etc. He noted it is imperative that energy is accessible, affordable, and sustainable.

Dr. Diji expounded that sustainable energy entails a holistic approach minimizing negative environmental impact used to produce energy services for the society. The energy system must create a balance between the social, environment and the economy.
Sustainable Energy for All (SE4ALL), according to Dr. Diji, is expected to provide accessible energy as a necessary pre-condition for achieving many development goals extending far beyond the energy sector, to eradicate poverty, increase food production etc. Three basic issues are - universal access to modern energy facilities, cleaner fuel production, double share of renewable in energy mix and double rate of improvement in energy efficiency.

Dr. Diji opined that SE4ALL, if applied as a planning framework, would help greatly in policy decision, thus providing a framework for dealing with various forms of energy-related environmental degradation and giving priority to areas that require energy most, without neglecting other areas.

Dr. Diji highlighted the challenges to be addressed to achieve SE4ALL. These are investment challenges of achieving rural access, mobilizing of financial resources, pricing of electricity, pattern of risk sharing, human resource requirement mismatch.
SIXTH PANEL SESSION

The discussants at the sixth panel session with the subtheme Institutional Arrangements and Legal Issues, included Prof. Ademola Poopola of Faculty of Law, Obafemi Awolowo University, Ile-Ife; Prof. Adeniyi Olatunbosun, Dean of the Faculty of Law University of Ibadan; and Dr. Mark Osa Igiehon, Fellow, Aberdeen University Centre for Energy Law.

Dr. Mark Osa Igiehon who presented the topic, Contractual Obligations: National and International Parties and Practices, reiterated that Nigeria is currently battling with resource curse. The Nigerian disease has shown that Nigeria has not developed after the oil was discovered. The money one has not worked for but earned increases laziness among the people. These could be the outcome of colonialism which left the structures that are not sustainable as scholars think that the colonialists did not pay attention to the history and culture of the people.

Dr. Igiehon noted that the legal responses to tackle the problem of resource initiatives had included advocacy, transparency initiatives, sovereign wealth fund, anti-bribery and corruption. He observed that the responses had not been holistic and were not entirely enforceable laws, but just mechanisms of improvement.

Dr. Igiehon expounded on the challenges and paradoxes the nation is grappling with, using some important questions as posers; He asked if Nigeria have been better without oil & gas? Who defines the best interest of the state? Why do we need the law? Who owns natural resources? Must Nigeria stick to one method of ownership even when it is increasing the resource curse?

Referring to the model in place in the United Kingdom, Dr. Igiehon observed that he who owns the land owns the resources in the United Kingdom. Under this doctrine, the most valuable minerals like gold, silver, diamonds were reserved for the queen. This common law was imported into the colonies to aid them in exploiting natural resources. It is however wrong for states to adopt other states models without considering their peculiarities. Indeed there was a time in the UK when they were battling to shake off their decommissioning laws because of the hardship it caused them but ironically at the same time, some countries wanted to adopt those same laws. In Mexico, all oil is owned by the state, and developed by the state’s NOC, but this has changed recently because it has not favoured them. Nicaragua has also changed. State can give out ownership and still get the same revenue through taxes.
Dr. Igiehon further highlighted the emerging trends in some climes noting that among South American states, some are giving out ownership and title to the communities. In Canada and Australia, resources are in native lands so control has been ceded to host communities to negotiate directly with the IOCs. It could be a right to participate, consult or veto the project.

Dr. Igiehon argued that since exploitation has a great impact on the host community, they should be considered in the benefit instead of the negative impact. In Peru and Nicaragua, IOCs were given license and the communities refused to allow them to operate. The states then came together and dialogued. The difficult aspect is that taking ownership away from state may lead to a problem of improper management for the public good. The problem of fragmentation of communities has to be considered as oil is found in different communities.

Dr. Igiehon concluded that the issue of ownership needs to be revisited to avoid the deepening of the resource curse in the region.

Prof. Ademola Poopola presented on the topic, *Legal and Regulatory Issues: Development and Management of Trans boundary Resources*. He stated that the Gulf of Guinea is a vast expanse of water, stretching and involving several oil producing countries. Nigeria and Angola are the biggest producers so Nigeria has great influence on the other countries in the region. The merits of oil prospecting in the Gulf of Guinea includes the fact that the crude oil is better in quality than that of Latin America, as it has little sulphur, mostly extracted from deep offshore away from mainland insecurity. The region also enjoyed shipping ease, and lower environmental hazard. The Gulf of Guinea is also a risky zone to operate in however and the risks could be quite enormous; the area is not governed by any authority so there is a possibility of takeover by terrorists.

Prof. Popoola observed that development in the individual countries affect development in the Gulf of Guinea. For instance, discovery of oil in Lake Chad will affect Cameroun/Chad. It will create tension between Nigeria and other states. Oil production in the Gulf of Guinea region can pollute the Nile River up to the Mediterranean Sea. On the issue of security, Former President Obasanjo’s regime introduced the Gulf of Guinea Energy Initiative Strategies to protect the area. It is supported by the US because of their interest.

Prof. Popoola expanded on the Multi Framework strategies in place in the region, highlighting the active role being played by the ECOWAS as well as the Economic Committee of Central Africa
Maritime. He also noted that a bilateral agreement between Nigeria and Sao Tome is in existence and boundaries no longer represent barriers as Nigeria and Cameroon can harness jointly and use it for the good of their people. The West Africa Gas Pipeline project involving three countries and WAG pool are examples of multilateral framework. Nigeria is currently not able to supply as agreed so Ghana is threatening to revoke the agreement. Nigeria and Equatorial Guinea are also joint players. Both countries intervened in our favour during the Bakassi case, showing that there is already an existing relationship among the countries. We may have lost more if not for their favourable testimonies. On the Bakassi-Nigeria case unfortunately, both countries would have avoided the outcome if there had been an agreement for joint development of the area.

Prof. Popoola opined that the future of the Gulf of Guinea is based on a legal regime that will govern trans-boundary activities. The foregoing has long been recognized in international law. Where there is no agreement between parties, the prior appropriation rule can be applied, that is, ‘the first to extract takes all.’ This may bring problem because for the region in Lake Chad, it is difficult to determine the boundary of the oil discovered. This resembles the rule of capture.

Prof. Popoola observed that another issue is the use of permanent sovereignty over natural resources or the rule of cooperation, but the question to ask is whether there exists an obligation to cooperate. There is no clear cut answer to the question. United Nation declaration supports this, but for us in the Gulf of Guinea the best option will be to cooperate through negotiations and operations in good faith. International unitization is another way out. A lot of international agreements have been entered into by different countries for these purposes. It mandates parties to treat the field as a unit irrespective of its boundaries. Other option is joint development agreements as seen in Saudi Arabia.

Prof. Adeniyi Olatunbosun’s presentation entitled National Policies and Institutional Enforcements of Multilateral Pacts on Energy, seek to answer the question, how do we enforce multilateral pacts on energy? He argued that there is need for foreign policy that will cut across countries to solve the energy crisis in the region. The Energy Commission of Nigeria, (ECN) has the responsibility of effective policy making (Section 5 of the Act), but it must liaise with other agencies on energy. Their functions are couched in discretionary basis which gives them the option of opting out in some circumstances.
Prof. Olatunbosun noted that a multilateral agreement will trigger the development of Nigeria Energy Policy to conform to the treaty. At present, there is no international energy pact except individual national policies. Multilateralism is inevitable in developing countries for cooperation and a better implementation of policies. Ghana and Republic of Benin which Nigeria supplies electricity, have stable electricity than Nigeria.

Prof. Olatunbosun highlighted the challenges that could be faced in developing a multilateral energy pact. He noted the choice of law to apply to the energy pact may be a challenge, but it can be avoided by the desire of the people to come together and work. Multilateral treaty can thrive when we have a level playing ground for both the poor and wealthy states though all parties are equal. Good national energy policies can be borrowed from other countries. The over dependence of Nigerian economy on oil and gas is another challenge. Energy mix is very necessary to support development. All the sources have to be exploited.

Prof. Olatunbosun stated that energy utilization is very important as well as environmental issues. Energy efficiency and conservation as well as bilateral and multilateral agreements are necessary for support in energy financing. In planning and policy implementation, the Federal Government of Nigeria must take the lead at the national level and implement policies. Energy issues are multi-dimensional and must be treated as a whole, he concluded.