

**Chairman's Address to  
Niger Delta Peace Conference, Abuja, Nigeria, 2007**

**By Senator D. O. Dafinone, FCA, OFR**

Special Guest of Honour  
His Excellency Alhaji Umaru Yar'Adua (GCFR)  
President, Federal Republic of Nigeria

Guest of Honour  
His Excellency Dr. Jonathan Goodluck (GCON)  
Vice President, Federal Republic of Nigeria

Senator David Mark  
President of the Senate  
Federal Republic of Nigeria

Hon. Dimeji Bankole  
Speaker, House of Representatives

Royal Fathers

Youth Leaders

Distinguished Guests, Ladies and Gentlemen.

It gives me pleasure in welcoming you all to this historic Niger Delta Peace Conference (ABUJA 2007) with the theme "THE NIGER DELTA CRISIS: GENESIS, THE EXODUS AND SOLUTION". We are particularly grateful to Mr. President under whose inspiration and guidance this conference has been convened. We have received the fullest support and cooperation from the Vice President, Traditional Rulers, Governors, Ministers, Senators, Members of House of Representatives, other political

office holders from the Niger Delta, Oil and Gas companies operating in the Niger Delta, Ambassadors of home countries of these Oil and Gas companies and youth organizations. We are also grateful to our friends from the media who have turned up in such large numbers.

### **WHAT IS THE PURPOSE OF THIS HISTORIC CONFERENCE?**

We are here to deliberate, evaluate and proffer enduring solutions to the complex problems of the Niger Delta, the hub of the Nigerian economy.

### **WHERE WE ARE IN NIGER DELTA:**

Politically, the Niger Delta people, more than any other group, have suffered undue political manipulation, intimidation, victimization, oppression and injustice without due regard to their loyalty, support and contribution to the Nigerian nation. This situation has denied the people effective and adequate representation in government besides being oppressed when considering the sharing of national revenue, spread of infrastructure, federal goodwill and largesse. The only other area that has suffered similar neglect is the South East States of the Federation.

The Niger Delta has suffered gross neglect and deprivation over the years despite its enormous contribution to the economic prosperity of this country. As a result of this utter neglect, there is widespread poverty, complete lack of social and economic infrastructure and lack of basic utilities. There is high rate of unemployment and crime. This state of affairs has in turn bred a frustrated population, ethnic polarization, communal suspicion, anti-establishment agitation and hostility, all of which create instability and impede development.

Besides poverty, environmental abuse and degradation are the greatest threat to the survival of the people of the Niger Delta. Oil spillage, corrosion and leakage from pipelines, flooding, erosion and salt water incursion have taken their ugly toll on the social and economic lives of the people of the Niger Delta. Furthermore, the exploration and exploitation methods adopted by oil companies in the region have resulted in a pandemic loss of biodiversity, ecological destabilization and substantial reduction in aquatic lives. In

particular, the agricultural lands have been rendered unproductive while the fishing industry has been destroyed.

Infrastructure is virtually non-existent in the Niger Delta region. There is a virtual lack of utilities such as all season roads, safe drinking water, electricity, telecommunications, housing, transportation, health and educational facilities in the Niger Delta. Besides, the National Power grid has not been extended to most parts of the region while flooding and erosion are endemic. This state of affairs has considerably impeded the prospects for the economic development of the region.

The exclusion of Niger Delta communities in the control and management of the upstream and downstream operations of the oil industry is disastrous to their very existence as a people. For instance through the instrumentality of the Petroleum Act 1969 (as amended and other legislations), the local communities on whose lands oil is exploited, have been divested of their entitlements to their land and the oil produced from it. Indigenes of the Niger Delta hardly ever benefit from the allocation of Oil Prospecting Licenses (OPL) and are totally excluded from crude oil sales notwithstanding the fact that it is the local communities and the people that directly suffer from oil spillage, gas flaring, acid rain, fire disaster due to leakage from corroded and broken oil pipelines, environmental degradation and pollution amongst ecological disasters taking place in the region.

Over 90% of the national revenue comes from sale of oil produced from the Niger Delta. Yet, the States and Local Governments in the region receive very little revenue allocation due to the unjust adoption and application of such principles as land mass, population, primary school enrolment and security as opposed to such other vital considerations as water mass, ecological problems and difficulties associated with infrastructural and physical development in a swampy and marshy terrain like the Niger Delta. The goose that lays the Nigeria's golden egg is being starved to death while government at all levels, are standing idly by.

There are virtually no military and police institutions of significance in the Niger Delta despite its contribution to the security, stability and continued existence of Nigeria. Furthermore, the Niger Delta is under-represented in the armed forces, the police, the Customs, Immigration, Prison and Security Services.

## **FEDERALISM**

Nigeria is a federation and should be run as such. Why for instance, do we claim to be practicing federalism when the federating units are mere administrative arms of a central government? Why is the exclusive federal jurisdiction over natural resources applied only to oil? Why should the debts of the states or even the federal debts find a place in the country's constitution? Why should the Federal Government shed its own monopoly and substitute it with a monopoly managed by the states as illustrated so often in our pursuit of the issues of privatization?

## **PAYMENT OF ROYALTY**

Before independence, the various constitutional conferences recognized the Niger Delta as an area for special development initiative and attention because of the difficult terrain. The pre-independence constitution also recognized a special right of the area to Oil and Gas resources. This was the premises on which 50% of the royalty derived from oil and gas exploitation was paid to oil producing states then. Subsequent governments modified the status quo by establishing the Niger Delta Basin Development Authority as the vehicle for the development of the area. However, this was truncated by the establishment and subsequent proliferation of other River Basin Development Authorities. Royalty payments to the states were also discontinued and replaced with the principle of derivation.

## **DERIVATION PRINCIPLE**

Before the civil war, the principle of Derivation was 100%. It dropped to 50% and 0% after the war. It has been fluctuating between 1.5%, 3% and the current minimum 13%. When OMPADEC was created, payment of derivation was discontinued for direct fund allocation from the Federation Account. Though OMPADEC was starved of funds, the Petroleum Special Trust Fund later created was adequately funded on the basis of equality of States to the detriment of the Niger Delta people.

## **LAND**

The restoration of relative peace that the government, Nigerians and international community expect in the Niger Delta will remain elusive as long as the root cause of the crisis – ownership and rights to land and natural resources – is not effectively and holistically dealt with. Land constitutes a sociological foundation of the people. Our relationship with land determines what we are socially, economically and politically. With the Mineral Act of 1912, we became tenants of the Crown under British rule. We did not have a say in how natural resources and minerals were exploited, nor did we have an idea of how much revenue accrued to the colonial government from the export of agricultural products and minerals. Our resources financed the development of metropolitan countries and factories.

The Niger Delta people vehemently oppose being re-colonized by few Nigerians who have captured the state's instrument of power for their narrow interests. As long as the government continues to alienate the people from their land and usurp their rights without due process, the government cannot be seen to be democratic as it does not take into consideration the principles of corporate governance, which involves freedom of choice, rule of law, transparency, accountability, probity, equity and justice.

Our stand on this issue is not in the context of breaking from the Nigerian federation or excluding other non oil producing areas from benefiting from the proceeds from oil export and production. Rather, we do so in recognition of the natural endowment, namely, minerals, forest and waters of other states of the federation and insist in the ownership and rights of the individuals, families, communities and the State over natural resources for the greater well being of the people, the government and society.

## **AGENCIES**

The Willink's Report of 1958 succinctly declared that we are a group of independent and autonomous kingdoms and peoples, with separate languages, culture and religion, equal in status and in no way subordinate to one another but united as a corporate body to form the Federal Republic of Nigeria. The report also recommended that the Niger Delta be given special attention. This eventually led to the establishment of various

interventionist agencies. To correct the obvious imbalance in the development of the area, the past administration set up the Niger Delta Development Commission (NDDC). Regrettably, NDDC has achieved very little. The government has bought hook line and sinker the Master Plan for the development of the Niger Delta, as the framework and strategy for developing the region. The plan is not people oriented, nor has it provision for democratizing the governance of the common resources, especially land and other natural resources. Worse still the plan was essentially crafted by GTZ of Germany, with the collaboration of the powers that be and imposed on the Niger Delta people by the previous administration. The NDDC Master Plan is retarded because the Commission formulates the policies, decides the contracts and to whom they are awarded, monitors their implementation and equally pays the contractors themselves without any interference from any other party. Is NDDC not therefore acting as a bridge in the promotion of corrupt practices, which the nation cannot sustain? In the place of NDDC and in consonance with Adams Smith in his book, *The Wealth of Nations*, the four factors of production, namely, Land, Labour, Capital and Enterprise envisaged in his book should cooperate among themselves to produce a better structure for the management and development of the Niger Delta. At this juncture, it is better to draw lesson from Canada and the United States of America where special funds were provided from royalties for the development of Alaska and Alberta.

Following this principle and practice of the four factors of production envisaged by Adams Smith, there is an urgent need to incorporate a Niger Delta Bank for Reconstruction and Development and a Development Board. The operators of Oil and Gas business in Niger Delta, the traditional owners of land and the people of the Niger Delta as defined by the Willink Report of 1958 should collectively sit down and decide the membership of the aforesaid Board whose funding should be from royalties due from the various operators of Oil and Gas in the Niger Delta. Also, the pattern of development suitable for the six States of the Niger Delta, namely, Akwa-Ibom, Cross River, Rivers, Bayelsa, Delta and Edo should also be their utmost concern.

## **SOME LAWS IN OUR STATUTE BOOKS**

The existence and application of some laws in our statute books have directly or indirectly in various forms contributed to the present state of neglect and underdevelopment of the oil producing areas. These laws have been used to deprive the Niger Delta people of their inalienable rights to their land and resources. The said laws have divested the people and communities in the region of their natural title to ownership and the control and management of their land and resources amongst other negative consequences. As a result, the people have not only been impoverished but have been left without the requisite economic empowerment.

## **PIPELINE VANDALIZATION**

Cases of disruption of the activities of oil operators have become rampant and assuming a crisis situation. The most feasible features of these are hostage taking and abduction of oil workers, loss of lives, extortion, vandalization of oil pipelines, sabotage and increasing wave of restiveness among youths in the region. Disruption in the oil industry could have a negative impact on the economy, the well being of the people and the place of Nigeria in the international community. It could also create the impression that Nigeria is not a stable country and the nation is incapable of protecting a most valuable resource on which it depends for its existence. The consequence of such perception could be a decline in foreign investment. There is also the possibility that oil companies may stop further expansion and just bide their time to recoup their investments.

## **TRADITIONAL INSTITUTIONS**

Under the system of Indirect Rule, some Traditional Rulers and Families were the owners of the land. They were responsible for the maintenance of law and order as well as good government in the interest of their people. These Traditional rulers today are now subjected to the whims and caprices of a Governor of a State who can remove them at will. This is not in the interest of democracy. The existing law should be repealed to allow our traditional fathers assume their exalted position in the land of their fathers.

## CONCLUSION

Enduring peace anywhere cannot be achieved through the military or armed agencies approach only. If the Niger Delta is left in the state which it is, there will be no peace. In the words of the Sardauna of Sokoto, Late Sir Ahmadu Bello “Those who may feel that the problems of oil producing areas are not in their back yard and who may feel a safe distance from the oil communities should be reminded that Nigeria is an entity within the environment and a decay in part, will ultimately affect the rest of the nation”. As a matter of urgency, measures should be taken by the Federal Government and other relevant institutions to address the social, economic and political injustices in the Region.

1. A Development Board consisting of different agencies and departments should be set up in the Niger Delta following the principles adopted by Lord Beveridge in his Report titled “The Road to Reconstruction” published in Great Britain in 1942.

Boards and Agencies should be set up to address the issues of:  
Agricultural Development, Housing, Education, Health, Employment,  
Water supply, Power and Energy, Infrastructure (roads, rail, sea and air),  
Security, Manpower Evaluation Assessment and Training.

2. Gas, which is presently flared, should be conserved and/or developed for the benefit of the people especially in the much-needed area of electricity power generation and distribution. The Federal Government should be guided by the principles of equity and justice in the sales and allocation of Oil Prospecting Licenses (OPL) and allocations as well as upstream and downstream related business as decided by the Vision 2010 and the Nigerian Economic Summit Group.

3. The way oil companies respond to environmental damages and pollution in the other parts of the world must be the same way they handle such problems in Nigeria.

4. The laying of pipelines had led to a sea of corruption in our body polity. The existing policy to extend pipelines from Kaduna to Libya and from Lagos to Ivory Coast will not favour Nigerians. If they go ahead with this policy, there will be another avenue for pipeline vandalization and theft



of resources. The alternative remedy, which is recommended, is to establish industries in the Niger Delta, develop ship building industries, railways and multiple roads, and infrastructure as well as dredging the seas and rivers to ensure free flow of trade in the region and to connect the Niger Delta with the North, East and West. More, the protection and security of pipelines should be contracted to communities through which the pipelines run.

5. Memorandum of understanding between the Federal Government and the Oil companies in their joint venture agreement and the production sharing contract should be harmonized to ensure the preservation of Nigeria's national interest.

6. The Federal Government should abrogate the Land Use Act of 1978, as the Act has destroyed the use of land as a factor of production. By sections 34 and 36 of the Land Use Act the Government has by this single stroke of the pen given to itself that which it did not have in the first place. The Governor under the Land Use Act has assumed ownership of what it never owned. Therein lies the (blind) fallacy of Government in the abuse of the principle of *Nemo Dat Quod Non Habet* established under the Common Law. The inclusion of Sections 34 and 36 as part of the Land Use Act voids the Act in its entirety. Law reform demands that the Land Use Act and other statutes which impede economic and industrial development should be amended or repealed. The 1999 Constitution of the Federal Republic of Nigeria should be amended and the amendment should take into consideration the status of the traditional rulers who are the fathers of the nation so that they could retain their original status and contribute meaningfully to the development of this nation. They should not be left in a state of uncertainty with their tenure of office left to the whims and caprices of a Governor.

7. There is an urgent need to reduce the cost of Government of the Federation by adopting a zonal structure based on the six zones as follows:

- North-West with its capital in Kaduna
- North-East with its capital in Maiduguri
- North-Central with its capital in Jos
- South-West with its capital in Ibadan
- South-East with its capital in Enugu
- South-South with its capital in Port-Harcourt

This was the recommendation made by Major Temple who was Lieutenant Governor of Northern Nigeria as far back as 1912. This proposal has equally been adopted by subsequent administrations commencing from that of Shehu Shagari in 1979 in the distribution of offices through out the Federation. Besides, most of the State Governments are not economically viable within the spirit of true Federalism.

8. There are pervasive and recurring communal conflicts (with attendant loss of lives and property) in some of the Oil producing areas arising from unresolved land/boundary disputes from states and local government creations. Examples include that of Ogulagha and Odimodi (Delta), Umusadege and Benikuku (Delta), Arogbo Ijaw and Ijaje (Ondo), Fishtown and Koluama (Bayelsa), Eleme and Okrika (Rivers), Ondo and Delta, Akwa-Ibom and Cross River, Akwa-Ibom and Abia, Bayelsa and Rivers.

9. As a specific example, the illegal adjustment of boundary between Delta and Ondo States that ceded Itsekiri oil producing communities with oil wells to Ondo State has serious security implication for the Niger Delta. Chief Olusegun Obasanjo as the then President of Nigeria, had no power to adjust the boundary of any state, neither has the National Boundary Commission (NBC). What NBC did after Obasanjo allegedly “summoned” Chief James Ibori (then Governor of Delta State) and Governor Olusegun Agagu of Ondo state by adjusting the boundary between the two states was illegal and in breach of Section 8(2) of the 1999 Constitution.

10. Boundary adjustment, by section 8(2) of the Constitution can only be carried out by an Act of the National Assembly, only if there is a request for boundary adjustment, supported by two-thirds majority of members (representing the area to be affected by the boundary adjustment) in both Houses of the National Assembly, the House of Assembly and Local Government Council in respect of these areas. There was no request by either the Warri North Local Government or Ese-Odo Local Government Councils of Delta and Ondo States, neither did the members in the State House of Assembly and members representing the area in the National Assembly make any such request. Effort should be made to address inter state and inter community land boundary disputes.

The development of tourist centres around the beautiful beaches of the Niger Delta should be encouraged. This would certainly attract foreign investors

and generate employment opportunities in the region as in Florida in the United States of America.

11. The international community in the interest of peace and continuous exploration of Oil and Gas from the Niger Delta should guarantee the youths the safety on pulling out from the creeks. They should be allowed to live their lives free from torture by those politicians who sent them to the creeks for the sake of their political ambition.

Distinguished guests, ladies and gentlemen, once again on behalf of the people of the Niger Delta, I thank you all for finding time from your busy schedules to honour our invitation and to be a part of this historic conference. Thank you all and may God continue to bless us.

**Senator David O. Dafinone, FCA, OFR.  
Chairman.**