

# The reality behind EU "energy security"

the case of Nigeria













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This report is based on the evidence collected during an international fact-finding mission to the Niger Delta by CEE Bankwatch Network, Campagna per la Riforma della Banca Mondiale, Environmental Rights Action, Les Amis de la Terre, The Corner House, that took place in September 2011.

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"My mission has been to inform the West of the truth of what is happening in Nigeria, which has been hidden from them. I believe if people knew they'd do something about it and stop this robbery and murder that is going on in broad daylight."

Ken Saro Wiwa, Ogoni writer and activist

"The European Union (EU) will increasingly compete with other importing countries and regions for energy supplies." European Commision, September 2011<sup>1</sup>

"Secure, sustainable and competitive energy is of fundamental importance to the EU's economy, industry and citizens and a core goal of EU policy."
European Commission, September 2011<sup>2</sup>

### From EU papers and policies...

Eighty per cent of the oil and and sixty per cent of the gas burned within the European Union (EU) is imported from countries outside of the EU.<sup>3</sup> Indeed, as a bloc, the EU is the world's largest energy importer.<sup>4</sup> Even taking account of energy conservation and efficiency measures, the European Commission estimates that EU member states will continue to rely for the bulk of their energy on imports of fossil fuels for many decades to come if current consumer lifestyles and corporate expansion are to be maintained<sup>5</sup> – this despite the clear imperative to keep fossil fuels in the ground if catostrophic climate change is to be avoided.

Instead of prioritising policies that would ensure a just transition away from fossil fuels, however, the EU is intent on maintaining an economy based on coal, oil and gas. A scramble is now on to "secure" access to fossil fuels in third countries so as to "diversify" the sources of supply to avoid "dependency" on any one country. To achieve this goal, the EU is using a range of soft power instruments – from aid policies to trade agreements, diplomatic pressure to private sector subsidies – to lock in imports of fossil fuels for decades to come. The result is a proliferation of proposed infrastructure projects (such as oil and gas export pipelines and Liquid Natural Gas terminals) aimed at bringing oil and gas from countries in North Africa, the Caspian region or Sub-Saharan Africa to Europe. Many of these proposed projects are highly controversial, not least because they are so technically and economically challenging as to make their feasibility highly dubious.

Whilst the EU's policy reflects the heavy influence of powerful corporate lobbies, little attention has been paid to the adverse impacts – from corruption to conflict, environmental destruction to human rights violations, poverty to inequality – on citizens in those countries where the oil, gas and other energy sources are located or on efforts by citizens worldwide to build a transition to a just and sustainable future that does not depend on fossil fuels. Indeed behind the EU's seemingly reassuring rhetoric of "energy security" lies a reality of dispossession of lands and livelihoods, of denial to access to energy, water, food, clean air and other basic necessities of life, and a blindness to climatic realities. These realities are occurring now, not some distant point in the future.

<sup>1</sup> European Commission, "Key facts and figures on the external dimension of the EU Energy Policy", September 2011, http://eur-lex.europa.eu/LexUriServ/LexU

<sup>2</sup> EC communication, "The EU Energy Policy: Engaging with Partners beyond Our Borders", September 2011, http://ec.europa.eu/energy/international/security\_of\_supply/doc/com\_2011\_0539.pdf

<sup>3</sup> EC communication, "The EU Energy Policy: Engaging with Partners beyond Our Borders", September 2011, http://ec.europa.eu/energy/international/security\_of\_supply/doc/com\_2011\_0539.pdf.

<sup>4</sup> European Commission, "The EU Energy Policy: Engaging with Partners beyond Our Borders", September 2011, http://ec.europa.eu/energy/international/security\_of\_supply/cooperation\_en.htm

<sup>5</sup> European Commission, « Background paper "Energy Roadmap 2050 – State of Play", May 2011, http://ec.europa.eu/energy/strategies/2011/doc/roadmap\_2050/20110503\_energy\_roadmap\_2050\_state\_of\_play.pdf. The Commission states: "Reliance on fossil fuels diminishes in all decarbonisation scenarios but their contribution is important in the medium term."

### ... to Nigerian reality

The impacts of oil and gas exploitation in Nigeria are well known and documented. Both the European Parliament<sup>6</sup> and the UN Environment Programme<sup>7</sup> recently published reports on Nigeria that acknowledge the major pollution caused by oil extraction and the threat posed to human health.

Commercial production of oil in the country started in 1958 in the Niger delta, a vast coastal wetland area in the Southeast of the country that is one of the ten most important wetland and coastal marine ecosystems in the world. The Delta's oil fields are drilled and exploited almost exclusively by major multinational oil companies from the US and Europe, with a small Chinese presence.

Nigeria is now the largest oil exporter in Sub-Saharan Africa, currently shipping some 2 million barrels of oil per day according to official figures, and 4 million barrels per day according to unofficial estimates. In 2007, about 20 per cent of Nigeria's oil was exported to countries within the Eurozone. Meanwhile, almost all of the oil consumed within Nigeria itself is imported because the country has few working refineries.

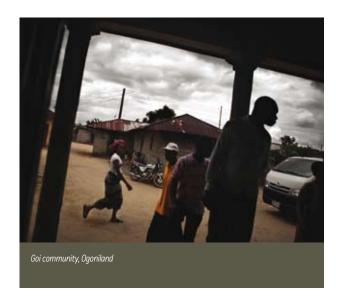
Oil has generated an estimated USD 600 billion in income for the Nigeria state since the 1960s.<sup>10</sup> Yet the vast majority of the 31 million people<sup>11</sup> living in the Delta remain in poverty. Not only have they not benefited from the revenues derived from exploiting oil, but in addition their livelihoods, based on fishing and farming, have been completely destroyed or undermined by the oil industry.

Local communities experience the impacts of oil industry daily since the oil companies operate close to their homes and farms, polluting their land, water and air. The Delta villages are crossed by over 10,000 kilometres of pipelines, many of which are 40-years-old and corroded, regularly causing massive oil spills. It is estimated that between 93 and 712 barrels are spilled in the Delta area every day. In most of the cases, the companies do not clean up the spills but leave pools of oil to contaminate the forests, farmlands and creeks, killing all life. According to official estimates, there are over 2,000 major oil spill locations in the Delta that require remediation. Gas flares – burning off gas that comes mixed with the oil – burn day and night, releasing dangerous toxins, despite it being illegal under Nigerian law to flare gas. Although the oil companies and the Nigerian government have promised to end flaring, the practice continues, polluting the local air and reportedly causing major adverse health impacts. Flaring is also a major contributor to global warming, releasing tonnes of carbon dioxide and methane into the atmosphere every year. According to the World Bank, the volume of gas burned off every year worldwide is equivalent to the combined annual gas consumption of Germany and France or to twice the annual gas consumption of Africa.

Drinking wells are heavily polluted, land and crops are affected, fish stocks have dropped, people suffer new diseases and life expectancy in rural communities is 43 years in the Niger Delta.<sup>16</sup>

- 6 Baumüller, H., Donnelly, E., Vines, A., Weimer, M., « The Effect of Oil Companies' Activities on the environment, health and development in sub-Sarahan Africa, European Parliament, August 2011, available from http://www.chathamhouse.org/publications/papers/view/177587
- 7 UNEP, « UNEP Ogoniland Oil Assessment Reveals Extent of Environmental Contamination and Threats to Human Health », 4 August 2011, http://www.unep.org/newscentre/default.aspx?DocumentID= 2649&ArticleID=8827
- 8 Environmental Rights Action, "Envisioning a post petroleum Nigeria", 2010, pp. 46-47.
- 9 European Central Bank, "Oil Market Structure, Network Effects, and the choice of currency for oil invoicing", Occasional Paper Series 77, December 2007, http://www.ecb.int/pub/pdf/scpops/ecbocp77.
- 10 Amnesty international, "Nigeria: Petroleum, Pollution and Poverty in the Niger Delta Report", June 2009.
- 11 Amnesty international, "Nigeria: Petroleum, Pollution and Poverty in the Niger Delta Report", June 2009.
- 12 Baumüller, H., Donnelly, E., Vines, A., Weimer, M., « The Effect of Oil Companies' Activities on the environment, health and development in sub-Sarahan Africa, European Parliament, August 2011, available from http://www.chathamhouse.org/publications/papers/view/177587
- 13 Environmental Rights Action, "Envisioning a post petroleum Nigeria", 2010, p. 45.
- 14 Gas flaring has not been allowed under Nigerian law since 1979, when the Associated Gas Reinjection Act was approved. The Act gave companies 5 years to comply with the ban. Since then, oil multinationals have filed requests with the courts for permission to postpone implementation. In 2005, the Nigerian Federal High Court of Benin City ruled that « gas flaring violates the right to life and dignity of people » and that Nigerian citizens have the Constitutional right to live in a healthy environment, free from pollution and toxins.
- 15 Figures cited in Gervet, B., "Gas flaring emission contributes to global warming", INSA (Lyon) and Lulea University of Technology, 2007, http://www.ltu.se/cms\_fs/1.5035!/gas%20flaring%20report%2-0-%20final ndf
- 16 UNDP, Niger Delta, Human Development Report, http://www.ng.undp.org/reports/nigeria\_hdr\_report.pdf, p24

This assault on local livelihoods has led to serious resentment, social conflict and violence in the region, including the state-sanctioned murder on 10th November 1995 of Ken Saro Wiwa, one of the leaders of the peaceful Movement for the Survival of the Ogoni People (MOSOP), who was executed (with eight others) on unfounded charges because he was speaking out against the devastation caused by oil multinational Shell in the Delta. Despite such repression, communities have continued to protest the damage down to their lands and livelihoods and have succeeded in bringing major projects to a halt. In the case of Ogoniland, oil extraction has ceased indefinitely as a result of such protests.



Land disputes are a major factor behind the conflicts between communities and oil companies. Land is scarce and farming is the primary means of livelihood for many communities. Under the Land Use Act 1978, the State government may acquire land for oil exploration without the consent of the owner and compensation is severely restricted. Companies are under no legal obligation to provide compensation to local land owners whose land has been appropriated, although they may chose to do so on a voluntary basis. This arrangement serves the interests of the oil companies and the Nigerian government but provides no protection to the rights of local communities.

Current plans to expand the extraction of natural gas and build related infrastructure, including an LNG export terminal and new export pipelines such as the Trans Saharan gas pipeline,<sup>17</sup> are exerting additional pressures on land in the Delta, increasing social conflict, militarisation and violence against local communities. New land grabs have also been reported in communities where EU energy multinationals ENI and Total have announced new projects, whilst the Rivers State government is expropriating land for a planned military base at Sogho in central Ogoni, where companies are pushing to resume oil exploitation. On 12 June 2011, a peaceful protest against this move to re-militarise Ogoni was met with violence when police shot dead two Ogoni youths.<sup>18</sup>

This paper presents three case studies of the impacts of oil exploitation in the Niger Delta involving three major European companies: ENI (Italy), Shell (UK/ Netherlands) and Total (France). It is based on the findings of an international delegation to the region in September 2011 by civil society groups from Italy, France, Bulgaria and the United Kingdom.

Given what is happening on the ground in Nigeria, the dangers of the EU's current energy security strategies, both for Nigerians as well as European citizens, are striking. We call on European leaders to learn from the Nigerian experience, to take up their responsibilities as host countries of the oil companies operating in Nigeria, and to review European energy strategies for all our futures.

<sup>17</sup> The proposed 4000 kilometre-long Trans-Saharan pipeline would take gas from the Niger Delta through Niger to Algeria's export terminals. The project is estimated to cost around \$12 billion and is intended to supply up to 30 billion cubic meters of natural gas per year to Europe. Quite apart from the expense and the considerable technical difficulties involved in constructing such a pipeline, a number of guerilla groups have already threatened to ensure that it never functions. MEND, the Movement for the Emancipation of the Niger Delta, which has carried out attacks on oil and gas installations in Nigeria, has already stated that it will sabotage the pipeline's construction, whilst other dissident movements further North — including the Mouvement des Nigeriens pour la Justice (MNJ) in Niger and the southern branch of al-Qaeda in the Islamic Maghreb (AQIM) — also threaten disruption.

<sup>18</sup> Counting the Cost: corporations and human rights abuses in the Niger Delta, Platform, October 2011, http://blog.platformlondon.org/2011/10/03/counting-the-cost-corporations-and-human-rights-abuses-in-the-niger-delta/.

## ENI's broken commitments and pollution

The Italian oil company ENI started its operations in Nigeria in the late 1950s, forming the Nigerian Agip Oil Company (NAOC) in 1962. A few years later, oil production started at the company's Ebocha field in the Delta. In 2009, ENI produced 128,000 barrels of oil a day from its Nigerian fields. Today, it operates both onshore and offshore, participating in 50 concessions with about 100 productive fields. The company is also part of the consortium that built the large LNG export terminal in Bonny Island.

The international delegation visited several communities affected by ENI operations including Ebocha (Rivers State), Kwale (Delta State), Okpai (Delta State) and Kalaba (Bayelsa State). These are all communities where ENI has been operating for several decades. But, more than four decades of oil extraction have not benefited the communities. On the contrary, environmental destruction and increased tension in local relations have resulted.

#### **Environmental and social impacts**

In Ebocha, Elder Dandy, coordinator of the Community Host Network told the delegation:

"The land here used to be very fertile, today you plant cassava and it does not grow. The water cannot be used anymore because of the chemicals they throw in the rivers. For 20 years, the communities have not had potable water. There are no more fish. We don't know how to survive. This place is one of the most polluted places in Nigeria".

People in Ebocha now rely on food produced elsewhere in Nigeria. ENI's activities are blamed for respiratory and skin diseases, which are ascribed to air and water pollution resulting from oil exploitation and gas flaring. Miscarriages and premature deaths are reportedly common: "People who have died before their time are buried on a daily basis," Mr. Elder Dandy told the delegation.

#### Lack of basic infrastructure

Communities living near ENI's Kwale, Okpai and Ebocha facilities lack basic infrastructures, such as roads, schools and medical centres. Although parts of the communities are connected to the local grid, electricity is provided for only a very few hours during the day. Richer families rely on their own diesel generators to generate electricity but poorer people cannot afford such facilities.

In Kwale, according to community chief Francis Ogbegbo, the community signed a memorandum of understanding with ENI in 2000, under which the company agreed to employ local people, provide electricity and eventually pay rent for the land occupied by the company. None of the promises, however, have been fulfilled. "We hear that Agip (ENI) has developed Kwale. Come here, take pictures. It is pathetic," said chief Ogbegbo.

#### Old equipment and frequent equipment failures

The international delegation collected evidence of very poor maintenance of ENI pipelines transporting oil and gas. Oil waste dumps have been reported in Ebocha (nearby the Ebocha oil centre) and in Okpai (in the vicinity of the network of pipelines leading to the Kwale oil and gas facility).

A community member in Ebocha told the delegation: "There are huge oil dumps near the flares and near our fields where people plant crops. This is what we eat. We are helpless". In Kalaba community, Bayelsa State, the delegation visited three ongoing spills from ENI pipelines that cross community fields, water creeks, forest and swamps. In September 2011, 4 spills occured on company pipelines crossing Kalaba community. ENI was reportedly externely slow in responding.

<sup>19</sup> http://www.eni.com/it\_IT/eni-nel-mondo/nigeria/sviluppo-locale/sviluppo-locale.shtml

<sup>20</sup> http://www.eni.com/it\_IT/eni-nel-mondo/nigeria/attivita-eni/attivita-eni.shtml



According to the community chief of Kalaba, Idoniboye Nwalia, the first spill occurred on 5 September 2011 from a pipeline transporting crude oil. ENI staff came to close the rupture on 11 September but no remedial work has taken place since then. The oil spill affected a large area of water, swamp and cultivated land. The other three spills occurred on 16 September and were still ongoing at the time of the delegation's visit on 28 September. Community representatives have asked the Nigerian Government to implement an immediate clean up but have yet to receive any response from either the Government or the company. The delegation learned from villagers that ENI

staff came to fix two of the three ruptures a few days after the delegation's visit, but no mention was made about cleaning up the affected sites.

#### Shameless gas flaring

ENI has flared gas day and night on a continuous basis since the early 1970s, even though gas flaring was made illegal in Nigeria in 1979. Community elders in Ebocha and in Kwale confirmed this. Younger community members in both communities also affirmed "gas flaring was ongoing, continuously, since we were born". Although ENI states that flaring has ceased, the delegation found that it is still continuing (see cover photograph).<sup>21</sup>

Communities living near the Ebocha Oil Centre and the Kwale oil gathering and processing facility report that flaring has had clear adverse impacts on vegetation and local cultivation. The international delegation obtained ENI documents where the adverse consequences on people's health and environment of gas flaring are set out.<sup>22</sup>

Villagers in Ebocha attested to the power of emissions from the flares to cause damage. They confirmed that "two miles from the flaring points in Ebocha, tin roofs corrode in one or two months because of the resulting acid rain". They also stated that acid rain and the accumulation of toxic substances from the flaring and venting of gas are one of the main causes of soil and water pollution in Ebocha, Kwale and Okpai. In Ebocha, villagers also said that "explosions from gas flaring had caused cracks in the walls of our houses". One villager told the delegation: "Every night has become day. The animals have simply been driven away. We have problems with reptiles, but also with animals that live during the day, it is always day for them with the gas flares. Before we had monkeys in the forest, now they are all gone."

#### Kwale-Okpai CDM project: where are the benefits? Where are the reductions?

There are two large industrial sites on the land of the Ndokwa communities of Kwale and Okpai. These are:

- the Kwale oil and gas gathering and processing facility, where hydrocarbons extracted in the OML 60 concession are collected and treated. The plant has existed for several decades but was enlarged in 1987 to include a new gas treatment facility.
- the Okpai Independent Power Producer (IPP) gas power plant that is supposed to produce electricity by burning associated gas transported from the Kwale plant through a 14-kilometre pipeline that crosses the Okpai community's land. Construction of the project started in 2000 and operations in 2006. The

<sup>21 &</sup>quot;The Ebocha Early Gas Recovery project is part of a programme launched by the Nigerian Federal Government to exploit the obligations of international oil companies to supply gas for internal consumption. The completion of this project has resulted in the termination of gas flaring at the site thanks to the recovery and compression of associated gas (previously flared)". http://www.eni.com/en\_IT/eni-world/niaeria/local-development/local-development.shtml. Accessed on 9 November 2011.

<sup>22</sup> Environmental Impact Assessment of Idu field further development project by NAOC, September 2005.

project is registered under the UN's Clean Development Mechanism<sup>23</sup> and is thus eligible to receive tradable Certified Emission Reductions (CERs) credits under the Kyoto Protocol because it supposedly reduces carbon emissions by recovering gas that otherwise would have been flared.

Although the international delegation visited the two industrial sites, access to the plants was not possible. Photographic evidence was, however, obtained of ongoing gas flaring from at least five stacks at the Kwale processing plant, this despite ENI's CEO, Paolo Scaroni, publicly assuring shareholders at the company's 2011 Annual General Meeting that the company was committed to ending flaring at Kwale by June 2011:

"Six flaring points are installed at Kwale flowstation but since 2005 when Okpai IPP was commissioned the gas flaring has been significantly reduced. Zero gas flaring at Kwale flowstation is planned for June 2011".24

Villagers from Kwale and Okpai testify that the construction of the Okpai IPP has not reduced flaring, which continues 24 hours a day, and that they continue to suffer the same adverse impacts as before. However the absence of an environmental audit of the area and medical care leaves communities without institutional assistance. Most illnesses are not officially recorded because, as one community member noted, "We are black, we are poor, we don't go to hospital". Roofs of the houses in Okpai and smaller settlements closer to the IPP are corroded from acid rain, which has fallen continuously in recent years.

Community members confirmed that they had not been provided with any electricity since the construction of the Okpai IPP gas power plant. The international delegation reviewed the 2002 Environmental Impact Assessment for the plant, which recommended that "the immediate connection of host communities within 50 km radius of the power plant will reduce community-company conflicts in the area and help to build peace and mutual goodwill". Provision of electricity was also part of the Memorandum of Understanding that the Ndokwa<sup>25</sup> signed with ENI in 2000.

In Okpai, people highlighted the severe erosion of the riverbanks that had resulted from ENI taking large quantities of sand from the Niger river bed, causing flooding of the market square and at least 50 homes as well as the collapse of the village medical centre. An old man showed the delegation a picture of his house before the overflowing river swallowed it. No compensation has been given to those who have lost their homes: those affected have been told by ENI representatives to seek assistance from the government.

<sup>23</sup> The Clean Development Mechanism (CDM) is one of the flexible mechanisms included in the Kyoto Protocol, allowing emission-reduction projects in developing countries to earn certified emission reduction (CER) credits, each equivalent to one tonne of CO2. These can be traded and sold, and used by industrialized countries to a meet a part of their emission reduction targets under the Kyoto Protocol. The purpose of the CDM is to « stimulate sustainable development and emission reductions, while giving industrialised countries some flexibility in how they meet their emission reduction limitation targets». http://cdm.unfccc.int/about/index.html

<sup>24</sup> Responses to ENI shareholder Osayande Omokaro, Environmental Rights Action Nigeria, dated June 8th 2011.

<sup>25</sup> The communities of Kwale and Okpai are part of the Ndokwa ethnical group, including several communities living on the OML 60 concession operated by ENI/Agip. Ndokwa nation is formed by about 1 million people, as reported by communities testimonies.

## Total: divide and grab — the Egi community case

"It is as if we are in a deep well and no one is hearing our cries. You must be our voices now that you know of our plight."
Rev. Emmanuel Zechariah, September 2011

The French multinational Total has had a presence in Nigeria since 1962 and obtains around 10 per cent of its global oil production from the Niger Delta. It operates seven of the 44 production licences in which it holds an interest, and two out of its 8 exploration licenses.<sup>26</sup> One of its operations is on the land of the Egi people in Rivers State, a clan comprising some 350,000 persons in 17 villages.<sup>27</sup>

The history of the relationship between Total and the Egi communities has been riven with conflict. In 1978 there was a major oil spill from Total's facilities<sup>28</sup>, while a 1999 field report from the Nigerian group Environmental Rights Action (ERA) mentions a "gas plant explosion that resulted in the death of several persons", followed by violent police repression against the Egi, random arrests and detentions<sup>29</sup>. ERA reports that the 1990s were marked by a number of repressive actions by the military against the Egi. Several people were arrested, detained, or shot for demonstrating peacefully against the company.

Since then, Total has reportedly tried to improve its relationship with the community. But the reality on the ground appears more complex than that presented by Total/Elf in its corporate communications.

### What Total website does not say

Total's website presents the company's collaboration with the Egi as a success story<sup>30</sup>, highlighting the signing of a Memorandum of Understanding in 2007 and the adoption of an Egi Communities Integrated Development Master Plan in 2009. But a quite different story emerges when the communities themselves start talking about the activities of the French oil company in Rivers State.

Like other communities in the region, the Egi people depend for their livelihood on fishing and farming. Unpolluted land and water streams are thus absolutely crucial for the survival of these communities. But since oil exploitation began in 1964, Total started to occupy a significant part of the Egi's land, seriously damaging the environment and compromising village livelihoods without bringing the development that had been promised. "The government intimidates people, very few jobs are created. There is a lack of fields, the food has gone. There are problems of asthma, respiratory diseases, all types of diseases that didn't exist before," explains 79-years old Che Ibwegura, who witnessed



the arrival of oil companies in his country back in the 1960s.

<sup>26</sup> http://www.total.com/en/about-total/our-businesses/upstream/exploration--production/africa-922626.html

<sup>27</sup> http://www.onelga.com/egi\_complain.htm

<sup>28</sup> http://www.onelqa.com/eqi\_complain.htm

<sup>29</sup> http://www.essentialaction.org/shell/era/eraField23.html

<sup>30</sup> http://www.ng.total.com/06\_total\_nigeria\_press/060238\_dpa.htm , http://www.ng.total.com/06\_total\_nigeria\_press/0608\_14Sep2009\_tepng\_news\_16.htm

Recently, part of the Egi clan was evicted from their land by Total to upgrade the company's independent power plant (IPP). A representative of affected families explains: "In 2006, Total came to the families to acquire their land. They are farmers, fishers, they are dependent on the land for their subsistence." Concerned that they could lose their means of livelihood, the families were reluctant to give up their land, which was eventually expropriated, reportedly with force. The company fenced the land with two concrete walls, leaving the farmers without land to cultivate, and with no compensation. As previously noted, the expropriation of land without compensation is permitted under the Land Use Act 1978.

How can Total claim its relationship with Egi people is exemplary given such serious grievances on the ground? One reason may be that the company appears to have engaged only with a small section of the community, notably the "Egi People Assembly", which allegedly has close links to the ruling People's Democratic Party (PDP), rather than involving a wide range of local people in the debate over decisions that have a profound impact on their lives.

The divisions that have appeared within the community are by no means unique to the Egi. With communities in the Delta weakened and deeply affected by the operations of powerful oil companies on their lands, internal conflicts are widespread – and fully exploited by the oil companies, with disputes often spilling over into violence. Communities now define themselves as oil-producing or non oil- producing communities. Various institutions that have been set up to address the issues arising from oil exploitation have often been taken over by influential groups or individuals pursuing their own interest, usurping the functions of more legitimate decision making bodies.<sup>31</sup> A report by Platform in October 2011<sup>32</sup> revealed how oil companies, in particular Shell, have exacerbated conflict by paying armed groups and rewarding violence. While this serves short-term business interests and buys oil companies access to their facilities, in the long-term these practices undermine stability and human rights.

#### Divide, rule... and shoot

The oil companies cannot ignore this reality.<sup>33</sup> Total's claim that it has a "cordial relationship"<sup>34</sup> with the Egi people conceals the conflicts over land and pollution and attempts to greenwash its Nigerian activities.

Even the company's community partners are dissatisfied. In November 2010, members of the Egi Oil and Gas Producing Families protested peacefully against the alleged non-implementation of Total's Memorandum of Understanding. The demonstration led to the death of two people while several others were wounded.<sup>35</sup>

In conclusion, Total is operations in a highly divisive environment that it has contributed to by favouring some groups over others. The region is still plagued by violence and conflicts.

## The way out: leave the oil in the ground

Total should compensate victims for their losses, restore the land and give it back to the people. The only way forward, the delegation was told, is for Total to leave the Delta: "We want our land back. Nothing good came out of petroleum exploration. Petroleum can't give us food. We want the oil to remain in the ground."

- 31 http://www.cdainc.com/publications/cep/fieldvisits/cepVisit14TotalNigeria.pdf
- 32 Counting the Cost. Corporations and human rights abuses in the Niger Delta. Platform UK, October 2011. http://blog.platformlondon.org/2011/10/03/counting-the-cost-corporations-and-human-rights-abuses-in-the-niger-delta/
- 33 In this regard, it is remarkable that Total sounded proud to announce the signing of the Egi community MoU with the Egi Youth Federation (EYF) or the Egi Oil and Gas Families in 2007 http://www.ng.total. com/06\_total\_nigeria\_press/060238\_dpa.htm while a field report commissioned by Elf Petroleum Nigeria Limited (EPNL) in 2004 "to find answers to EPNL's question why its good intentions and the considerable resources allocated to establishing cordial relations with local communities and other stakeholders do not yield the positive results the company had hoped for" precisely explain that these institutions were not ligitimate representatives of the communities but were among the usurpers seeking their own private interests (see http://www.cdainc.com/publications/cep/fieldvisits/cep/lisit/4TotalNigeria.pdf)
- 34 http://www.ng.total.com/06\_total\_nigeria\_press/0608\_31Aug2010\_tepng\_news\_1.htm
- 35 http://nigerdeltareporters.com/blog/2010/11/10/rivers-youths-soldiers-clash-%E2%80%A6-2-dead-16-vehicles-burnt/

## Shell in Ogoniland: "We will hold Shell accountable"

#### Goi community, Ogoniland

"You can't live here, the water smells like crude, the air smells like crude, gives you respiratory diseases, rashes, coughs. And as you've lost your business, you cannot afford to buy your medicine. It can't be sabotage, people would not sabotage their own communities."

"Those who work for Shell are breathing fresh air. We breath crude oil. Even the fish we eat smells of crude." Eric Dooh, Chief and Entrepreneur from Goi Community

The people of Goi describe their community and its land as "the cradle of the Ogoni people". The moment one enters the area, the stench of crude oil is overwhelming. The river banks around the local Creek are black. Much of the vegetation is dead and covered with crude as a result of an oil spill.<sup>36</sup>

The Anglo-Dutch oil mulinational Shell has its brand over half of the oil operations in Nigeria. Shell operates two major oil production fields situated North-East and North-West of Goi: Bomu and Bodo West. Whenever a spill occurs in either of them, the oil ends up in the Creek.

The first spill dates back to 1988 and legal actions by Goi villagers to obtain damages are still working ther way through the Nigerian courts. Further spills occured in 1997 but the most devastating took place in



2004 from the Trans Niger Pipeline. The spill caused fires which burned buildings and a large area of forest and mangroves. Aquatic life has disappeared, trees have died and the entire local social and economic life has been disrupted.

As a result, everyone in the community has been forced to resettle. Families have been split: some have moved to Port Harcourt, others to villages nearby, in search of a livelihood. But without title to land in the communities where they now live, they do not have many of the rights enjoyed by other villagers, who tolerate them but regard them as "foreigners".

Shell initially claimed that the 2004 spill

was due to sabotage, thereby exempting the company from liability to pay compensation to the affected communities. It is common for oil companies to claim that spills are caused by sabotages even though there have been regular spills since the 1970s, while attacks against oil infrastructure in the Delta is a more recent phenomenon. In other statements, Shell refers to the 2004 spill as a "legacy spill", implying that the spill has occured from another company's operations, but the only oil field where the spill could come from is Shell's own Bomu oil field. For its part, the community believes that the spill was due to equipment failure. Local villagers cite the poor state of Shell's oil pipelines and a history of inadequate maintenance.

Mr. Dooh, a businessman from Goi community, filed a lawsuit against Shell in 2007 in a Dutch court in The Hague, The Netherlands. Due to the oil spill he lost his fish farm and his bakery, both of which had been established by his father, who was employing 200 people in the community. Shell has repeatedly tried to argue that the case should be heard in Nigeria rather than The Netherlands, a legal technicality which could delay judgment significantly.

<sup>36</sup> http://www.unep.org/disastersandconflicts/CountryOperations/Nigeria/EnvironmentalAssessmentofOgonilandreport/tabid/54419/Default.aspx

Further spills in 2008/2009 in the nearby Bodo territory further exacerbated Goi's problems. Shell has not conducted any clean up operations, despite accepting that the spill was due to equipment failure. People complained they have tried to contact Shell but have not received any response. Those who have to go into the water, for example when crossing the creek at low tide, report skin rashes and other dermatological problems.

His Royal Highness Livinus T. Kobani, The Paramount Chief of Goi Community said: "I would like to tell the Prime Minister of The



Netherlands to advise Shell to come and put my community back into order. Shell should give compensation that befits the kind of damage they have caused to my community. I am not struggling because of myself but for my community, which is now in diaspora because of the bad conditions that the spill has caused. Let Shell give compensation, clean up and remediate the whole community. We need relief materials: rice, beans, drugs. They have given this to other communities but they have given us nothing."

An elderly fisherman told the delegation that he has to travel over two hours with his boat to get to the sea where he can catch fish. Previously, he used to catch enough fish in the local Creek both to feed his family and to sell in the local market. Now he can hardly provide food for his own family.

Although Shell states that it gives scholarships to Ogonis, no one from Goi has ever been awarded with a scholarship.

#### Bodo community, Ogoniland

The spills at Bodo community feature prominently in UNEP 2011 report<sup>37</sup> on the impacts of oil on the Niger Delta. This report is the result of research conducted by the UN body on the state of the environment in Ogoniland and the consequences of oil production and contamination in the area. Bodo is the largest community in Ogoniland – 69 000 people. Most people make their livelihood from fishing or farming or a combination of both. Only one fifth of the population are in paid employment. The community is proud that a relatively high percentage of its people have had a school education.

The maintenance of Shell's pipeline from Bodo to Bonny Island has been poor and has caused several oil spills, the two most devastating of which occured in 2008 and in 2009. In August 2011, Shell accepted liability for 2008-2009 spills after a lawsuit was filed by local residents in the High Court in London. The spills destroyed the local ecosystem: with no fish left in the water, there was no food for the fishing communities and a rapid collapse of the local economy. Shell has still not cleaned up the spills, providing instead token compensation. According to Chief Saint Emmah P II, the company gave the community just 2 bags of stock fish, 50 bags of rice, 20 bags of beans, 10 bags of sugar – this for a population of 69 000 people.

The quantity of oil that was spilled in 2008/2009 is also unknown. Residents put the figure at 200,000 barrels but Shell reprtedly disputes this. Many would argue that the residents figure is an underestimate. The Exxon Valdes tanker disaster in Alaska in 1989 caused over 100,000 barrels to be spilled in just 7 minutes. The leak at Bodo went uninterrupted for 3 months.

37 http://www.unep.org/nigeria/

The devastation in the area is visible from space. Four years after the spill took place, there was no sign of efforts to clean up the mess nor any dedicated government or Shell presence in the area of the spill. According to the UNEP report, it may take up to 30 years for actively cleaning up the impact of the oil spills.

The crude can be smelled some two of hundred meters away from the river banks but is overwhelming closer to the waters. The river banks and the bottoms of boats are black with crude that has thickened and solidified. Hundreds of square kilometers of



dead mangroves are the only scenery in the spill area. There are no mosquitoes, no fish, no birds. UNEP reports levels of cancer causing substances up to 900 times above the WHO tolerance levels.

UNEP has made detailed recommendations for each of the 67 sites it investigated, aimed at tackling the environmental, social, health, political and other impacts which UNEP identified. Such recommendations include site specific clean-up work, changes in the code of conduct of the oil operators and changes in the legal framework of Nigeria.

The community leaders have demanded the immediate implementation of the UNEP Report recommendations. They complain that the government's only action so far has been to create a sub-committee to assess UNEP's findings "without including any member of the community" from the Ogoni region.

## Conclusion: leave the oil in the soil, clean up and go

Nigeria was the first country in Sub-Saharan Africa to export oil. About 2 million barrels of oil are exported daily from the oil rich Niger Delta and the seas offshore. However, the oil revenues accruing to the Nigerian government and the billions of dollars in profits made by the oil corporations that have operated in Nigeria for over 40 years have delivered little in terms of local development to the 31 million people that live in the Delta, and to the majority of the Nigerian people.

In 2011, the European Commission listed Nigeria as one of a number of countries that are considered of "strategic" importance for the EU's "energy security". European and US corporations have been signing new contracts for the development of new oil and gas fields in Nigeria, while old concessions continue to be profitably exploited. New infrastructure projects are under discussion aimed at increasing the capacity of Nigeria to export hydrocarbons (especially natural gas) to European and global markets<sup>39</sup>.

Meanwhile, many Nigerians continue to live in poverty, without clean water and electricity – while oil corporations like ENI, Total and Shell continue to make billions of dollars in profits that do not contribute to the local development of people. The companies operate in violation of national law with continued flaring of gas, inadequate maintenance of equipment and lack of adequate response measures to recurrent oil spills. The more oil and gas that is extracted, the more that environmental degradation, conflict and human rights violations will occur in the Delta.

As a result, many local communities and civil society organisations like Environmental Rights Action in Nigeria are clear: if oil is not helping development, then better leaving new oil in the soil.

We support the demand of Nigerian civil society groups to stop hydrocarbon exploration in Nigeria, stop the issuing of new licences and oil and gas extraction leases and leave new oil in the soil<sup>40</sup>.

We support the request to implement immediately the recommendations made by UNEP in August 2011 report on the impacts of oil extraction in Ogoniland<sup>41</sup>.

The EU should commit to supporting the implementation of the UNEP report, including: ensuring an immediate halt to the ongoing contamination of Ogoniland; financing the clean up of contaminated areas; and holding the European oil companies responsible for the environmental and social impacts of their operations in Ogoniland.

The EU should also commit to supporting the realisation of environmental audits, with participation of local community members, in areas where European multinationals operate in Nigeria in order to assess the level of environmental pollution caused by such operations, and to ensure fair compensation for local communities and clean up of polluted areas.

The EU should refocus its energy strategy towards locally produced, small scale renewables. The EU should end its dependency on fossil fuels, and begin investing in the societal and technological changes needed to ensure a just transition towards a more sustainable, fossil free future.

The EU should cease building large scale oil and gas infrastructure projects, since these will further lock Europeans into hydrocarbon dependency whilst exacerbating human rights abuses and environmental degradation in oil producing countries like Nigeria.

<sup>38</sup> EC communication, "The EU Energy Policy: Engaging with Partners beyond Our Borders", September 2011, http://ec.europa.eu/energy/international/security\_of\_supply/doc/com\_2011\_0539.pdf

<sup>39</sup> http://allafrica.com/stories/200907040003.html

<sup>40</sup> Environmental Rights Action / FoE Nigeria , « Building a Post- Petroleum Nigeria (Leave new oil in the soil) » , November 2009.

<sup>41</sup> http://www.unep.org/newscentre/Default.aspx?DocumentID=2649&ArticleID=8827&I=en

## Photogallery









