
POLICY PAPER

***ENHANCING THE EFFECTIVENESS OF OIL AND GAS
COMMISSIONS IN THE NIGER DELTA***

Africa Network for Environment and Economic Justice (ANEJ)

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1. INTRODUCTION

The Niger Delta is located in the oil rich southern Nigeria and has been described as restive for reasons that have characterized the region including problems of underdevelopment, environmental degradation, poverty and violent resource conflicts. A political economy discourse of Nigeria's natural resource governance shows that oil and gas is Nigeria's economic mainstay, yet, the oil host communities where exploitation operation is taking place are without tangible benefits. Available reports show that environmental degradation, social unrest, induced resource conflicts, and livelihoods destruction have impoverished the rural folks.¹Till date there is persistent gas flaring and frequent oil spills resulting in over 10,000 oil spill sites and over 13 million barrels of crude oil spilled into the environment of the region and none has been adequately cleaned up.²The region continued to be a paradox as trillions of oil derivation revenue accruing to the states of the oil-rich region since the return of democratic governance in 1999, has not translated into concrete development. The 1999 Constitution prescribes for the allocation of at least 13% of the revenue accruing to the Federation Account directly from any natural resource, to the State where the natural resource is derived.³

Grinding poverty in the Niger Delta region has persisted over the decades because of the governmental and stakeholders' approach in tackling it. To address community agitations and underdevelopment of the region, some institutions such as the Niger Delta Development Commission (NDDC), Federal Ministry of the Niger Delta Affairs (FMNDA), and various oil and gas producing areas development commissions were set up. These commissions are the focus of this policy paper to provide deeper understanding of the mandates, policies and operations for a more efficient and effective resource utilization. The policy paper is an extract from a major research on the operations of the oil and gas commission conducted by ANEEJ.

ANEEJ had in 2015, conducted research entitled, Oil of poverty in the Niger Delta.⁴ The research led to the realisation that only Ondo State had an institutional framework for the management of part of the 13% derivation fund vide the Ondo State Oil Mineral Producing Areas Development Commission (OSOPADEC). On the strength of this discovery, ANEEJ developed advocacy strategy to get other states in the region to have an institutionalized framework. The advocacy effort contributed to the establishment of Edo State Oil and Gas Producing Areas Development Commission (EDSOGPADEC) and the Delta State Oil Producing Areas Development Commission (DESOPADEC). Imo and Abia States not located in the region later took a queue. Other States like Rivers, Akwa Ibom and Bayelsa have maintained that virtually all the communities in the States are oil producing or impacted, therefore, no need to establish development commissions.

2. Constitutional Provision for 13% Derivation Fund

To address decades of marginalisation, poverty and neglect of the Niger Delta region, the 13% derivation fund was enshrined in Section 162, sub-section 2 of the 1999 Nigerian Constitution.⁵ Derivation fund means the value of 13% sum deducted from the oil and gas proceeds from a particular state and payable to them. The aim is to address community development and poverty reduction. Since Nigeria's Fourth Republic began in 1999, there has been a renewed focus on the Niger delta environmental and

¹Tamuno, T. N. (2011) *Oil Wars in the Niger Delta*. Ibadan, Nigeria: Stirling-Horden publishers Ltd.

²Kadafa, A.A. (2012) Environmental impacts of oil exploration in the Niger Delta of Nigeria. *Global journal of Science Frontier Research, Environment and Earth Sciences*. H12 No.3:19.

³Federal Republic of Nigeria Constitution. 1999. Section 162(2) of the 1999 Constitution as amended.

⁴ANEEJ, 2015. Oil of poverty in the Niger Delta.

⁵Federal Republic of Nigeria Constitution. 1999. Section 162(2) of the 1999 Constitution as amended.

development challenges. As a result, the oil producing states have received over N9 trillion under the derivation principle.⁶

Section 162, Sub-section 2 of the Nigerian Constitution stipulates that the fund is for the “exclusive use of oil/gas producing communities as compensation for loss of fishing rights and productive farmlands as a result of oil and gas exploration and production activities”. However, the reality is that this constitutional mandate may have become a major albatross for the socio-economic development of oil-bearing communities because it gives states governments’ unfettered access and control over the derivation fund. Although the Nigeria’s constitution clearly stipulates payment of 13% of oil revenue from the Federation Account to the states as derivation fund, also relevant is the degree of the utilization of the fund in relation to the mandate and goals of the commissions.

To ensure effective and equitable utilization of the 13% derivation fund, five states: Abia, Delta, Edo, Imo and Ondo states, created oil and gas producing areas development commissions by legislation through the states houses of assembly. The legislations enacted also reduced the amount of derivation revenue disbursed to the different commissions to between 30% and 50%. This fund reduction has consequences on the commissions operations and impact.

3. The Commissions Operations and Scope of Projects Delivery

Parts of the 13% derivation fund received by the commissions is geared towards meeting diverse needs. Table 1 presents an impressive, wide range of projects including infrastructural buildings, educational, environmental, livelihoods, human capacity building and security. Some of these translate to concrete projects on ground including the educational projects such as classroom building, scholarships, inter-school debates; health sector such as clinics and community health centre buildings; rural electricity and solar street lights; ecological remediation; relief materials; roads networks, bridges and landing jetties; building public toilets; building of Nigerian police stations; provision of armoured gun boats, and operational vehicles for the state government. The commissions diverse projects listed above are by no means exhaustive and present the commissions’ outlook as All-purpose interventionist agencies.

Table 1: Scope of Commissions Projects

<p>ONDO STATE: OSOPADEC was established by the Laws of Ondo State CAP. 106 in 2001.⁷ To (i.) Ensure fair and equitable distribution of development projects across oil producing areas, and (ii) to liaise with relevant federal and state government authorities on the control and effective method of tackling problems of coastal erosion, oil pollution, spillages, and environmental pollution.⁸40% was stipulated as statutory disbursement to OSOPADEC. OSOPADEC projects included majorly community welfare which comprised of vast areas of work such as social services in health and education, and community relations, mobilization and advocacy. Others include inter-school debate, scholarships and bursary awards, procurement of science equipment, child survival initiative, purchase of educational materials, environmental remediation and oil spill clean-up projects, and relief fund and materials for the recent</p>

⁶Adebowale, A. (2021) Analysis: How state governments cheat oil-producing communities in use of 13% derivation Fund. Premium Times, 23 April.

Source: <https://www.premiumtimesng.com/news/headlines/456847-analysis-how-state-governments-cheat-oil-producing-communities-in-use-of-13-derivation-fund.html>

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<https://osopadec.gov.ng>

⁸ Source: <https://osopadec.gov.ng/departments/project-planning-and-development/>

Owo massacre survivors through a condolence visit by the chairman of OSOPADEC to the community. The commission also partners with banks such as UBA and First Bank, construction companies such as Setraco, and oil companies to leverage on project delivery.

EDO STATE: EDSOGPADEC was established in 2007 as an interventionist agency to accelerate the development of oil producing areas in Edo state. There is lots of media reporting but its website currently not updated. In particular, the commission statutorily receives into its account and administers exclusively 40% of the 13% oil derivation fund accruing to the Edo state government. The state mainly focuses in three local government areas that are oil producing areas which the commission serves. The commissions focus as stated on the website says, it does infrastructural development, human capital development, social development, economic development, youth development, and peace and security. Some of the projects executed included, provision of scholarships for oil host indigenes, entrepreneurial training for women and youths, asphalted road construction of Benin-Abraka road, Erediawa road and adjoining streets, Ekosodin road and five adjoining streets, schools building including Akugbe primary school in Okha, Ikopa Okha, LGA, established 2 marine bases at Gelegele and Ologbo and the procurement of armoured gun boats, and speed boats to boost the marine policing and enhance the security in riverine areas. Others included ultra-modern police station and customary courts at different locations including Ugonerie, Upper Sakponba Road, building of magistrate courts and Area Customary courts at Odunna, Okada in Ovia North East, and Idogbo in Ikpoba Okha, LGA.

DELTA STATE: DESOPADEC was established for the rehabilitation and development of oil producing areas in the state. It is mandated to receive and administer exclusively 50% of the 13% of the Derivation Fund accruing to the Delta state government.⁹ Some of the projects include teacher's staff quarters in Opuama, building of community clinics, health centre built in Jakpa community, Warri, community town hall in Tsekelewu, supply and installation of 1000KvA sound proof generator in Opuoma. Other projects included roads construction, generator sets and generator house, donation of relief materials to flood victims including, mattresses, toiletries, and food items in Patani, Burutu, and Bomadi communities. There are more abandoned projects by the commission than any other commission prompting the intervention of the Delta state government tasking the commission to refocus on these abandoned projects.

⁹Delta State Government. 13% derivation: Okowa not against communities agitation. Source: <https://www.deltastate.gov.ng/13-derivation-okowa-not-against-communities-agitation-spokesman/>

IMO STATE: 40% of the 13% derivation fund was stipulated for ISOPADEC. Since ISOPADEC established, it has implemented several projects. Some of the ISOPADEC projects interventions took place in the oil producing areas of Ohaji/Egbema, Oguta and oru East Local Government Areas of Imo state. There is no functional website, however, according to their media communication; ISOPADEC is “touching lives in many ways”. Some of the projects included construction and installation of solar street lights at Etekwuru, Umudike, borehole in Ikwerede, Awara, Iyioka, Ugba, health centre in Ugbeda, building of Nigeria police station at Akiri Oguta, construction of six classrooms block at St Patrick’s school, Ihie, and 20 bed general hospital at Oguta town.¹⁰

The recent Abaezi forest artisanal oil explosion in Ohaji/Egbema axis in Imo state that claimed over 100 lives burnt beyond recognition attest to the poverty, environmental degradation and desperation of the people with the loss of over 200,000 barrels of oil per day by the federal government.¹¹ Earlier in January 2020, the Imo state investigative panel set up to look into the activities of ISOPADEC indicted former Gov. Rochas Okorochoa for allegedly misappropriating over N6 billion funds allocated to the state ISOPADEC. The funds were allegedly used to purchase vehicles and transformers during the governorship electioneering campaigns.¹² Although this is coming from a rival government there are frequent cases of alleged fraud and misappropriation of projects funds that have very little benefits to the oil-bearing communities.

ABIA STATE: The Abia State Government Oil Producing Areas Development Commission (ASOPADEC) was established to intervene in oil host communities and 30% of the 13% derivation fund was stipulated for the commission. It has a website but mostly dedicated to commissioned projects and educational scholarships.¹³ Barely two weeks from the artisanal oil refinery which occurred in Imo state killing over 100 persons, a similar incident occurred in early May and 10 persons have been reported dead with several others injured or maimed in Uzuaku community, Ukwa West LGA, Abia state.¹⁴

From the abandoned projects we have a sense of the numerous projects being carried out. For example, the Asa Development Union in Abia state has lamented the persistent cases of abandoned projects saying the projects have not benefited the local communities. Some of the abandoned projects included construction of district hospital at Obokwe-Asa, construction of Umuaka-Obokwe-Asa internal road, Umuituru Ozar central school road, (allegedly awarded twice and not executed), Ukanafun (Akwa Ibom), Azumini-Obehie-Owaza (Abia), and Etche (Rivers) dual carriage highway abandoned at the boundary between Ukwa East and Ukwa West LGAs, and Umudobia-Owaza Housing Estate. However,

¹⁰Uzoma, J. (2021) ISOPADEC completes 13 projects in one year, 38 near completion. Tribune, 5November.<https://tribuneonlineng.com/isopadec-completes-13-projects-in-one-year-38-near-completion---md/>

¹¹Osuji, C. (2022) Abaezi forest explosion, national tragedy foretold, but not averted. Guardian, 1 May.

¹²Osuji, C. (2020) Panel indicts Okorochoa, reps over N6b ISOPADEC funds fraud. Guardian, 9 January.

¹³<https://asopadec.ab.gov.ng>

¹⁴Oko, S. (2022) 10 feared dead as explosion rocks illegal refinery in Abia. VanguardNews, 9May.

17 post graduate scholarships, 125 admissions into tertiary institutions and opportunity to access admission in Abia university and school fees put at about N25million were secured.¹⁵

Source: Author, compiled from various sources.

4. Oil Producing Commissions and Projects Impact

If the commissions' work is wide ranging, what impact are they making in the communities? The findings show that the commissions recorded some impacts because actual projects executed by the commissions exist and are currently benefitting the oil host communities. Across board, one area the commissions are making high level impact is in the educational sector, schools building, scholarships and bursary awards to students in tertiary institutions indicating a clear priority area (see Table1). Rather surprisingly, 80% of the respondents said the completed projects were directly or indirectly beneficial to the communities. Another area of impact is in road construction (see also Table 1). According to some commissions' officials, roads that were hitherto inaccessible have been constructed for easy access which opens up the communities and makes mobility of humans and goods a lot easier than before.

Further, the provision of security gadgets which supports the fight against piracy, terrorism and other criminalities has brought a level of peace in some of the communities. Together, the work of the commissions is best appreciated as complementing government efforts to fast track the provision of basic infrastructural provision and benefits to the goose that lays the golden egg, stated by one staff of the commission. Similarly, a study conducted on the DESOPADEC projects show significant impact in the development of host communities through the construction of various roads and the provision of boreholes supplying water which provided easy access to water and the reduction in water related diseases that have led to improved standard of living in the oil bearing communities.¹⁶

That said, a major reason for beneficiaries attesting to projects impact arises from the grinding poverty prevalent in the rural communities often without basic infrastructure. Thus, whatever is done to fill the gap of development was seen as beneficial and impactful but minimal in transforming the socio-economic development strides of the oil producing communities. 20% of the respondents stated that, it is difficult to assess the commissions projects benefits because there are no indicators to measure success.

Another study focusing on DESOPADEC was localized and covered six oil producing communities in Itsekiriland.¹⁷ The study shows that many projects, including hospitals and health centre were ill-equipped, lacking medical personnel, or completely abandoned infrastructural projects. In some instances, the physical structures were overtaken by weeds. Some community folks have suffered from preventable diseases and died as a result. According to the study, DESOPADEC had awarded a contract of N25.8m to Emitoj Nig Ltd for landscaping, fencing, and construction of a generator house for the health centre at Obodo community in Warri. Both the health centre and the generator house were abandoned

¹⁵Ihegwuruike, C. (2020) Abia communities hot NDDC over abandoned projects, labels ASOPADEC conduit pipe. The Examiner, 25 April.

¹⁶Boye-Akelemor, E.E., Otto, G. &Ohale, L. (2018) Delta state oil producing areas development commission (DESOPADEC) provision of social amenities and the development of oil host communities in Delta state. *PALGO Journal of Business Management*, Vol. 6, Issue 1, pp163-168.

¹⁷Iruoma, K. (2019) Investigations: How DESOPADEC awarded contracts to fictitious firms, littering oil-producing communities with abandoned health centres. 28 December. Source: <https://www.rcdij.org/investigation-how-desopadec-awarded-contracts-to-fictitious-firms-littering-oil-producing-communities-with-abandoned-health-centres/>

as at the time of the report. Other places of abandoned projects and health care facilities included Egbokodo, Ogidigben, Madangho in the Excravos area.

To address the persistent problem of abandoned projects and non-payment of contractors, the DESOPADEC Indigenous Contractors and Stakeholders Forum (DICSF) staged a peaceful protest to the office of DESOPADEC in Warri March 31, 2022.¹⁸ Their grievances included the non-payment for contracts executed with verified payments certificates leading to a backlog of unpaid contractors. Some of the placards of the aggrieved contractors read, “pay us our monies oooo”, and “contractors are dying, please pay us”, among others.¹⁹ In the report, the Chairman of DISCF stated that the management of the Commission “refused to pay them their money despite all entreaties.” Similar situation exists in some of the commissions such as in the case of Imo and Ondo states with delays in the payment of contractors and bursaries.

5. Lack of Local Participation in Project Planning and Delivery

The commissions maintain project planning and development departments with the responsibility to conceive, plan and develop projects, consultancy procurement and preparation of contract documents.²⁰ This is done through town hall meetings and stakeholders’ engagement to carry out sensitization and mobilization, needs assessments and projects prioritization. Although communities are not directly involved in the implementation, however, in the case of EDSOGPADEC, community members are actively involved in the monitoring and evaluation in the case of road construction where communities nominate a liaison officer for this purpose.

However, the lack of participatory planning to project delivery means that communities are sometimes not directly involved in project planning and implementation as well as allocation and use of the derivation fund. Projects developed are subjected through the procurement process thereby effectively cutting out local participation. The lack of local participation beyond “stakeholder’s consultation for few hours” in the project cycle is a major weakness of the commissions’ work. 80% of the respondents stated that the communities were not involved in the design and implementation of the projects hence, they knew very little about them. Some respondents stated that projects are sometimes conceptualized by ‘politically connected big shots’ or influential persons and presented to the commissions that then award these projects to the connected person who conceived it. A Town hall ‘consultation’ meeting may be organized by contacting community chiefs or powerful and influential persons in the communities to legitimize the process and obtain their buy-in. This has denied them any influence and sense of project ownership that could help to minimize the increasing rate of white elephant projects and abandoned projects.

Local participation and involvement in project design and decision making is important to the sustainability of the projects because it promotes co-ownership, joint decision making, and mutual respect. The lack of participatory approaches to development means that project planning is top down rather than bottom up with serious implications for project outcome.

¹⁸Onoyume, J. (2020) Nigeria: DESOPADEC urged to revisit abandoned projects, timely payments to contracts. 4 August. Source: <https://www.rcdij.org/investigation-how-desopadec-awarded-contracts-to-fictitious-firms-littering-oil-producing-communities-with-abandoned-health-centres/>

¹⁹Urowayino, J. (2022) DESOPADEC indigenes contractors protest over alleged non-payment. Vanguard. Friday, 1 April.

²⁰ See also: <https://osopadec.gov.ng/departments/project-planning-and-development/>

6. Commissions Lack Comprehensive/ Actionable Work plans

There is a lack of a comprehensive or actionable work plans developed in partnership with the people in a short and long-term basis. This means that projects choices and funds allocated to such projects could be unduly influenced or utilized for political patronage. 90% of the respondents stated that the commissions' work plan and budget were not developed in partnership with the oil producing communities; however, 10% said they were aware of the consultations for projects selection.

An inclusive and participatory process is needed in conjunction with host communities for developing 5-10-year work plans with the benefit of interagency planning and interlinkages of projects to avoid working in silos. However, in Edo state, EDSOGPADEC officials stated that their collaboration with SUBEB in building schools and providing universal basic education has leverage resources and accelerated progress. Also, OSOPADEC partnered with banks, construction companies, and oil companies to leverage resources.

7. Commissions' structure and membership of the Board

Apart from operational challenges some structural gaps in terms of the board's membership were also identified. Some respondents stated that the current structure of the commissions has not been effectively meeting the needs of oil producing communities. Although the law provides for indigenes of oil producing areas/communities to be members of the board, this was not strictly adhered to. In some states such as Imo, Delta and Edo states, membership of the commission is not exclusive to oil producing areas. In fact, Imo and Delta states membership is drawn from each local government area and it is not clear the wisdom behind this if not to short-change oil host communities. The manner of commissioners' selection is seen by many as political compensation to party loyalists hence in some states, representatives of oil-bearing communities were marginalized and left out in the membership of the oil producing commissions.

The sidelining of village communities in managerial positions cut across every state, strata and signals marginalization that should be addressed. There is the need to ensure that oil producing wards/LGAs are considered to be part of the commission members who often decide on project priorities. Also, civil society should be given the space to nominate representatives into the Boards of the Commissions. This will provide some level of expertise and improve transparency and accountability in the management and operations of the commissions.

8. The Personnel of the Commissions

Personnel are a key component that will make or mar any organization. The study shows that the way the personnel were hired negates due process. While some staff was seconded from the civil service, others hired lacked the prerequisite experience for rural development work. 90% of respondents stated that some staff of the commissions are not qualified to conduct rural development work because of the manner of their employment that was done in secrecy and not based on merit. In most cases, there was no public advertisement for staff recruitment hence hiring process was subject of nepotism or political gratification. *Staff recruitment should follow due process with emphasis on rural development. Also, staff capacity building and in-service training are required to build their capacity for project delivery while involving development practitioners to evolve development planning and delivery through participatory approaches.*

There appears to be a high propensity to spend more on recurrent costs and overheads within the commissions. Recently, DESOPADEC’s introduction of biometric verification of staff saved N380 million that had been part of their wage bill.²¹ Some respondents interviewed stated that a high percentage of the fund received are dedicated to overheads and recurrent expenditure, rents and miscellaneous, thereby leading to reductions in the budget for capital projects.

9. Commissions Budget and Disbursements

There have been some concerns over the 13% derivation funds allocated to the commissions. Table 2 shows the 13% derivation fund that has accrued to the Niger Delta States from 2016 - 2021 and the share that accrued to the respective oil and gas commissions based on the percentage dedicated to them as specified in the enabling laws that established the various commissions. The Table shows that over N458 billion was disbursed to the five states commissions under review. The breakdown shows that Delta State Oil Producing Areas Development Commission (DESOPADEC) got the highest derivation amounting to N368,925,390,401.89, followed by Edo State EDSOGPADEC and Ondo OSOPADEC with N32,739,699,122.21 and N32,039,143,625.11 respectively. While Imo state ISOPADEC received N16,336,766,868.11, Abia State ASOPADEC got the least amount of N9,215,755,480.38.

Table 2 showing funding to the Oil and Gas Commissions					
YEAR	STATES				
	ABIA	DELTA	EDO	IMO	ONDO
2016	1,732,590,368.52	43,509,165,365.91	3,487,729,176.89	1,914,703,017.45	10,472,652,121.71
2017	4,386,945,557.50	90,840,643,535.49	8,885,503,266.03	3,916,884,253.51	15,538,448,385.42
2018	7,889,575,831.68	168,984,674,278.94	20,747,262,356.10	6,415,652,044.62	18,237,678,799.11
2019	6,883,927,695.41	165,743,843,505.71	18,331,195,461.57	9,792,403,216.42	13,529,650,111.84
2020	5,000,120,945.95	125,509,348,331.71	13,121,996,566.21	8,673,595,823.83	10,646,023,479.60
2021	4,826,024,535.55	143,263,105,786.02	17,275,560,978.72	10,128,678,814.46	11,673,406,165.08
TOTAL	30,719,184,934.61	737,850,780,803.78	81,849,247,805.52	40,841,917,170.28	80,097,859,062.77
APPLICABLE %	30%	50%	40%	40%	40%
ALLOCATION TO THE COMMISSIONS	9,215,755,480.38	368,925,390,401.89	32,739,699,122.21	16,336,766,868.11	32,039,143,625.11

Source: NBS - Compilation of FAAC Publication of Monthly Disbursement to States.²²

On the whole, the study shows that only an average of 40% of 13% derivation funds disbursed by the federal government got to the five commissions while the states retain the other funds.

10. Increased Funding for Oil Producing Areas Development Commissions

The question whether the commissions are poorly funded and would require increased funding met with mixed reactions. Some commissions’ staff stated, ‘we have done well. If we receive more funding, we will do more.’ While there was consensus by the respondents across the five states demanding increased funding, however, the modalities canvassed differ.

²¹Okafor, L. (2021) DESOPADEC saves N380m from biometrics, unveils projects, Guardian. Source: www.guardian.ng/news/desopadec-saves-n380m-from-biometrics-unveils-project

²²Source: National Bureau of Statistics (NBS) Compilation of FAAC Publication of Monthly Disbursement to States - nigerianstart.gov.ng

First, only 20% of the respondents agreed to increase the funding by increasing the 13% derivation principle to between 25% and 30% if they are to make greater impact on the lives of the people. From the foregoing, there is the need to take cognizance of the fact that oil price fluctuations and price shocks contribute to the uncertainties about funds allocation to the commissions.²³ Oil prices are high right now but because of oil theft, artisanal oil refining and sabotage, Nigeria is struggling to meet its Organization of Petroleum Exporting Countries (OPEC) quota and could only produce 1.238mbpd in March 2022 down from over 2.5mbpd with plans to improve production to 4mbpd.²⁴ The dwindling national oil revenue will in turn impact on the amount disbursed to the commissions.

Secondly, 100% of the respondents are unequivocal that fund accruing to the commissions from the 13% derivation should be increased to between 60-70%. This will require amendment to the enabling laws that set up the respective commissions. While the effort of the state governments are recognized in using part of the fund to combat ecological challenges and other development needs in the non-oil producing communities.

From the analysis, increased funding for the commissions is important if the massive infrastructural and social development deficit that faces oil producing communities are to be adequately addressed.

11. Lack of transparency and accountability

In general, there are evidences of transparency initiatives related to maintaining websites and social media outreaches. There are also contacts and telephone number and emails made available to the public but responses to inquiries were low. Further, most of the websites were not properly set up and not functional. The websites display old or stale information and are not regularly updated. The commissions maintain the lists of projects executed but they are not uploaded or updated. Further, the more fundamental documents such as procurement details, quarterly and annual reports and audited accounts exist but they are not uploaded to the websites or made available to stakeholders. For example, it is mandatory for EDOSGPADEC to provide quarterly reports but it is made exclusively to the executive governor of the state. **Published accounts of the amount received on a monthly basis and aggregate sums per annum will provide real time information and transparency.**

If transparency was low in the commissions operations, accountability fared worse. The commissions' duty-bearers willingness and commitment to accountability through stakeholders' engagement were scant and even non-existent. The commissions' consultation with communities during project planning phase is not replicated for accountability purpose. Also absent were citizen's knowledge, ability and willingness to sanction the commissions' officials through formal and informal spaces on cases of underperformance, mismanagement of funds, and other operational lapses. Since neither the duty-holders nor duty-bearers show willingness and capacity to devolve accountability, statutory provision that addresses this vacuum is required. This will include mandatory meetings between the commissions and the target communities involved.

12. Conclusion and Recommendations

Despite the shortcomings of the oil producing areas development commissions, there is evidence of their relevance in the development of oil host communities and improving the quality of lives. The following recommendations are made to improve the operations of the commissions' legal and administrative

²³ ANEEJ (2015) Coping with oil price shocks: A civil society perspective.

²⁴Nigeria oil production rate for March 2022. Source: www.tradingeconomics.com

structures to enhance effective and efficient project delivery in the host oil communities. Some of the recommendations seek strict compliance to relevant laws while others are seeking reforms to addressing the gaps identified. The recommendations are directed to the levels of governments, the commissions, civil society, and oil bearing communities requiring concerted efforts of stakeholders that could reverse the resource curse associated with oil.

To the State Houses of Assembly

Improved funding: The states houses of assembly should consider review the respective laws setting up the various commissions to increase the percentage from the current level to between 60 – 70%. This way, more funds will be available to the commission for advance the development of oil and gas producing communities.

Oversight: The states house of assembly should increased their level of oversight on the commission to ensure that they deliver on their mandates. This will also support the timely delivery of projects and the reduction of incidents of abandoned projects as reported in some states.

Membership of the Commissions' Boards: Law reforms to ensure that indigenes of oil host communities should have a say in the nomination/appointment of their representatives in the commissions. Provisions of the law should be amended to reflect the number of specified commissioners to be narrowed to oil producing communities and indigenes. This is because some of the commissions carry a huge financial burden by the number of serving civil Commissioners provided for by the enabling laws, and have over-bloated workforce which takes a huge chunk of overhead costs.

The amendment should also specify a role for civil society organisations such as membership of the board, members of project monitoring committees and other relevant committee of the commissions.

To the Executives /Commissions

Participatory Development Model for the Commissions

Local participation beyond stakeholder consultation meetings should be improved by adopting a participatory planning approach that encourages bottom-up rather than the current top-down model of development. This approach will help to prioritize project so that the commissions do not become all-purpose agencies that are thinly spread out.

Develop short and long-term community development work plans using participatory approaches that will promote community ownership geared towards enhancing rural livelihoods, education, and health and water delivery infrastructure.

Ensure inclusive participation that encourages gender mainstreaming within the structures of the commissions and membership of the boards. The commission's project should also reflect inclusion. For instance, public building built by the commission should allow access by persons with disabilities in line with the national disability act.

Ensure public awareness raising on the commissions projects, impacts and challenges to bridge the information gap

The leadership of the commission should also open social media platforms while in office (as official handles) and use such platforms to update the public on the commission's activities.

Encourage counterpart funding with NDDC, banks and other development agencies to increase budgets for capital projects and ensure scaling up of projects with regional focus and harmonized project deliveries to allow for counterpart funding with other agencies for greater impact and outreach.

Involve CSOs in the project monitoring framework of the commission like setting up joint monitoring committees comprising CSOs, host communities and the commission's M&E staff. This can also offer independent view on the commission's projects.

Transparency and accountability measures: Ensure that transparency and accountability measures are put in place including functional websites, maintenance of comprehensive database of projects including funds receipts and disbursements.

Ensure the publication of periodic reports to enhance awareness of the public and feedback mechanism to target groups including showcasing achievements on a quarterly basis.

Capacity building for the commission's board members and staff to ensure that they commit to the tenets of transparency and accountability.

To the State government

- ✓ Support the review of the commission's law to increase the share of 13% derivation fund from the current level to a minimum of 70%
- ✓ Assist to streamline the scope of the commission's projects for maximum impact. The scope of the projects were too broad for the commissions, there should be a framework to specify what the 13% derivation fund should be used for, best practice should be researched.
- ✓ Reduce political interference and support the building of highly specialized and professional commissions that will serve the interest of the oil and gas producing communities to deliver quality services.

To Civil Society Groups. Media and Communities

- ✓ CSOs should advocate for the increase of derivation fund from its present 13% on a long-term basis. The agreement at the 1995 constitutional conference had framed 13% as the minimum that should go to oil producing areas.
- ✓ CSOs should lead the way to ensure that those states yet to establish oil producing commissions do so immediately to see that oil producing communities get special attention.
- ✓ **Developing guidelines and best practice for the use of the 13% derivation fund.** There was consensus that the 13% derivation fund has not been properly managed and that transparency and accountability was lacking. **Respondents agreed that best practice and guidelines on how to utilize the 13% derivation fund should be designed to support the work of the commissions.** The guidelines should include the following:
 - ✓ **Scope of project delivery and impacts.** Project streamlining as the scope of the projects were too broad for the commissions, there should be a framework to specify what the 13% derivation fund should be used for, best practice should be researched, this will promote maximum impact.

- ✓ Ensure that the commissions conduct needs assessment using participatory techniques of development with community development experts.
- ✓ engagement with the governors regularly to address the issues of political interference and interest of political leadership.
- ✓ Address the absence of a monitoring framework with CSOs and communities inclusion hence the commissions should set up a framework that will facilitate the participation of CSOs and community representatives in project monitoring and reporting.
- ✓ Encouraging communication between host community and the commissions

Host communities should work with the commission to ensure that projects in their jurisdiction are protected against theft and vandalism

Host communities can also support the project monitoring framework of the commissions and provide independent feedback to the commissions.