**KEY NOTE ADDRESS DELIVERED BY THE HONORABLE MINISTER OF STATE FOR PETROLEUM RESOURCES, DR. EMMANUEL IBE KACHIKWU AT THE 17TH INTERNATIONAL HSE BIENNIAL CONFERENCE ON THE OIL & GAS INDUSTRY IN NIGERIA.**

**PROTOCOLS**

Distinguished Ladies and Gentlemen, permit me the honour of welcoming you to the 17th edition of our all-important International HSE Biennial Conference on the Oil & Gas Industry in Nigeria.

This is a renowned and highly-professional forum for pooling ideas and research findings for the incubation of enduring and life-changing initiatives, perhaps this edition of the conference could not have come at a better time, to stimulate and contribute to the imminent repositioning of the Nigerian Oil and Gas Industry and the entire national economy at these straitened times. And if anyone is still not convinced about either the potentials or the actual achievements of this great gathering of intellectuals and seasoned industry experts, may I quickly take you down the memory lane of some unique and sometimes amazing contributions of this forum not only to the Oil and Gas Sector but to the entire national life.

To start with, this Conference, which has been acclaimed the maiden HSE conference in Nigeria, commenced in 1979, making this edition the 17th in the series. Only a very few know that the popular monthly national Environmental Sanitation Day, which subsists till date, took its origin from this Conference. The establishment of the Federal Environmental Protection Agency (FEPA) and by implication, the subsequent establishment of the respective State Environmental Protection Agencies was an initiative jointly agreed at an edition of this innovative conference. Other high-profile achievements of the Conference include:

* + - Establishment of the National Oil Spill Contingency Plan and by extension, National Oil Spill Detection and Response Agency (NOSDRA);
    - The development of the Environmental Guidelines and Standards for the Petroleum Industry in Nigeria (EGASPIN);
    - The establishment of the Ecological Fund, which later formed the basis for the conceptualization and establishment of the Derivation Fund for the oil producing states;
    - The promulgation of the Environmental Impact Assessment (EIA) Decree/Act;
    - The implementation of an offshore and swamp area personnel safety, competence, and accountability system (Offshore Safety Permit – OSP);
    - Establishment of standardized in-country Safety Training Centers;
    - The creation of the Nigerian Environmental Society (NES), and several other NGOs on environmental protection.

The theme of this year’s conference is **“Integrated Security Approach, New Strategies and the Way to go in the Nigerian Oil & Gas Industry”**. This theme was carefully chosen to reflect the current security situation in the Niger Delta.

Distinguished ladies and gentlemen, the days of speculating the potential effects of the security challenge in the oil fields on our national economy are gone. Today, we live in its reality, and not a single sector of the economy is spared of its crunch. Sustained vandalization of production facilities has led to shut-ins and deferments, which in turn has drastically declined oil production and export figures, with concomitant economic losses and reduction in foreign direct investment (FDI) to the nation. Let us add to that, the far-reaching effects of the environmental pollution arising from oil spills. Apart from the degradation being suffered by the affected lands, we are surely going to expend valuable resources later in clean-up and remediation. There is also the inevitable cost of repairs and maintenance of sabotaged facilities, not to mention some irredeemable losses like injuries, fatalities and the trauma associated with kidnap cases. There is no exaggerating the pervading effects of the security situation in our oil fields. Still, mere recounting and lamenting the effects may not help much except to identify the immediate and remote causes with a view to addressing them with all the deserved viguor.

While the Ministry of Petroleum Resources will not claim to have an exhaustive list of causes, we do have a sizable list and the top item is marginalization, both the real and the perceived. Enlightenment should be enough to clear what is perceived, but real marginalization, wherever it exists, needs more profound strategies. Local communities in most field locations feel excluded from the scheme of things, especially when they hear that some communities are already enjoying the initiatives of a few companies who have raised the status of their host communities from being recipients of intermittent social responsibility handouts to becoming actual enterprise and fiscal stakeholders. Other causes exist. There are complaints about unfulfilled Global Memoranda of Understanding (GMOU) with operators, or agitations for employment opportunities by locals, which is sometimes complicated by a dearth of local capacity. Agitations against environmental pollution are not uncommon, but occasionally operators do suffer aggressions that spill over from mere communal clashes for supremacy and authority over landed assets. However, the one security challenge that is simply unlawful and unacceptable, but nonetheless confounding and intractable is the greed and audacious action of pure and plain criminals and economic saboteurs who possibly have no legal stake in the land of the oil field, the landed properties, or the assets underground.

As we are all aware, particularly with the increased determination of the current administration and personal concern of Mr. President, governments over the years have made efforts to curb the security menace. However, as we are also aware, the menace, particularly the criminal angle, keeps increasing in sophistication as the government brings new solutions. Among government’s efforts, the establishment of agencies such as Niger Delta Development Commission (NDDC) and Ministry of Niger Delta is still fresh in our minds. The approval of the initiative of the thirteen percent (13%) derivation fund to oil producing states was strategic. There was also a strong purpose behind government’s escalation of internally generated revenues (IGR) to the Niger Delta states.

Ladies and gentlemen, government is not deterred, and is therefore not resting on its oars in reaction to these challenges. While sustaining established remedial strategies, new ones are being considered on a continual basis and the scope of consultation is continuously being widened. The path of dialogue is perpetually opened to all relevant stakeholders, and to the host communities in particular, in addition to the established avenues for receiving their routine complaints and petitions against any licensed operators.

Even though painful, the government will authorize our scarce funds to be disbursed to clean up all the avoidable spills, including the willful and needless ones. The government will also prevail on operators to implement genuine GMOUs with their host communities and encourage them to do new ones or whatever it takes to make the communities better integrated into the scheme of things around their locations in order to create an overall sense of belonging that can only engender mutual understanding and a secure atmosphere.

The deployment of relevant security technologies is currently being considered, such as facilities and pipeline aerial surveillance.

Furthermore, Government will strengthen environmental regulations, eliminate multiplicity of regulators and the surreptitiousness of operators that engenders community agitation. To this effect, MOUs will be worked out between the DPR and the Federal Ministry of Environment and its agencies. The temporary economic situation notwithstanding, the Ministry, through the DPR, is set to emplace sanctions and deterrent charges on avoidable pollution and discharges, while the sustenance of the no-compensation policy on willful damages to oil and gas facilities will be accorded higher priority.

Distinguished guests, the foregoing are some of the past, present and future efforts of government to address the pervasive security concerns of the industry that seem to be escalating, elusive and intractable. However, rather than declare that the established efforts have failed, or be skeptical about the workability of the newly proposed ones, government is believing that certain catalysts are required to galvanize the gains of all such efforts into effective and sustained results. This is a challenge I’m throwing to this gathering of seasoned intellectuals and industry veterans. I’m inviting us to use the unique platform presented by this impressionable conference to rub minds and act in tune with the conference theme to produce enduring solutions that will not only advance the global petroleum industry, but one that will reposition the Nigerian Oil and Gas Industry to attain its fullest potential and propel our national economy to prepare for what’s beyond the curve.

Thank you for listening.