**ADDRESS DELIVERED BY THE HONORABLE MINISTER OF STATE FOR PETROLEUM RESOURCES, DR. EMMANUEL IBE KACHIKWU AT THE 18TH INTERNATIONAL HSE BIENNIAL CONFERENCE ON THE OIL & GAS INDUSTRY IN NIGERIA.**

**PROTOCOLS**

* **The Chief Guest of Honour, His Excellency the Vice President of the Federal Republic of Nigeria Professor Yemi Osinbajo**
* **The Distinguished Senate President, Dr. Bukola Saraki**
* **The Honourable Speaker of the House of representatives Yakubu Dogara.**
* **The Executive Governor of Lagos State, Mr. Akinwunmi Ambode.**
* **The Honourable Minister for Niger Delta Affairs Usani Uguru Usani**
* **The Honourable Minister of State for Environment Ibrahim Usman Jibril**
* **Distinguished Senators and other Members of Parliament here present**
* **Permanent Secretaries**
* **CEOs of Oil and Gas Companies and Service Providers**
* **Captains of Industry**
* **Gentlemen of the Press**
* **Research Institutions and Students**
* **Potential Investors**
* **Distinguished ladies and Gentlemen**

Permit me the honour of welcoming you to the 18th edition of our all-important International HSE Biennial Conference on the Oil & Gas Industry in Nigeria, this time with the theme: “Driving Sustainability in the Oil and Gas Industry through Improved Stakeholders’ Environmental Stewardship”.

This International HSE Biennial Conference is a renowned and highly-professional forum for pooling ideas and research findings for the incubation of enduring and game-changing oil and gas policy initiatives. Perhaps this edition of the conference could not have come at a better time, first to allay the popular fear that the days of oil and gas as an international commodity and energy source are over, and secondly, to stimulate new ideas on sustainable ways of developing this resource in a manner that will both prolong its acceptability as an energy source and also help the nation reap optimal benefits. In view of stiff competition from other oil producing and exporting nations, we also face the daunting challenge of repositioning the Nigerian Oil and Gas Industry and the entire national economy to remain competitive at these difficult times. Since one of the strongest arguments put up by advocates against fossil fuels centres around environmental conservation, I am particularly pleased to identify with this HSE Biennial Conference as a platform for demonstrating that oil and gas business sustainability can still be achieved through the use of smart and innovative HSE best practices that ultimately benefit the environment and all stakeholders. 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 first and largest HSE conference in Nigeria, commenced in 1979, making this edition the 18th in the series. Only very few people realise that the popular monthly national Environmental Sanitation Day, which subsists in some parts of the country 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 Centres;
    - The creation of the Nigerian Environmental Society (NES), and several other NGOs on environmental protection.

Back to the theme of the conference: “Driving Sustainability in the Oil and Gas Industry through Improved Stakeholders’ Environmental Stewardship”. This theme which was thoughtfully agreed by all stakeholders aligns with the vision of this administration to convert the environmental challenges to great opportunities in this industry. I will like to briefly highlight a few of such initiatives.

Environmental Sustainability is a key component of the Seven Big Wins initiative of the President Muhammadu Buhari Administration for the Oil and Gas Industry. With the continuous inflow of statistics from the DPR highlighting the gory state of affairs on gas flaring and the failure of previous efforts to end the menace, this ministry had to come up with new initiatives to truly incentivize the flare-out policy by creating the new National Gas Policy. The policy is aimed at ensuring that all currently flared gas, including those previously considered as non-technically feasible and non-commercially viable, is gathered and utilised for various economic utilities that are financially rewarding to the producers, the collectors and interested investors that then convert it for power generation, petrochemicals and other beneficial uses. Aggressive efforts are being made within the ambits of HSE sustainability to convert more gas to LNG through new and existing investors to retain Nigeria in its currently threatened fourth position as an LNG exporter. Our push for the increased investments in modular and conventional refineries is not only targeted at helping the nation benefit from its resources by providing products to the entire West African sub-region, but also essentially to stop the scourge of local unconventional artisanal refineries that has led to massive oil spills that have been hard to manage for nearly a whole decade. And, indeed, if anyone has new innovative ideas for improving the science of local refining initiatives, the DPR has been directed to listen to same, improve and license it, perhaps we may end up developing local technologies that can be exported, provided the HSE content meets acceptable international standard.

In favour of our teeming host communities, we keep encouraging the oil companies to continue to elevate your status from that of observing stakeholders to participating ones. We will not relent.

Through data being tracked at the DPR’s National Data Repository, we have observed over the years that the downstream sector has overtaken the upstream sector in accident frequencies, seriousness and causalities. Our quick response to that is an initiative called the “Minimum Industry Safety Training for Downstream Operators (MISTDO)”, which is to be launched shortly, after necessary finetuning, since our statistics indicated that most of the recorded incidents in that sector are traceable to low level of HSE awareness and requisite training.

To further boost oil and gas operations sustainability through HSE readiness, this Ministry is leaving no stone unturned. The National Data Repository at the DPR has been given further capacity by introducing a robust GIS (Geographic Information System) platform for real-time visual monitoring and analyses of HSE statistics with support from best-in-class Microsoft Azure Cloud Computing Servers. That also implies that very soon, all reporting to the DPR by the oil and gas operators shall be online and real-time.

To bring these initiatives to a zenith, it will please you to know that The Vice President will shortly be launching three important regulatory documents that have been long awaited by the industry and are aimed at further entrenching HSE best practices in oil and gas industry operations. These regulatory documents are a culmination of the collaborative efforts of the Department of Petroleum Resources, Industry operators and other stakeholders and we are indeed delighted to have the honour of the Vice President being personally present to launch these documents.

Despite the above elating success stories, there are other areas where we as an industry can better demonstrate sustainability. Through the DPR, I had directed the use of deterrents against indiscriminate discharge of wastes, particularly the humongous volumes of produced formation water that go into our sensitive rivers, creeks and coastal waters continuously over the years. The Progressive Discharge Deterrent Charge (PDDC) was instituted in 2016 to discourage such discharges and incentivise the adoption of acceptable alternative solutions. However, the economic downturn of 2016 and the global fall in crude oil prices led to a temporary suspension of the PDDC to allow for business to adjust to the changing investment climate. In the intervening period however, the DPR has worked with a number of operators who have either drastically reduced or eliminated their discharges by applying alternate options. These successes have further strengthened our conviction that as an industry we can achieve better results with oilfield waste management and I am therefore reinstating the PDDC regime and directing that the DPR resumes the application of charges in January 2019.The PDDC regime shall also recognise and reward companies that demonstrate a firm commitment to good oilfield waste management.

Oil and Gas operations take place in often difficult and remote terrains. In a bid to promote safety of all oilfield workers the Ministry of Petroleum Resources had through the DPR initiated a Personnel Accounting System for the oil and gas industry to ensure that all offshore oil and gas workers acquire the necessary training to safely travel to and work in our offshore oilfields. The Offshore Safety Permit (OSP) was thus borne out of this necessity. While the OSP regime has been in place for a few years now, and compliance levels are quite high, it has become expedient to push for the full implementation of all aspects of the OSP Policy and to that end, I am further directing that the “No OSP no Offshore Travel” policy currently being implemented by the DPR be given the full weight of law and that starting from January 1st 2019, no oil and gas worker shall be allowed to travel to or work in our offshore oilfields without the OSP Card and the requisite HSE trainings.

On a final note, permit me to say that sincere sustainable development starts as an attitude and a willingness, and not as a reaction to the force of law. While this Ministry is committed to using all available instruments to achieve results in view of the impending threats to the industry, I like to reiterate that a willing operator with the right attitude to sustainability and environmental stewardship is our preferred operator. All other stakeholders may thus take a cue from that. I also urge you captains of industry here present to continue to accord HSE the highest priority in your respective organizations and to actively participate in all three days of this conference as a show of your commitment to HSE ideals.

On that note, I like to thank you all for listening and wish you a very successful conference.