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Letters

The financial allocation that will be needed for Niger Delta deal

From Mr Ejeviome Elohio Oloho,

Sir, An important rule regarding a promising solution to an intractable conflict or dispute is that it should have the potential to be acceptable to all relevant parties. The "Alpha solution to the delta conflict" (July 27) by Phillip van Niekerk and Dele Olojede does not meet that test. The approach of restructuring the ownership of the Nigerian National Petroleum Corporation (NNPC) so that local groups can have a stake in the hived-off upstream oil and gas production to be listed in stock exchange(s) has several limitations in the Niger Delta context.

First, realism teaches that the federal government, even a new one led by President Umaru Yar'Adua

who seems eager to address the Niger Delta problems, may be more willing to allocate more money to address the problems of the region than part with equity stakes in NNPC.

Second, the suggested approach conveniently ignores the fact that there are three inter-related dimensions to the Niger Delta conflict: economic (resource control); environmental (dealing with the cumulative impact and social (human rights issues). While the resource control component has dominated the public discourse, including at the national constitutional review conference in 2004, any comprehensive solution to the Niger Delta agitations must address the other components.

Third, there will be considerable difficulties in devising a corporate structure, from the hived-off upstream oil and gas sector, that will meet the need for equitable representation of the militants and various communities in the delta. It cuts across six states with diverse ethnic composition and an unequal level of oil exploration-related environmental degradation in various communities.

The federal government can do better by substantially increasing the financial allocation to the Niger Delta, by allocating such resources to decentralised trusts or funds for specific programmes in the delta, for example, physical infrastructure fund, social infrastructure fund,

environmental repair fund, and small to medium-sized enterprises fund,* by encouraging oil companies to contribute to these funds, and by creating federal-state governments and community governance structures to manage the funds. These structures will enhance government-community partnerships, stimulate competition among the various funds to produce results, generate jobs and give opportunities for militants to be represented on the boards.

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