**SPEECH BY NEITI EXECUTIVE SECRETARY, WAZIRI ADIO AT THE SUSTAINABILITY IN THE EXTRACTIVE INDUSTRY (SITEI) CONFERENCE, 15TH NOVEMBER, 2016 @ NAF CONFERNCE CENTRE, ABUJA**

I am delighted to be invited to participate in the Conference and to share thoughts with you on the work of Nigeria Extractive Industries Transparency Initiative (NEITI). I am particularly delighted for the opportunity to reflect on the impact of NEITI Reports on the on-going reforms and the wider implications for the economy.

NEITI is therefore glad to identify and partner with CSR-in-Action to organise the Conference. We also find the objective of the Conference consistent with the overall mandates of NEITI.

The discovery and extraction of natural resources in a resource-rich country like Nigeria has the potential to finance rapid national development, create jobs, reduce poverty, bring about peace and improve standard of living for the citizens. But experience has shown that utilizing these potentials by resource-rich nations including Nigeria has proved quite difficult. The opportunities that come with abundant natural resources in the oil, gas and solid minerals are quite often missed, misplaced and in most cases squandered. The experience of Nigeria is quite visible.

 The global Extractive Industries Transparency Initiative (EITI) being currently implemented in over 50 resource-rich around the world, including Nigeria is a global response to addressing these challenges. Nigeria became a member of this global initiative (EITI) in 2003, began implementation in 2004 and supported the initiative with a law in 2007. The overall objective was to address the syndrome of resource curse and ensure that our natural resource aid national development and poverty reduction.

NEITI carries out its assignment through independent reconciliation of payments by companies against government receipts and proving this information to the public. The expectation is that the citizens, especially the civil society and the media will use the information and data to hold government and companies accountable.

In this direction, NEITI has conducted six cycles of audits in the oil and gas sector covering the period 2004 to 2013, and four cycles of audits in the solid minerals sector covering 2007 to 2013. NEITI industry audits cover Physical, Financial and Process Audits. We have also conducted one cycle of Fiscal Allocation and Statutory Disbursement (FASD) audit.

NEITI is encouraged that the findings and recommendations of its various reports which were ignored over the years are gradually being implemented by the present administration as part of the on-going reforms of the sector. It is noteworthy that the restructuring of the NNPC is being handled by carefully selected Nigerians who currently man sensitive organs of the national oil company.

Other recommendations of NEITI reports being implemented include the cancellation of Domestic Crude Allocation, Oil Swap, and Offshore Processing Agreement (OPA), and its replacement with Direct Sale- Direct Purchase Arrangements by NNPC, as well as the replacement of oil subsidy with price modulation mechanism by the Corporation. There is also the restructuring of JV cash call payments and the review of expired MoUs. We are equally delighted that government has fully embraced the Treasury Single Account (TSA). The interest of NEITI is that over 70% of the revenues under TSA are derived from extractive industry and the TSA policy will help put wheels and breaks to ensure prudent utilisation.

Furthermore, the introduction of GIFMS by Office of Accountant General of the Federation and the development of Upstream Operational Manual by the FIRS, the recent directive by President Muhammadu Buhari on the remittance of loan repayment and dividends from the Nigeria Liquefied Natural Gas (NLNG) to the Federation Account are all direct fall out and benefits of NEITI activities.

The reforms so far in the extractive industry inspire a lot of hope and optimism. NEITI applauds the reforms so far carried out and expects that Federal government will implement all other outstanding recommendations in our reports. NEITI recommendations on Metering to adequately measure the quantity of crude produced, are among the key ones still pending. *“The 7 Big Wins”*  for the development of petroleum sector was recently launched. According to the Minister of State for Petroleum, “The 7 Big Wins” will grow the Nigerian oil and gas industry, develop a stable and enabling oil and gas landscape with improved transparency, efficiency, stable investment climate and a well-protected environment”. NEITI looks forward to its take off and effective implementation.

On the solid minerals sector, we conducted a scoping study which provided baseline information and data on who is doing what in the sector , what needs to be done to shift investors attention to the solid minerals industry. Our findings largely validate some available geosciences information and data available with the relevant agencies in the Mines and Steel development Ministry ignored over the years.

The roadmap already unveiled by the Ministry of Mines and Steel Development largely responded to NEITI’s Report findings and recommendations. The Road Map projects short and medium term priorities to grow Nigeria’s the solid minerals industry. We are working with the Ministry to ensure that the spirit of the Solid Minerals Development Road Map agrees with NEITI Act and EITI requirements.

The implications of the ongoing reforms in the oil, gas and solid mineral sectors for Nigeria’s economic recovery are huge if they are sustained. Furthermore, the new roadmaps in the oil, gas and solid minerals sector portend a lot of prospect for the industry with great opportunities for massive inflow of foreign direct investments, job opportunities. The potentials will help broaden the nation’s economic base by putting more Nigerians to work to raise our GDP and grow our fast depleting foreign reserve. Nigeria’s road out of recession will be in sight if priority attention is focussed on sustaining the reforms.

On our part at NEITI is available to provide advocacy based on research, knowledge, information and data to support the reforms. It is in line with this that NEITI, introduced two policy and advocacy documents “NEITI Policy Brief” and “NEITI Quarterly Review”. So far, we have produced and published two editions of NEITI Policy Brief, and one edition of NEITI Quarterly Review.

The first edition of the NEITI Policy Brief “*The Need to Know Who Owns What in Nigeria’s Extractive Sector”,* focused on the importance of beneficial ownership transparency and the need to publicly disclose the real owners of companies operating in Nigeria’s extractive sector in line with the EITI 2016 Standards.

The second edition *“The Urgency of a New Petroleum Sector Law”,* examined the resultant huge negative economic implications and revenues loss to the country over the delay to have the law in place.

The first edition of NEITI Quarterly Review looked at “FAAC Disbursements in First Half of 2016 and Possible Implications”. It revealed a trend of dwindling revenue at all levels of government, and highlighted its implications on budget execution, debt situation, security, governance and development. Both documents are available on the NEITI website: [www.neiti.org.ng](http://www.neiti.org.ng).

The objectives of these intellectually researched publications are to provide knowledge based debate, information and data sharing and ideas required to support the reforms. It is our hope that all stakeholders will explore these opportunities to contribute to the debate. Our goal is to see the Reports translate to results that will reflect visible impacts in the national economy, poverty reduction and revival of the economy.

We therefore call on those charge with the responsibility of implementing the seven big wins recently unveiled by the NNPC and the Road Map developed by the Ministry of Mines and Steel Development to execute the assignment with precision and every commitment. NEITI has every legitimate interest in the success of these reform programs.

Finally, we wish to thank SITEI for this platform and wish you all a fruitful deliberation.

Thank you for your attention.